

SENATE STATE MANAGEMENT, INVESTMENTS AND
FINANCIAL INSTITUTIONS COMMITTEE

STATEMENT TO

SENATE, No. 308

STATE OF NEW JERSEY

DATED: FEBRUARY 5, 1996

The Senate State Management, Investments and Financial Institutions Committee reports favorably Senate Bill No. 308.

This bill creates a Banking Law Revision Commission for the purpose of studying and suggesting revisions to existing laws affecting the establishment and operation of banks, savings banks and savings and loan associations in this State. With the passage of the federal "Riegle-Neal Interstate Banking and Branching Efficiency Act of 1994" and the advent of interstate branching, the general context of banking has changed dramatically necessitating a review and revision of the statutes.

The commission shall consist of seven members, two of whom shall be appointed by the President of the Senate, two by the Speaker of the General Assembly, two by the Governor, and the Commissioner of Banking, ex officio, or the commissioner's designee. The goal of the commission shall be to propose comprehensive revisions which, consistent with the interests of New Jersey consumers, will: (1) allow New Jersey-based financial institutions to compete effectively and efficiently in the changing environment of interstate and international banking; (2) eliminate inconsistencies between federal and State law; (3) provide for coordination with the laws of other jurisdictions affecting banks with branches in multiple jurisdictions; and (4) ensure that New Jersey is an attractive and productive location from which banks, savings banks and savings and loan associations may conduct business.

In the performance of its work, the commission may utilize consultants and shall be entitled to accept the assistance and services of employees of any department, board, bureau, commission, office or agency of the State Government as may be made available to it, and to employ legal, stenographic, technical and clerical assistance, and incur such traveling, printing, and other miscellaneous expenses as it may deem necessary in order to perform its duties and to disseminate its reports and proposals among those interested in the State. The aggregate of all expenditures for these purposes shall be within the limits of the funds appropriated or otherwise made available to the commission.

As soon as may be feasible, but not later than September 30, 1997, the commission shall prepare and submit to the Legislature and to the Governor one or more reports setting forth the text of any proposed revisions in the form of legislative bills and statements of the basic policy determinations involved therein.

The bill appropriates \$25,000 to the commission from the General Fund to carry out the purposes of this act.

This bill was prefiled for introduction in the 1996 session pending technical review. As reported, the bill includes the changes required by technical review which has been performed.