

# LEGISLATIVE HISTORY CHECKLIST

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## *LAWS of 1999*

**CHAPTER:** 81

**NJSA:** 17:13B-2

(New Jersey depository institutions - parity)

**BILL NO:** A505

**SPONSOR(S):** Zecker

**DATE INTRODUCED:** Pre-filed

**COMMITTEE:**

**ASSEMBLY:** Banking & Insurance

**SENATE:** State Government, Banking & Financial Institutions

**AMENDED DURING PASSAGE:** No

**DATE OF PASSAGE:**

**ASSEMBLY:** March 16, 1998

**SENATE:** February 25, 1999

**DATE OF APPROVAL:** April 30, 1999

### THE FOLLOWING ARE ATTACHED IF AVAILABLE:

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**FINAL TEXT OF BILL:** Original

(Amendments during passage denoted by superscript numbers)

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## **A505**

**SPONSORS STATEMENT:** *Yes*

(Begins on page 2 of original bill)

**COMMITTEE STATEMENT:**

**ASSEMBLY:** *Yes*

**SENATE:** *Yes*

**FLOOR AMENDMENT STATEMENTS:** *No*

**LEGISLATIVE FISCAL ESTIMATE:** *No*

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## GOVERNOR'S ACTIONS

**VETO MESSAGE:** *No*

**GOVERNOR'S PRESS RELEASE ON SIGNING:** *Yes*

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### THE FOLLOWING WERE PRINTED:

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**REPORTS:** *No*

**HEARINGS:** *No*

**NEWSPAPER ARTICLES:** *No*

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P.L. 1999, CHAPTER 81, *approved April 30, 1999*  
Assembly, No. 505

1 AN ACT concerning parity among New Jersey depository lenders and  
2 amending P.L.1981, c.4.

3

4 **BE IT ENACTED** by the Senate and General Assembly of the State  
5 of New Jersey:

6

7 1. Section 2 of P.L.1981, c.4 (C.17:13B-2) is amended to read as  
8 follows:

9 2. Notwithstanding any provisions of R.S.31:1-1 or any other  
10 statute to the contrary, any bank, savings bank, savings and loan  
11 association or credit union may charge **[a rate of interest]** any periodic  
12 percentage rate on the outstanding balance and include any other  
13 charges or fees on any class or type of loan **[at the rate of interest]** as  
14 permitted to any other lender by the laws of this State on that class or  
15 type of loan. Nothing in this act shall authorize any lender to make  
16 any loan it is not authorized by law to make, nor shall anything in this  
17 act apply to loans secured by a first lien on real estate on which there  
18 is erected or to be erected a structure containing one, two, three, four,  
19 five, or six dwelling units, a portion of which structure may also be  
20 used for nonresidential purposes.

21 (cf: P.L.1981, c.4, s.2)

22

23 2. This act shall take effect immediately.

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28 \_\_\_\_\_  
29 Permits parity among New Jersey depository institutions with respect  
to lending practices.

**EXPLANATION - Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and intended to be omitted in the law.**

**Matter underlined thus is new matter.**

# ASSEMBLY, No. 505

## STATE OF NEW JERSEY 208th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 1998 SESSION

**Sponsored by:**

**Assemblyman GERALD H. ZECKER**

**District 34 (Essex and Passaic)**

**SYNOPSIS**

Permits parity among New Jersey depository institutions with respect to lending practices.

**CURRENT VERSION OF TEXT**

Introduced Pending Technical Review by Legislative Counsel.



A505 ZECKER

2

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19 five, or six dwelling units, a portion of which structure may also be  
20 used for nonresidential purposes.

21 (cf: P.L.1981, c.4, s.2)

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23 2. This act shall take effect immediately.

24

25

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STATEMENT

27

28 "The State Bank Parity Act," P.L.1981, c.4 (C.17:13B-1 et seq.),  
29 was intended to permit even competition among New Jersey lending  
30 institutions (banks, savings banks, savings and loan associations and  
31 credit unions) by permitting all of them to charge a rate of interest  
32 permitted to any one or more of them. Recent court decisions have  
33 construed the statute to be limited only to the periodic percentage rate  
34 of interest charged on an outstanding balance. This bill provides that  
35 parity goes to other fees and charges such as, but not limited to, late  
36 charges and collection fees.

**EXPLANATION - Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and intended to be omitted in the law.**

**Matter underlined thus is new matter.**

# ASSEMBLY BANKING AND INSURANCE COMMITTEE

## STATEMENT TO

### **ASSEMBLY, No. 505**

# **STATE OF NEW JERSEY**

DATED: FEBRUARY 23, 1998

The Assembly Banking and Insurance Committee reports favorably Assembly Bill No. 505.

"The State Bank Parity Act," P.L.1981, c.4 (C.17:13B-1 et seq.), was intended to permit even competition among New Jersey lending institutions (banks, savings banks, savings and loan associations and credit unions) by permitting all of them to charge a rate of interest permitted to any one or more of them. Recent New Jersey court decisions have construed the statute to be limited only to the periodic percentage rate of interest charged on an outstanding balance. This bill provides that parity goes to other fees and charges such as, but not limited to, late charges and collection fees.

This bill was prefiled for introduction in the 1998 session pending technical review. As reported, the bill includes the changes required by technical review which has been performed.

SENATE STATE GOVERNMENT, BANKING AND FINANCIAL  
INSTITUTIONS COMMITTEE

STATEMENT TO

**ASSEMBLY, No. 505**

**STATE OF NEW JERSEY**

DATED: OCTOBER 15, 1998

The Senate State Government, Banking and Financial Institutions Committee reports favorably Assembly Bill No. 505.

"The State Bank Parity Act," P.L.1981, c.4 (C.17:13B-1 et seq.), was intended to permit even competition among New Jersey lending institutions (banks, savings banks, savings and loan associations and credit unions) by permitting all of them to charge a rate of interest permitted to any one or more of them. Recent New Jersey court decisions have construed the statute to be limited only to the periodic percentage rate of interest charged on an outstanding balance. This bill provides that parity with respect to interest charged includes other fees and charges such as, but not limited to, late charges and collection fees, which makes the understanding of interest consistent with the interpretation of interest given in a recent U.S. Supreme Court case.

*Office of the Governor*  
**NEWS RELEASE**

PO BOX 004  
TRENTON, NJ 08625

CONTACT: Gene Herman  
609-777-2600

RELEASE: April 30, 1999

Gov. Christie Whitman today signed the following pieces of legislation:

**ACS for A-1209**, sponsored by Assembly Members Joseph V. Doria, Jr. (D-Hudson) and Francis J. Blee (R-Atlantic), provides a supplemental appropriation to the Department of Military and Veterans' Affairs (MAVA) in the amount of \$50,000 for a pilot program to transport homebound veterans to and from Veterans Administration (VA) clinic sites and from the clinics to VA hospitals. The clinic sites are in Hackensack, Trenton, Fort Dix, Cape May, Elizabeth and Vineland.

**A-505**, sponsored by Assembly Member Gerald H. Zecker (R- Essex/Passaic), provides for parity among New Jersey depository institutions with respect to lending practices. The State Bank Parity Act of 1981 was intended to permit even competition among New Jersey lending institutions (banks, savings banks, savings and loan associations and credit unions) by permitting each lending institution to charge a rate of interest permitted to any other lending institution. Recent court decisions have construed the act to be limited only to the periodic percentage rate of interest charged on an outstanding balance. The bill provides that parity applies all other fees and charges such as, but not limited to, late charges and collection fees.

**A-1277**, sponsored by Assembly Members Alex DeCroce (R- Essex/Morris/Passaic) and Carol J. Murphy (R- Essex/Morris/Passaic), permits a board of education to use school facilities for child care services that are provided by either the board, a board approved sponsor, or a licensed child care program. The child care programs allowed under the bill will be available before or after regular school hours for any school age child who attends school within the school district. The bill supplements current law which permits school facilities to be used only for education purposes, library purposes, election purposes, the holding of social, recreational or civic meetings that are approved by the board or the holding of meetings or events where admission fees are charged, subject to the approval of the board.

**A-1581**, sponsored by Assembly Members Barbara Wright (R- Mercer/Middlesex), John C. Gibson (R-Cape May/Atlantic/Cumberland) and Joseph V. Doria, Jr. (D-Hudson) and Senators John O. Bennett (R-Monmouth) and Joseph F. Vitale (D-Middlesex), allows advanced practice nurses to order and prescribe controlled dangerous substances under limited circumstances to patients in end-of-life situations or with terminal illnesses. Under previous law, nurse practitioners had no authority to prescribe controlled dangerous

substances.

**A-1396**, sponsored by Assembly Members Steve Corodemus (R-Monmouth) and Tom Smith (R-Monmouth), repeals the \$2 per bushel surcharge on clams harvested through the depuration clam relay program in Monmouth County. Although the bill repeals the surcharge, it does not repeal the Monmouth County Clam Depuration and Relay Program Fund. The last two state budgets have included a \$150,000 appropriation to the fund.

**S-271**, sponsored by Senators Wynona M. Lipman (D-Essex/Union) and Richard J. Codey (D-Essex), and Assembly Members Guy F. Talarico (R-Bergen) and Rose Marie Heck (R-Bergen), changes the legal doctrine of retreat regarding the use of deadly force with respect to domestic violence committed by cohabitant spouses or cohabitant household members in a shared dwelling. The doctrine of retreat is part of the law of self-defense. In New Jersey, a person may use deadly force in self-defense if that force is necessary to protect against death or serious bodily injury. One of the exceptions to this rule is that a person cannot use deadly force if the use of such force can be safely avoided by retreating from the situation. The bill deletes the provision that a person must retreat from a cohabitant in the person's home.

**S-534**, sponsored by Senator Jack Sinagra (R-Middlesex) and Assembly Member Barbara Wright (R-Mercer/Middlesex), permanently designates the first Sunday in May as "Loyal Heart Award Day" in New Jersey in order to honor and provide public recognition to caregivers of persons with disabilities. The Loyal Heart Award was initiated in 1994 by Elayne Hyman Risley, chairwoman of the Middlesex County Chapter Coalition on Women and Disabilities, to recognize the contributions made by caregivers for persons with disabilities.

**S-993**, sponsored by Senators Robert E. Littell (R- Sussex/Hunterdon/Morris) and Peter A. Inverso (R-Mercer/Middlesex) and Assembly Members Leonard Lance (R-Warren/Hunterdon/Mercer) and Francis J. Blee (R-Atlantic), appropriates \$4,532,000 from the Jobs, Education and Competitiveness Fund to the Commission on Higher Education for construction projects at various county colleges. The bill allocates \$226,000 to Essex County College for the reconfiguration of instructional space of the gymnasium and appropriates \$306,000 to Essex County College for the improvement of the Martin Luther King Library. It also appropriates \$2 million to Hudson County College for the acquisition and renovation of the Culinary Arts Institute and \$1 million to Passaic County Community College for an addition to the academic facility.

**S-1064**, sponsored by Senators Andrew R. Ciesla (R-Monmouth/Ocean) and Diane B. Allen (R-Burlington/Camden) and Assembly Members Gerald H. Zecker (R-Essex/Passaic) and James W. Holzapfel (R- Monmouth/Ocean), exempts real estate licensees from the consumer fraud law under certain

circumstances. Under the bill, if a real estate licensee communicates any false, misleading or deceptive information provided to him by or on behalf of the seller of the real estate, but the real estate licensee had no actual knowledge and made a reasonable and diligent inquiry to determine the accuracy of the information, the exemption will apply. The real estate licensee can still be held liable for compensatory damages under the act and is not exempt for fraudulent actions made with an intent to deceive.

**S-1369**, sponsored by Senators John O. Bennett (R-Monmouth) and Joseph A. Palaia (R-Monmouth) and Assembly members Tom Smith (R- Monmouth), Steve Corodemus (R-Monmouth), John S. Wisniewski (D- Middlidesex) and James W. Holzapfel (R-Monmouth/Ocean), establishes the use of a firearm or imitation firearm against a law enforcement officer as a crime of the third degree. A third- degree crime is punishable by a three-to-five year term of imprisonment or a \$15,000 fine or both.

**S-1372**, sponsored by Senator James S. Cafiero (R-Cape May/Atlantic/Cumberland) and Assembly Members Nicholas Asselta (R- Cape May/Atlantic/Cumberland) and John C. Gibson (R-Cape May/Atlantic/Cumberland), authorizes the New Jersey Real Estate Commission to promulgate rules concerning the forms of monies that real estate brokers and their agents may hold as escrow agents or as temporary custodians of the funds in real estate transactions. Under previous law, real estate brokers could only accept monies in the form of cash or negotiable instruments, such as checks and money orders.

**S-1461**, sponsored by Senator Robert W. Singer (R-Burlington/Monmouth/Ocean) and Assembly Members Joseph R. Malone (R-Burlington/Monmouth/Ocean) and Melvin Cottrell (R-Burlington/Monmouth/Ocean), appropriates \$250,000 from the General Fund to the Department of Military and Veterans' Affairs for the Korean Veterans' Memorial Fund. The Fund was created in July, 1996 by legislation that also created the Korean Veterans' Memorial Committee. The Fund will be used to pay for the construction and maintenance of the memorial, which will be built in Atlantic City. It is anticipated that \$2 million will be needed to build and maintain the memorial.

**S-1467**, sponsored by Senator Raymond J. Zane (R-Cumberland/Gloucester/Salem) and Assembly Members Charles "Ken" Zisa (D-Bergen) and Michael Patrick Carroll (R-Morris), provides that writs of execution issued by the Special Civil Part of the Superior Court be valid for two years. Under previous law, writs of execution against personal property issued by the Special Civil Part of the Superior Court were valid for only one year.