

# 2A:49A-34

## LEGISLATIVE HISTORY CHECKLIST

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**LAWS OF:** 2000 **CHAPTER:** 23  
**NJSA:** 2A:49A-34 (Contracts—effected by EURO)  
**BILL NO:** S618 (Substituted for A1783)

**SPONSOR(S):** Inverso and Cardinale

**DATE INTRODUCED:** Pre-filed

**COMMITTEE:** **ASSEMBLY:** Banking and Insurance  
**SENATE:** Commerce

**AMENDED DURING PASSAGE:** No

**DATE OF PASSAGE:** **ASSEMBLY:** March 27, 2000  
**SENATE:** February 7, 2000

**DATE OF APPROVAL:** May 9, 2000

### FOLLOWING ARE ATTACHED IF AVAILABLE:

**FINAL TEXT OF BILL:** Original version enacted  
(Amendments during passage denoted by superscript numbers)

#### S618

**SPONSORS STATEMENT:** (Begins on page 4 of original bill) Yes  
**COMMITTEE STATEMENT:** **ASSEMBLY:** Yes  
**SENATE:** Yes

**FLOOR AMENDMENT STATEMENTS:** No  
**LEGISLATIVE FISCAL ESTIMATE:** No

#### A1783

**SPONSORS STATEMENT:** (Begins on page 4 of original bill) Yes  
Bill and Sponsors Statement identical to S618  
**COMMITTEE STATEMENT:** **ASSEMBLY:** Yes

Identical to Assembly Statement for S618  
**SENATE:** No

**FLOOR AMENDMENT STATEMENTS:** No  
**LEGISLATIVE FISCAL ESTIMATE:** No

**VETO MESSAGE:** No  
**GOVERNOR'S PRESS RELEASE ON SIGNING:** Yes

### FOLLOWING WERE PRINTED:

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**REPORTS:** No  
**HEARINGS:** No  
**NEWSPAPER ARTICLES:** No

**SENATE, No. 618**

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**STATE OF NEW JERSEY**  
**209th LEGISLATURE**

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PRE-FILED FOR INTRODUCTION IN THE 2000 SESSION

**Sponsored by:**

**Senator PETER A. INVERSO**  
**District 14 (Mercer and Middlesex)**  
**Senator GERALD CARDINALE**  
**District 39 (Bergen)**

**SYNOPSIS**

Provides for the continuity of certain contracts, securities and instruments affected by introduction of the Euro.

**CURRENT VERSION OF TEXT**

Introduced Pending Technical Review by Legislative Counsel.



**(Sponsorship Updated As Of: 2/1/2000)**

S618 INVERSO, CARDINALE

2

1 AN ACT concerning the continuity of certain contracts, securities and  
2 instruments affected by the Euro and supplementing Title 2A of the  
3 New Jersey Statutes.

4

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

7

8 1. The Legislature finds and declares:

9 a. The member states of the European Union have adopted a  
10 uniform currency called the Euro. These states have provided a three-  
11 year period of transition, from January 1, 1999 to December 31, 2001,  
12 for this complex new monetary policy to be put into place. Prior to  
13 January 1, 2002, both the individual currencies of the states and the  
14 Euro will be in circulation. The rates of exchange for these currencies  
15 when they are converted to Euro will be set by the new Central  
16 European Bank. Additional member states of the European Union  
17 may also convert their national currencies into the Euro.

18 b. During the transition from national currencies to a single  
19 European Union currency, and after the Euro is in place, parties to  
20 international contracts and financial transactions will require a clear  
21 understanding of the terms and value of their transactions to conduct  
22 their business with fairness and certainty.

23 c. There exists some uncertainty over the enforceability of certain  
24 contracts, securities and instruments that call for payment in a  
25 currency replaced by the Euro; this legislation is intended to ensure the  
26 continuity of these contracts.

27

28 2. As used in this act:

29 "Euro" means the currency of participating member states of the  
30 European Union signed February 17, 1992.

31 "European Currency Unit" or "ECU" means the currency basket  
32 that is from time to time used as the unit of account of the European  
33 community as referred to in Article 109g of the Treaty on European  
34 Union and as defined in Regulation (EC) No 3320/94.

35

36 3. a. When the Euro first becomes the monetary unit of  
37 participating member states of the European Union, references to the  
38 ECU in a contract, security or instrument shall be replaced by  
39 references to the Euro at the rate of one Euro to one ECU.

40 b. If it is unclear that a contractual reference to the ECU is a  
41 reference to the official definition of the ECU, it shall be presumed to  
42 be a reference to the ECU, which presumption shall be rebuttable,  
43 taking into account the intentions of the parties.

44

45 4. a. If a subject or medium of payment of a contract, security or  
46 instrument is a currency that has been substituted or replaced by the

1 Euro, the Euro shall be a commercially reasonable substitute and  
2 substantial equivalent that may be either:

- 3 (1) used in determining the value of that currency; or  
4 (2) tendered, in each case at the conversion rate specified in, and  
5 otherwise calculated or rounded, as appropriate, in accordance with,  
6 the regulations adopted by the Council of the European Union.

7 b. If a subject or medium of payment of a contract, security or  
8 instrument is the ECU, the Euro shall be a commercially reasonable  
9 substitute and substantial equivalent that may be either:

- 10 (1) used in determining the value of the ECU; or  
11 (2) tendered, in each case at the conversion rate specified in, and  
12 otherwise calculated or rounded, as appropriate, in accordance with,  
13 the regulations adopted by the Council of the European Union.

14 c. Performance of any obligations described in subsection a. or b.  
15 of this section may be made in the currency or currencies originally  
16 designated in the contract, security or instrument, so long as the  
17 currency or currencies remain legal tender, or in Euros, but not in any  
18 other currency, if that other currency has been substituted or replaced  
19 by the Euro or is a currency that is considered a denomination of the  
20 Euro and has a fixed conversion rate with respect to the Euro.

21  
22 5. None of the following shall have the effect of discharging or  
23 excusing performance under any contract, security or instrument, or  
24 give a party the right to unilaterally alter or terminate any contract,  
25 security or instrument:

- 26 a. The introduction of the Euro;  
27 b. The tendering of Euros in connection with any obligation in  
28 compliance with subsection a. or b. of section 4 of this act;  
29 c. The determining of the value of any obligation in compliance  
30 with subsection a. or b. of section 4 of this act; or  
31 d. The calculating or determining of the subject or medium of  
32 payment of a contract, security or instrument with reference to interest  
33 rate or other basis that has been substituted or replaced due to the  
34 introduction of the Euro and is a commercially reasonable substitute  
35 and substantial equivalent.

36  
37 6. The provisions of this act shall not alter or impair, and shall be  
38 subject to, any agreements between the parties with specific reference  
39 to or agreement regarding the introduction of the Euro.

40  
41 7. a. Notwithstanding the Uniform Commercial Code, Title 12A  
42 of the New Jersey Statutes, or any other law of this State to the  
43 contrary, the provisions of this act shall apply to all contracts,  
44 securities and instruments, including contracts with respect to  
45 commercial transactions, and shall not be deemed to be displaced by  
46 any other law of this State.

1 b. In circumstances of currency alteration, other than the  
2 introduction of the Euro, the provisions of this act shall not be  
3 interpreted as creating any negative inference or negative presumption  
4 regarding the validity or enforceability of contracts, securities or  
5 instruments denominated in whole or in part in a currency affected by  
6 that alteration.

7  
8 8. This act shall take effect on the first business day following  
9 enactment and shall apply to all contracts, securities and instruments  
10 entered into or issued before, on or after the effective date of the act.

11  
12  
13 STATEMENT

14  
15 This bill provides that if a subject or medium of payment of a  
16 contract, security or instrument is a currency that has been substituted  
17 by the Euro or European Currency Unit (ECU), the Euro is a  
18 commercially reasonable substitute and substantial equivalent that may  
19 either be used in determining the value of the substituted or replaced  
20 currency or the ECU, or tendered at the conversion rate specified in,  
21 and otherwise calculated or rounded, as appropriate, in accordance  
22 with, the regulations adopted by the Council of the European Union.  
23 In the bill, "Euro" is defined as the currency of participating member  
24 states of the European Union that adopt a single currency in  
25 accordance with the Treaty on European Union signed February 17,  
26 1992. The "European Currency Unit" or "ECU" is defined as the  
27 currency basket that is from time to time used as the unit of account  
28 of the European community as referred to in Article 109g of the  
29 Treaty and as defined in Regulation (EC) No 3320/94. Under the bill,  
30 when the Euro becomes the monetary unit of participating member  
31 states of the European Union, references to the ECU will be replaced  
32 by references to the Euro at a rate of one Euro to one ECU; and if it  
33 is unclear that a contractual reference to the ECU is a reference to the  
34 official definition of the ECU, it shall be presumed to be a reference to  
35 the official definition of the ECU, which presumption shall be  
36 rebuttable, taking into account the intentions of the parties, and the  
37 same replacement of references will take place at the same rate of one  
38 Euro to one ECU.

39 Under the bill, performances of contracts, securities or other  
40 instruments which call for payment in a currency that has been  
41 substituted or replaced by the Euro, or which call for payment in  
42 ECUs, may be made in Euros or the currency or currencies originally  
43 designated in the contract, security or other instrument, so long as the  
44 currency or currencies remain legal tender. However, these  
45 obligations may not be performed in any other currency, even though  
46 the other currency has been substituted or replaced by the Euro or is

1 a currency that is considered a denomination of the Euro and has a  
2 fixed conversion rate with respect to the Euro.

3 The bill provides that none of the following will have the effect of  
4 discharging or excusing performance under any contract, security or  
5 instrument, or give a party the right to unilaterally alter or terminate  
6 any contract, security or instrument: the introduction of the Euro; the  
7 tendering of Euros for ECUs or for currencies that have been replaced  
8 or substituted by the Euro in contracts, securities or instruments  
9 subject to the provisions of this bill; the use of the Euro to determine  
10 the value of ECUs or currencies that have been replaced or substituted  
11 by the Euro in contracts, securities or instruments subject to the  
12 provisions of the bill; or the calculation or determination of the subject  
13 or medium of payment of a contract, security or instrument with  
14 reference to an interest rate or other basis that has been substituted or  
15 replaced due to the introduction of the Euro and that is a commercially  
16 reasonable substitute and substantial equivalent.

17 The bill provides that its requirements with regard to the  
18 introduction of the Euro may be altered by agreement of the parties to  
19 a contract, security or instrument. The provisions of the bill apply to  
20 all contracts, securities and instruments, including contracts involving  
21 commercial transactions, whether entered into before, on or after the  
22 effective date of the bill. The bill does not apply to any currency  
23 alteration other than the introduction of the Euro, and does not affect  
24 the validity or enforceability of contracts, securities or instruments that  
25 call for performance in currency affected by an alteration other than  
26 introduction of the Euro.

# ASSEMBLY BANKING AND INSURANCE COMMITTEE

## STATEMENT TO

### **SENATE, No. 618**

# **STATE OF NEW JERSEY**

DATED: MARCH 2, 2000

The Assembly Banking and Insurance Committee reports favorably Senate Bill No. 618.

This bill provides that if a subject or medium of payment of a contract, security or instrument is a currency that has been substituted by the Euro or European Currency Unit (ECU), the Euro is a commercially reasonable substitute and substantial equivalent that may either be used in determining the value of the substituted or replaced currency or the ECU, or tendered at the conversion rate specified in, and otherwise calculated or rounded, as appropriate, in accordance with, the regulations adopted by the Council of the European Union. In the bill, "Euro is defined as the currency of participating member states of the European Union that adopt a single currency in accordance with the Treaty on European Union signed on February 17, 1992. The "European Currency Unit" or "ECU" is defined as the currency basket that is from time to time used as the unit of account of the European community as referred to in Article 109g of the Treaty and as defined in Regulation (EC) No. 3320/94. Under the bill, when the Euro becomes the monetary unit of participating member states of the European Union, references to the ECU will be replaced by references to the Euro at a rate of one Euro to one ECU; and if it is unclear that a contractual reference to the ECU is a reference to the official definition of the ECU, it shall be presumed to be a reference to the official definition of the ECU, which presumption shall be rebuttable, taking into account the intentions of the parties, and the same replacement of references will take place at the same rate of one Euro to one ECU.

Under the bill, performances of contracts, securities or other instruments which call for payment in a currency that has been substituted or replaced by the Euro, or which call for payment in ECU's may be made in Euros or the currency or currencies remain legal tender. However, these obligations may not be performed in any other currency, even though the other currency has been substituted or replaced by the Euro or is a currency that is considered a denomination of the Euro and has a fixed conversion rate with respect to the Euro.

The bill provides that none of the following will have the effect of discharging or excusing performance under any contract, security or instrument, or give a party the right to unilaterally alter or terminate any contract, security or instrument: the introduction of the Euro; the tendering of Euros for ECUs or for currencies that have been replaced or substituted by the Euro in contracts, securities or instruments subject to the provisions of this bill; the use of the Euro to determine the value of ECU's or currencies that have been replaced or substituted by the Euro in contracts, securities or instruments subject to the provisions of the bill; or the calculation or determination of the subject or medium payment of a contract, security or instrument with reference to an interest rate or other basis that has been substituted or replaced due to the introduction of the Euro and that is a commercially reasonable substitute and substantial equivalent.

The bill provides that its requirements with regard to the introduction of the Euro may be altered by agreement of the parties to a contract, security or instrument. The provisions of the bill apply to all contracts, securities and instruments, including contracts involving commercial transactions, whether entered into before, on or after the effective date of the bill. The bill does not apply to any currency alteration other than the introduction of the Euro, and does not affect the validity or enforceability of contracts, securities or instrument that call for performance in currency affected by an alteration other than introduction of the Euro.

As reported by the committee, this bill is identical to Assembly Bill No. 1783.



# SENATE COMMERCE COMMITTEE

## STATEMENT TO

### SENATE, No. 618

# STATE OF NEW JERSEY

DATED: JANUARY 31, 2000

The Senate Commerce Committee reports favorably Senate Bill No. 618.

This bill provides that if a subject or medium of payment of a contract, security or instrument is a currency that has been substituted by the Euro or European Currency Unit (ECU), the Euro is a commercially reasonable substitute and substantial equivalent that may either be used in determining the value of the substituted or replaced currency or the ECU, or tendered at the conversion rate specified in, and otherwise calculated or rounded, as appropriate, in accordance with, the regulations adopted by the Council of the European Union. In the bill, "Euro" is defined as the currency of participating member states of the European Union that adopt a single currency in accordance with the Treaty on European Union signed February 17, 1992. The "European Currency Unit" or "ECU" is defined as the currency basket that is from time to time used as the unit of account of the European community as referred to in Article 109g of the Treaty and as defined in Regulation (EC) No 3320/94. Under the bill, when the Euro becomes the monetary unit of participating member states of the European Union, references to the ECU will be replaced by references to the Euro at a rate of one Euro to one ECU; and if it is unclear that a contractual reference to the ECU is a reference to the official definition of the ECU, it shall be presumed to be a reference to the official definition of the ECU, which presumption shall be rebuttable, taking into account the intentions of the parties, and the same replacement of references will take place at the same rate of one Euro to one ECU.

Under the bill, performances of contracts, securities or other instruments which call for payment in a currency that has been substituted or replaced by the Euro, or which call for payment in ECUs, may be made in Euros or the currency or currencies originally designated in the contract, security or other instrument, so long as the currency or currencies remain legal tender. However, these obligations may not be performed in any other currency, even though the other currency has been substituted or replaced by the Euro or is a currency that is considered a denomination of the Euro and has a fixed conversion rate with respect to the Euro.

The bill provides that none of the following will have the effect of

discharging or excusing performance under any contract, security or instrument, or give a party the right to unilaterally alter or terminate any contract, security or instrument: the introduction of the Euro; the tendering of Euros for ECUs or for currencies that have been replaced or substituted by the Euro in contracts, securities or instruments subject to the provisions of this bill; the use of the Euro to determine the value of ECUs or currencies that have been replaced or substituted by the Euro in contracts, securities or instruments subject to the provisions of the bill; or the calculation or determination of the subject or medium of payment of a contract, security or instrument with reference to an interest rate or other basis that has been substituted or replaced due to the introduction of the Euro and that is a commercially reasonable substitute and substantial equivalent.

The bill provides that its requirements with regard to the introduction of the Euro may be altered by agreement of the parties to a contract, security or instrument. The provisions of the bill apply to all contracts, securities and instruments, including contracts involving commercial transactions, whether entered into before, on or after the effective date of the bill. The bill does not apply to any currency alteration other than the introduction of the Euro, and does not affect the validity or enforceability of contracts, securities or instruments that call for performance in currency affected by an alteration other than introduction of the Euro.

This bill was pre-filed for introduction in the 2000 session pending technical review. As reported, the bill includes the changes required by technical review, which has been performed.

# SENATE, No. 618

## STATE OF NEW JERSEY 209th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2000 SESSION

**Sponsored by:**

**Senator PETER A. INVERSO**  
**District 14 (Mercer and Middlesex)**  
**Senator GERALD CARDINALE**  
**District 39 (Bergen)**

**Co-Sponsored by:**

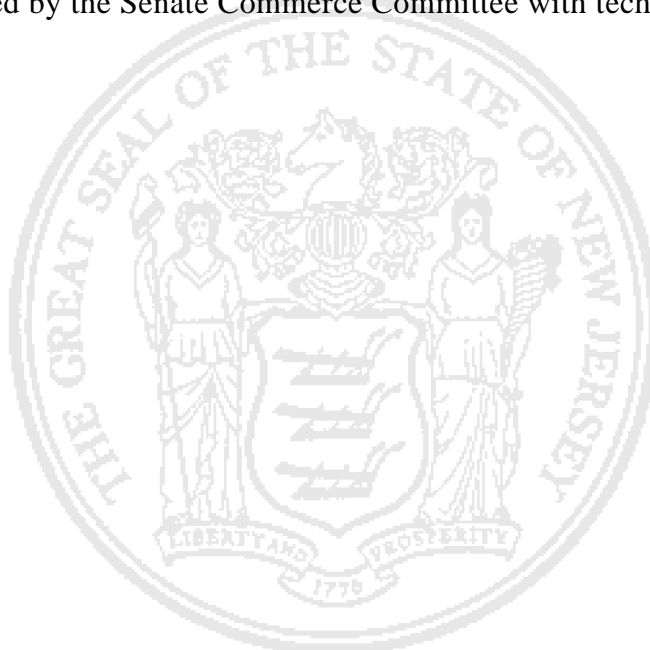
**Assemblymen Garcia, Augustine, Bateman, Assemblywoman Farragher,**  
**Assemblymen Garrett and Merkt**

**SYNOPSIS**

Provides for the continuity of certain contracts, securities and instruments affected by introduction of the Euro.

**CURRENT VERSION OF TEXT**

As reported by the Senate Commerce Committee with technical review.



**(Sponsorship Updated As Of: 3/28/2000)**

S618 INVERSO, CARDINALE

2

1 AN ACT concerning the continuity of certain contracts, securities and  
2 instruments affected by the Euro and supplementing Title 2A of the  
3 New Jersey Statutes.

4

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

7

8 1. The Legislature finds and declares:

9 a. The member states of the European Union have adopted a  
10 uniform currency called the Euro. These states have provided a three-  
11 year period of transition, from January 1, 1999 to December 31, 2001,  
12 for this complex new monetary policy to be put into place. Prior to  
13 January 1, 2002, both the individual currencies of the states and the  
14 Euro will be in circulation. The rates of exchange for these currencies  
15 when they are converted to Euro will be set by the new Central  
16 European Bank. Additional member states of the European Union  
17 may also convert their national currencies into the Euro.

18 b. During the transition from national currencies to a single  
19 European Union currency, and after the Euro is in place, parties to  
20 international contracts and financial transactions will require a clear  
21 understanding of the terms and value of their transactions to conduct  
22 their business with fairness and certainty.

23 c. There exists some uncertainty over the enforceability of certain  
24 contracts, securities and instruments that call for payment in a  
25 currency replaced by the Euro; this legislation is intended to ensure the  
26 continuity of these contracts.

27

28 2. As used in this act:

29 "Euro" means the currency of participating member states of the  
30 European Union signed February 17, 1992.

31 "European Currency Unit" or "ECU" means the currency basket  
32 that is from time to time used as the unit of account of the European  
33 community as referred to in Article 109g of the Treaty on European  
34 Union and as defined in Regulation (EC) No 3320/94.

35

36 3. a. When the Euro first becomes the monetary unit of  
37 participating member states of the European Union, references to the  
38 ECU in a contract, security or instrument shall be replaced by  
39 references to the Euro at the rate of one Euro to one ECU.

40 b. If it is unclear that a contractual reference to the ECU is a  
41 reference to the official definition of the ECU, it shall be presumed to  
42 be a reference to the ECU, which presumption shall be rebuttable,  
43 taking into account the intentions of the parties.

44

45 4. a. If a subject or medium of payment of a contract, security or  
46 instrument is a currency that has been substituted or replaced by the

1 Euro, the Euro shall be a commercially reasonable substitute and  
2 substantial equivalent that may be either:

- 3 (1) used in determining the value of that currency; or  
4 (2) tendered, in each case at the conversion rate specified in, and  
5 otherwise calculated or rounded, as appropriate, in accordance with,  
6 the regulations adopted by the Council of the European Union.

7 b. If a subject or medium of payment of a contract, security or  
8 instrument is the ECU, the Euro shall be a commercially reasonable  
9 substitute and substantial equivalent that may be either:

- 10 (1) used in determining the value of the ECU; or  
11 (2) tendered, in each case at the conversion rate specified in, and  
12 otherwise calculated or rounded, as appropriate, in accordance with,  
13 the regulations adopted by the Council of the European Union.

14 c. Performance of any obligations described in subsection a. or b.  
15 of this section may be made in the currency or currencies originally  
16 designated in the contract, security or instrument, so long as the  
17 currency or currencies remain legal tender, or in Euros, but not in any  
18 other currency, if that other currency has been substituted or replaced  
19 by the Euro or is a currency that is considered a denomination of the  
20 Euro and has a fixed conversion rate with respect to the Euro.

21  
22 5. None of the following shall have the effect of discharging or  
23 excusing performance under any contract, security or instrument, or  
24 give a party the right to unilaterally alter or terminate any contract,  
25 security or instrument:

- 26 a. The introduction of the Euro;  
27 b. The tendering of Euros in connection with any obligation in  
28 compliance with subsection a. or b. of section 4 of this act;  
29 c. The determining of the value of any obligation in compliance  
30 with subsection a. or b. of section 4 of this act; or  
31 d. The calculating or determining of the subject or medium of  
32 payment of a contract, security or instrument with reference to interest  
33 rate or other basis that has been substituted or replaced due to the  
34 introduction of the Euro and is a commercially reasonable substitute  
35 and substantial equivalent.

36  
37 6. The provisions of this act shall not alter or impair, and shall be  
38 subject to, any agreements between the parties with specific reference  
39 to or agreement regarding the introduction of the Euro.

40  
41 7. a. Notwithstanding the Uniform Commercial Code, Title 12A  
42 of the New Jersey Statutes, or any other law of this State to the  
43 contrary, the provisions of this act shall apply to all contracts,  
44 securities and instruments, including contracts with respect to  
45 commercial transactions, and shall not be deemed to be displaced by  
46 any other law of this State.

**S618 INVERSO, CARDINALE**

1       b. In circumstances of currency alteration, other than the  
2 introduction of the Euro, the provisions of this act shall not be  
3 interpreted as creating any negative inference or negative presumption  
4 regarding the validity or enforceability of contracts, securities or  
5 instruments denominated in whole or in part in a currency affected by  
6 that alteration.

7

8       8. This act shall take effect on the first business day following  
9 enactment and shall apply to all contracts, securities and instruments  
10 entered into or issued before, on or after the effective date of the act.

Title 2A.  
Chapter 49A.  
Article 4. Euro as  
Medium of Payment.  
§§1-7 -  
C.2A:49A-34 to  
2A:49A-40  
§8 - Note to §§1-7

P.L. 2000, CHAPTER 23, *approved May 9, 2000*  
Senate, No. 618

1 **AN ACT** concerning the continuity of certain contracts, securities and  
2 instruments affected by the Euro and supplementing Title 2A of the  
3 New Jersey Statutes.

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

7  
8 1. The Legislature finds and declares:

9 a. The member states of the European Union have adopted a  
10 uniform currency called the Euro. These states have provided a three-  
11 year period of transition, from January 1, 1999 to December 31, 2001,  
12 for this complex new monetary policy to be put into place. Prior to  
13 January 1, 2002, both the individual currencies of the states and the  
14 Euro will be in circulation. The rates of exchange for these currencies  
15 when they are converted to Euro will be set by the new Central  
16 European Bank. Additional member states of the European Union  
17 may also convert their national currencies into the Euro.

18 b. During the transition from national currencies to a single  
19 European Union currency, and after the Euro is in place, parties to  
20 international contracts and financial transactions will require a clear  
21 understanding of the terms and value of their transactions to conduct  
22 their business with fairness and certainty.

23 c. There exists some uncertainty over the enforceability of certain  
24 contracts, securities and instruments that call for payment in a  
25 currency replaced by the Euro; this legislation is intended to ensure the  
26 continuity of these contracts.

27

28 2. As used in this act:

29 "Euro" means the currency of participating member states of the  
30 European Union signed February 17, 1992.

31 "European Currency Unit" or "ECU" means the currency basket  
32 that is from time to time used as the unit of account of the European  
33 community as referred to in Article 109g of the Treaty on European  
34 Union and as defined in Regulation (EC) No 3320/94.

35

36 3. a. When the Euro first becomes the monetary unit of  
37 participating member states of the European Union, references to the  
38 ECU in a contract, security or instrument shall be replaced by  
39 references to the Euro at the rate of one Euro to one ECU.

1       b. If it is unclear that a contractual reference to the ECU is a  
2 reference to the official definition of the ECU, it shall be presumed to  
3 be a reference to the ECU, which presumption shall be rebuttable,  
4 taking into account the intentions of the parties.

5  
6       4. a. If a subject or medium of payment of a contract, security or  
7 instrument is a currency that has been substituted or replaced by the  
8 Euro, the Euro shall be a commercially reasonable substitute and  
9 substantial equivalent that may be either:

10       (1) used in determining the value of that currency; or

11       (2) tendered, in each case at the conversion rate specified in, and  
12 otherwise calculated or rounded, as appropriate, in accordance with,  
13 the regulations adopted by the Council of the European Union.

14       b. If a subject or medium of payment of a contract, security or  
15 instrument is the ECU, the Euro shall be a commercially reasonable  
16 substitute and substantial equivalent that may be either:

17       (1) used in determining the value of the ECU; or

18       (2) tendered, in each case at the conversion rate specified in, and  
19 otherwise calculated or rounded, as appropriate, in accordance with,  
20 the regulations adopted by the Council of the European Union.

21       c. Performance of any obligations described in subsection a. or b.  
22 of this section may be made in the currency or currencies originally  
23 designated in the contract, security or instrument, so long as the  
24 currency or currencies remain legal tender, or in Euros, but not in any  
25 other currency, if that other currency has been substituted or replaced  
26 by the Euro or is a currency that is considered a denomination of the  
27 Euro and has a fixed conversion rate with respect to the Euro.

28  
29       5. None of the following shall have the effect of discharging or  
30 excusing performance under any contract, security or instrument, or  
31 give a party the right to unilaterally alter or terminate any contract,  
32 security or instrument:

33       a. The introduction of the Euro;

34       b. The tendering of Euros in connection with any obligation in  
35 compliance with subsection a. or b. of section 4 of this act;

36       c. The determining of the value of any obligation in compliance  
37 with subsection a. or b. of section 4 of this act; or

38       d. The calculating or determining of the subject or medium of  
39 payment of a contract, security or instrument with reference to interest  
40 rate or other basis that has been substituted or replaced due to the  
41 introduction of the Euro and is a commercially reasonable substitute  
42 and substantial equivalent.

43  
44       6. The provisions of this act shall not alter or impair, and shall be  
45 subject to, any agreements between the parties with specific reference  
46 to or agreement regarding the introduction of the Euro.



1       7. a. Notwithstanding the Uniform Commercial Code, Title 12A  
2 of the New Jersey Statutes, or any other law of this State to the  
3 contrary, the provisions of this act shall apply to all contracts,  
4 securities and instruments, including contracts with respect to  
5 commercial transactions, and shall not be deemed to be displaced by  
6 any other law of this State.

7       b. In circumstances of currency alteration, other than the  
8 introduction of the Euro, the provisions of this act shall not be  
9 interpreted as creating any negative inference or negative presumption  
10 regarding the validity or enforceability of contracts, securities or  
11 instruments denominated in whole or in part in a currency affected by  
12 that alteration.

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14       8. This act shall take effect on the first business day following  
15 enactment and shall apply to all contracts, securities and instruments  
16 entered into or issued before, on or after the effective date of the act.

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21 Provides for the continuity of certain contracts, securities and  
22 instruments affected by introduction of the Euro.

## CHAPTER 23

**AN ACT** concerning the continuity of certain contracts, securities and instruments affected by the Euro and supplementing Title 2A of the New Jersey Statutes.

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

C.2A:49A-34 Findings, declarations relative to Euro as medium of payment.

1. The Legislature finds and declares:

a. The member states of the European Union have adopted a uniform currency called the Euro. These states have provided a three-year period of transition, from January 1, 1999 to December 31, 2001, for this complex new monetary policy to be put into place. Prior to January 1, 2002, both the individual currencies of the states and the Euro will be in circulation. The rates of exchange for these currencies when they are converted to Euro will be set by the new Central European Bank. Additional member states of the European Union may also convert their national currencies into the Euro.

b. During the transition from national currencies to a single European Union currency, and after the Euro is in place, parties to international contracts and financial transactions will require a clear understanding of the terms and value of their transactions to conduct their business with fairness and certainty.

c. There exists some uncertainty over the enforceability of certain contracts, securities and instruments that call for payment in a currency replaced by the Euro; this legislation is intended to ensure the continuity of these contracts.

C.2A:49A-35 Definitions relative to Euro as medium of payment.

2. As used in this act:

"Euro" means the currency of participating member states of the European Union signed February 17, 1992.

"European Currency Unit" or "ECU" means the currency basket that is from time to time used as the unit of account of the European community as referred to in Article 109g of the Treaty on European Union and as defined in Regulation (EC) No.3320/94.

C.2A:49A-36 Replacement of ECU by Euro in contract, security, or instrument references.

3. a. When the Euro first becomes the monetary unit of participating member states of the European Union, references to the ECU in a contract, security or instrument shall be replaced by references to the Euro at the rate of one Euro to one ECU.

b. If it is unclear that a contractual reference to the ECU is a reference to the official definition of the ECU, it shall be presumed to be a reference to the ECU, which presumption shall be rebuttable, taking into account the intentions of the parties.

C.2A:49A-37 Euro considered equivalent substitute for replaced currency.

4. a. If a subject or medium of payment of a contract, security or instrument is a currency that has been substituted or replaced by the Euro, the Euro shall be a commercially reasonable substitute and substantial equivalent that may be either:

(1) used in determining the value of that currency; or

(2) tendered, in each case at the conversion rate specified in, and otherwise calculated or rounded, as appropriate, in accordance with, the regulations adopted by the Council of the European Union.

b. If a subject or medium of payment of a contract, security or instrument is the ECU, the Euro shall be a commercially reasonable substitute and substantial equivalent that may be either:

(1) used in determining the value of the ECU; or

(2) tendered, in each case at the conversion rate specified in, and otherwise calculated or rounded, as appropriate, in accordance with, the regulations adopted by the Council of the European Union.

c. Performance of any obligations described in subsection a. or b. of this section may be made in the currency or currencies originally designated in the contract, security or instrument, so long as the currency or currencies remain legal tender, or in Euros, but not in any other currency, if that other currency has been substituted or replaced by the Euro or is a currency that is considered a denomination of the Euro and has a fixed conversion rate with respect to the

Euro.

C.2A:49A-38 Existing contracts securities, instruments unaffected by introduction of Euro.

5. None of the following shall have the effect of discharging or excusing performance under any contract, security or instrument, or give a party the right to unilaterally alter or terminate any contract, security or instrument:

- a. The introduction of the Euro;
- b. The tendering of Euros in connection with any obligation in compliance with subsection a. or b. of section 4 of this act;
- c. The determining of the value of any obligation in compliance with subsection a. or b. of section 4 of this act; or
- d. The calculating or determining of the subject or medium of payment of a contract, security or instrument with reference to interest rate or other basis that has been substituted or replaced due to the introduction of the Euro and is a commercially reasonable substitute and substantial equivalent.

C.2A:49A-39 Existing specific agreements unaffected by introduction of Euro.

6. The provisions of this act shall not alter or impair, and shall be subject to, any agreements between the parties with specific reference to or agreement regarding the introduction of the Euro.

C.2A:49A-40 Applicability of act.

7. a. Notwithstanding the Uniform Commercial Code, Title 12A of the New Jersey Statutes, or any other law of this State to the contrary, the provisions of this act shall apply to all contracts, securities and instruments, including contracts with respect to commercial transactions, and shall not be deemed to be displaced by any other law of this State.

b. In circumstances of currency alteration, other than the introduction of the Euro, the provisions of this act shall not be interpreted as creating any negative inference or negative presumption regarding the validity or enforceability of contracts, securities or instruments denominated in whole or in part in a currency affected by that alteration.

8. This act shall take effect on the first business day following enactment and shall apply to all contracts, securities and instruments entered into or issued before, on or after the effective date of the act.

Approved May 9, 2000.

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

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CONTACT: Gene Herman  
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RELEASE: May 9, 2000

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

**A-1677**, sponsored by Assembly Members Connie Myers (R-Warren/Hunterdon/Mercer) and Leonard Lance (R-Warren/Hunterdon/Mercer), and Senator William E. Schluter (R-Warren/Hunterdon/Mercer), allows an individual seeking to become a candidate in a school board election to sign his or her own nominating petition. Under previous law, candidates were not permitted to sign their own nominating petitions. To become a candidate in a school board election, an individual must obtain the signatures of 10 duly qualified voters on a nominating petition. The bill makes the nomination petition process for school board candidates consistent with other elected positions in the state. All other state, county, district and other political subdivision candidates may sign their own nominating petitions.

**SJR-19**, sponsored by Senators James S. Cafiero (R-Cape May/Atlantic/Cumberland) and Diane B. Allen (R-Burlington/Camden) and Assembly Members John C. Gibson (R-Cape May/Atlantic /Cumberland) and Nichoals Asselta (R-Cape May/Atlantic/Cumberland), designates the last Sunday in September in each year as Parents of Fallen Military Sons and Daughters Day. The designation of Parents of Fallen Military Sons and Daughters Day is a tribute to all parents whose sons and daughters gave their lives during service with the Armed Forces, and in acknowledgment of the contributions, commitment, and sacrifices made by those parents individually and through American Gold Star Mothers, Incorporated.

American Gold Star Mothers, Incorporated is a nondenominational, non-profit and nonpolitical organization that derives its name from the practice begun during World War 1 of the display of a gold star, instead of traditional mourning attire, by a mother whose son or daughter had made the ultimate sacrifice for their country.

**S-618**, sponsored by Senators Peter A. Inverso (R-Mercer/Middlesex) and Gerald Cardinale (R-Bergen) and Assembly Member Raul "Rudy" Garcia (D-Hudson), provides for the continuity of certain contracts, securities and instrument affected by the introduction of the uniform European currency, the Euro. The bill clarifies potential uncertainty that may occur when the currency of certain European nations is replaced by the Euro. Many existing contracts, securities, and commercial instruments specifically call for payment in the form of old currency. This bill makes clear that the Euro is the commercial equivalent of the old currency.