

17:9A-188

LEGISLATIVE HISTORY CHECKLIST

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LAWS OF: 2000 **CHAPTER:** 67
NJSA: 17:9A-188 (Savings bank boards - composition)
BILL NO: A2179 (Substituted for S1161)

SPONSOR(S): Bateman and Garrett

DATE INTRODUCED: March 6, 2000

COMMITTEE: **ASSEMBLY:** Banking and Insurance

SENATE: ----

AMENDED DURING PASSAGE: No

DATE OF PASSAGE: **ASSEMBLY:** May 11, 2000

SENATE: May 18, 2000

DATE OF APPROVAL: July 13, 2000

FOLLOWING ARE ATTACHED IF AVAILABLE:

FINAL TEXT OF BILL (Original version of bill enacted)

A2179

SPONSORS STATEMENT: (Begins on page 4 of original bill) Yes

COMMITTEE STATEMENT: **ASSEMBLY:** Yes

SENATE: No

FLOOR AMENDMENT STATEMENTS: No

LEGISLATIVE FISCAL ESTIMATE: No

S1161

SPONSORS STATEMENT: (Begins on page 4 of original bill) Yes
Bill and Sponsors Statement identical to A2179

COMMITTEE STATEMENT: **ASSEMBLY:** No

SENATE: Yes
Identical to Assembly Statement for A2179

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

ASSEMBLY, No. 2179

STATE OF NEW JERSEY 209th LEGISLATURE

INTRODUCED MARCH 6, 2000

Sponsored by:

Assemblyman CHRISTOPHER "KIP" BATEMAN

District 16 (Morris and Somerset)

Assemblyman E. SCOTT GARRETT

District 24 (Sussex, Hunterdon and Morris)

Co-Sponsored by:

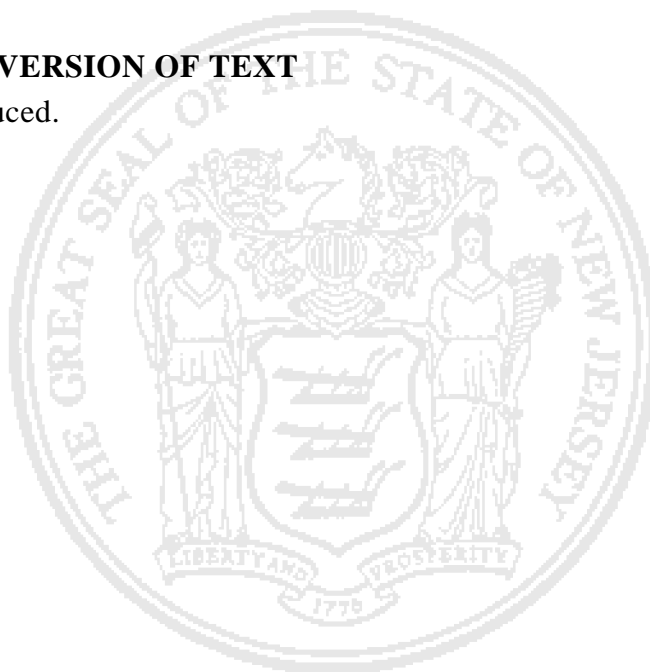
**Assemblymen Augustine, Merkt, Assemblywoman Farragher and Senator
Cardinale**

SYNOPSIS

Removes requirement that two-thirds of a savings bank's board must reside in New Jersey.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 5/19/2000)

A2179 BATEMAN, GARRETT

2

1 AN ACT concerning the composition of the boards of savings banks
2 and amending P.L.1948, c.67.

3

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

6

7 1. Section 188 of P.L.1948, c.67 (C.17:9A-188) is amended to
8 read as follows:

9 188. Board of managers; number; qualifications; oath.

10 A. (1) Except as otherwise provided by subsection L. of this
11 section, every savings bank shall be managed by a board of not less
12 than five and not more than twenty-one managers. [Not less than
13 two-thirds of the managers shall be residents and citizens of this
14 State.]

15 (2) For the first five years of operation, not less than two-thirds of
16 the managers of a de novo savings bank shall be residents and citizens
17 of this State.

18 B. Each manager shall, following his election and before he
19 assumes office, take an oath that he will, so far as the duty devolves
20 upon him, diligently and honestly administer the affairs of the savings
21 bank, and that he will not knowingly violate or knowingly permit to be
22 violated, any provisions of law applicable to the savings bank. Such
23 oath shall be subscribed by the manager making it, certified by the
24 officer before whom it is taken, and shall be transmitted to the
25 commissioner and filed in the department.

26 C. A manager who, within thirty days after his election, or, in case
27 of his disability, within such further time as the commissioner shall fix,
28 fails to subscribe the oath specified in subsection B of this section,
29 shall cease to be a manager.

30 D. Vacancies in the board of managers shall be filled by the board
31 within one year after the vacancies occur. If the board fails to do so,
32 the commissioner may fill any vacancy with a person qualified under
33 this article.

34 E. The board of managers may meet at such times and so often as
35 they shall deem necessary, but shall meet at least once in each calendar
36 month excepting July and August. A meeting held in January of each
37 year shall be designated the annual meeting of the board; or, in the
38 case of a savings bank operating on a fiscal-year basis, the annual
39 meeting shall be held no later than 120 days after the closing of the
40 fiscal year.

41 F. Managers shall be elected by a plurality of the votes of the
42 members of the board of managers at the time in office, present and
43 voting at such election, including those managers whose terms are then

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

Matter underlined thus is new matter.

1 expiring. Except as hereinafter provided, each manager shall be
2 elected for a term of three years, and until his successor is elected and
3 shall have qualified. Managers shall be eligible for election to succeed
4 themselves. Elections of managers shall be held annually at an annual
5 meeting of the board.

6 G. Every savings bank hereafter organized shall, at the first
7 meeting of its board of managers, divide the managers named in its
8 certificate of incorporation into three classes of equal size; the
9 members of one class shall hold office until the first annual meeting of
10 the board next succeeding the first meeting; the members of one class
11 shall hold office until the second annual meeting next succeeding the
12 first meeting; and the members of one class shall hold office until the
13 third annual meeting next succeeding the first meeting, so that, at each
14 election of managers following the first meeting, an equal number of
15 managers shall be elected.

16 H. Every savings bank organized prior to the effective date of [this
17 1992 amendatory act] P.L.1992, c.187 shall, commencing with the
18 first annual meeting of the board following the effective date of [this
19 1992 amendatory act] P.L.1992, c.187, elect managers as terms expire
20 for terms of three years.

21 I. The requirements of subsections G and H of this section shall be
22 satisfied if the number of managers in any one class of managers does
23 not exceed by more than one the number of managers in any other
24 class.

25 J. All classifications and elections of managers made pursuant to
26 this section shall be certified by any two officers of the savings bank,
27 and shall be filed in the department within fifteen days after such
28 classification or election.

29 K. Except as herein otherwise provided, the acts of a majority of
30 the board of managers at any time in office shall be the acts of the
31 savings bank.

32 L. Upon the merger of two or more savings banks, the board of
33 managers of the receiving savings bank, as defined in section 205 of
34 P.L.1948, c.67 (C.17:9A-205), may consist of not less than five and
35 not more than the total number then in office of the managers of all the
36 savings banks which are parties to the merger. So long as the board
37 of managers of such receiving bank shall exceed twenty-one in number
38 (1) the number of managers shall not be increased, but may be
39 decreased to any number not less than five; (2) vacancies in the board
40 of managers shall not be filled; and (3) the requirements of subsections
41 G and H of this section shall be satisfied if the number of managers in
42 any one class or in any two classes of managers does not exceed by
43 more than one the managers in the remaining classes or class. For the
44 purposes of this subsection, the expiration of the term for which a
45 manager is elected shall not be deemed to create a vacancy.

46 (cf: P.L.1992, c.187, s.2)

1 2. This act shall take effect immediately.

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STATEMENT

5

6 This bill allows New Jersey State chartered savings banks to attract
7 and retain the best qualified directors and to provide parity with State
8 chartered banks and savings and loan associations. Except during the
9 first five years of operation of a newly formed savings bank, the bill
10 would eliminate the requirement that a minimum of two-thirds of a
11 savings bank's board be residents of New Jersey. State chartered
12 banks and savings and loan associations have no State residency
13 requirement for directors. Society is becoming more mobile, with
14 people more likely to change residences, and this is particularly
15 becoming a problem in New Jersey, with its close proximity to the
16 New York and Philadelphia metropolitan areas.

ASSEMBLY BANKING AND INSURANCE COMMITTEE

STATEMENT TO

ASSEMBLY, No. 2179

STATE OF NEW JERSEY

DATED: MARCH 20, 2000

The Assembly Banking and Insurance Committee reports favorably Assembly Bill No. 2179.

This bill eliminates, except for the first five years of operation of a newly formed savings bank, the requirement that a minimum of two-thirds of a savings bank's board of directors be residents of New Jersey. State chartered banks and savings and loan associations have no State residency requirement for directors. The bill permits savings banks to more easily attract and retain qualified directors.

P.L. 2000, CHAPTER 67, *approved July 13, 2000*
Assembly, No. 2179

1 **AN ACT** concerning the composition of the boards of savings banks
2 and amending P.L.1948, c.67.

3

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

6

7 1. Section 188 of P.L.1948, c.67 (C.17:9A-188) is amended to
8 read as follows:

9 188. Board of managers; number; qualifications; oath.

10 A. (1) Except as otherwise provided by subsection L. of this
11 section, every savings bank shall be managed by a board of not less
12 than five and not more than twenty-one managers. **[Not less than**
13 **two-thirds of the managers shall be residents and citizens of this**
14 **State.]**

15 (2) **For the first five years of operation, not less than two-thirds of**
16 **the managers of a de novo savings bank shall be residents and citizens**
17 **of this State.**

18 B. Each manager shall, following his election and before he
19 assumes office, take an oath that he will, so far as the duty devolves
20 upon him, diligently and honestly administer the affairs of the savings
21 bank, and that he will not knowingly violate or knowingly permit to be
22 violated, any provisions of law applicable to the savings bank. Such
23 oath shall be subscribed by the manager making it, certified by the
24 officer before whom it is taken, and shall be transmitted to the
25 commissioner and filed in the department.

26 C. A manager who, within thirty days after his election, or, in case
27 of his disability, within such further time as the commissioner shall fix,
28 fails to subscribe the oath specified in subsection B of this section,
29 shall cease to be a manager.

30 D. Vacancies in the board of managers shall be filled by the board
31 within one year after the vacancies occur. If the board fails to do so,
32 the commissioner may fill any vacancy with a person qualified under
33 this article.

34 E. The board of managers may meet at such times and so often as
35 they shall deem necessary, but shall meet at least once in each calendar
36 month excepting July and August. A meeting held in January of each
37 year shall be designated the annual meeting of the board; or, in the
38 case of a savings bank operating on a fiscal-year basis, the annual
39 meeting shall be held no later than 120 days after the closing of the
40 fiscal year.

41 F. Managers shall be elected by a plurality of the votes of the

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

Matter underlined thus is new matter.

1 members of the board of managers at the time in office, present and
2 voting at such election, including those managers whose terms are then
3 expiring. Except as hereinafter provided, each manager shall be
4 elected for a term of three years, and until his successor is elected and
5 shall have qualified. Managers shall be eligible for election to succeed
6 themselves. Elections of managers shall be held annually at an annual
7 meeting of the board.

8 G. Every savings bank hereafter organized shall, at the first
9 meeting of its board of managers, divide the managers named in its
10 certificate of incorporation into three classes of equal size; the
11 members of one class shall hold office until the first annual meeting of
12 the board next succeeding the first meeting; the members of one class
13 shall hold office until the second annual meeting next succeeding the
14 first meeting; and the members of one class shall hold office until the
15 third annual meeting next succeeding the first meeting, so that, at each
16 election of managers following the first meeting, an equal number of
17 managers shall be elected.

18 H. Every savings bank organized prior to the effective date of [this
19 1992 amendatory act] P.L.1992, c.187 shall, commencing with the
20 first annual meeting of the board following the effective date of [this
21 1992 amendatory act] P.L.1992, c.187, elect managers as terms expire
22 for terms of three years.

23 I. The requirements of subsections G and H of this section shall be
24 satisfied if the number of managers in any one class of managers does
25 not exceed by more than one the number of managers in any other
26 class.

27 J. All classifications and elections of managers made pursuant to
28 this section shall be certified by any two officers of the savings bank,
29 and shall be filed in the department within fifteen days after such
30 classification or election.

31 K. Except as herein otherwise provided, the acts of a majority of
32 the board of managers at any time in office shall be the acts of the
33 savings bank.

34 L. Upon the merger of two or more savings banks, the board of
35 managers of the receiving savings bank, as defined in section 205 of
36 P.L.1948, c.67 (C.17:9A-205), may consist of not less than five and
37 not more than the total number then in office of the managers of all the
38 savings banks which are parties to the merger. So long as the board
39 of managers of such receiving bank shall exceed twenty-one in number
40 (1) the number of managers shall not be increased, but may be
41 decreased to any number not less than five; (2) vacancies in the board
42 of managers shall not be filled; and (3) the requirements of subsections
43 G and H of this section shall be satisfied if the number of managers in
44 any one class or in any two classes of managers does not exceed by
45 more than one the managers in the remaining classes or class. For the
46 purposes of this subsection, the expiration of the term for which a

1 manager is elected shall not be deemed to create a vacancy.
2 (cf: P.L.1992, c.187, s.2)

3

4 2. This act shall take effect immediately.

5

6

7

STATEMENT

8

9 This bill allows New Jersey State chartered savings banks to attract
10 and retain the best qualified directors and to provide parity with State
11 chartered banks and savings and loan associations. Except during the
12 first five years of operation of a newly formed savings bank, the bill
13 would eliminate the requirement that a minimum of two-thirds of a
14 savings bank's board be residents of New Jersey. State chartered
15 banks and savings and loan associations have no State residency
16 requirement for directors. Society is becoming more mobile, with
17 people more likely to change residences, and this is particularly
18 becoming a problem in New Jersey, with its close proximity to the
19 New York and Philadelphia metropolitan areas.

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24 Removes requirement that two-thirds of a savings bank's board must
25 reside in New Jersey.

CHAPTER 67

AN ACT concerning the composition of the boards of savings banks and amending P.L.1948, c.67.

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

1. Section 188 of P.L.1948, c.67 (C.17:9A-188) is amended to read as follows:

C.17:9A-188 Board of managers; number; qualifications; oath.

188. Board of managers; number; qualifications; oath.

A. (1) Except as otherwise provided by subsection L of this section, every savings bank shall be managed by a board of not less than five and not more than twenty-one managers.

(2) For the first five years of operation, not less than two-thirds of the managers of a de novo savings bank shall be residents and citizens of this State.

B. Each manager shall, following his election and before he assumes office, take an oath that he will, so far as the duty devolves upon him, diligently and honestly administer the affairs of the savings bank, and that he will not knowingly violate or knowingly permit to be violated, any provisions of law applicable to the savings bank. Such oath shall be subscribed by the manager making it, certified by the officer before whom it is taken, and shall be transmitted to the commissioner and filed in the department.

C. A manager who, within thirty days after his election, or, in case of his disability, within such further time as the commissioner shall fix, fails to subscribe the oath specified in subsection B of this section, shall cease to be a manager.

D. Vacancies in the board of managers shall be filled by the board within one year after the vacancies occur. If the board fails to do so, the commissioner may fill any vacancy with a person qualified under this article.

E. The board of managers may meet at such times and so often as they shall deem necessary, but shall meet at least once in each calendar month excepting July and August. A meeting held in January of each year shall be designated the annual meeting of the board; or, in the case of a savings bank operating on a fiscal-year basis, the annual meeting shall be held no later than 120 days after the closing of the fiscal year.

F. Managers shall be elected by a plurality of the votes of the members of the board of managers at the time in office, present and voting at such election, including those managers whose terms are then expiring. Except as hereinafter provided, each manager shall be elected for a term of three years, and until his successor is elected and shall have qualified. Managers shall be eligible for election to succeed themselves. Elections of managers shall be held annually at an annual meeting of the board.

G. Every savings bank hereafter organized shall, at the first meeting of its board of managers, divide the managers named in its certificate of incorporation into three classes of equal size; the members of one class shall hold office until the first annual meeting of the board next succeeding the first meeting; the members of one class shall hold office until the second annual meeting next succeeding the first meeting; and the members of one class shall hold office until the third annual meeting next succeeding the first meeting, so that, at each election of managers following the first meeting, an equal number of managers shall be elected.

H. Every savings bank organized prior to the effective date of P.L.1992, c.187 shall, commencing with the first annual meeting of the board following the effective date of P.L.1992, c.187, elect managers as terms expire for terms of three years.

I. The requirements of subsections G and H of this section shall be satisfied if the number of managers in any one class of managers does not exceed by more than one the number of managers in any other class.

J. All classifications and elections of managers made pursuant to this section shall be certified by any two officers of the savings bank, and shall be filed in the department within fifteen days after such classification or election.

K. Except as herein otherwise provided, the acts of a majority of the board of managers at any time in office shall be the acts of the savings bank.

L. Upon the merger of two or more savings banks, the board of managers of the receiving savings bank, as defined in section 205 of P.L.1948, c.67 (C.17:9A-205), may consist of not less than five and not more than the total number then in office of the managers of all the savings

banks which are parties to the merger. So long as the board of managers of such receiving bank shall exceed twenty-one in number (1) the number of managers shall not be increased, but may be decreased to any number not less than five; (2) vacancies in the board of managers shall not be filled; and (3) the requirements of subsections G and H of this section shall be satisfied if the number of managers in any one class or in any two classes of managers does not exceed by more than one the managers in the remaining classes or class. For the purposes of this subsection, the expiration of the term for which a manager is elected shall not be deemed to create a vacancy.

2. This act shall take effect immediately.

Approved July 13, 2000.

Office of the Governor
NEWS RELEASE

PO BOX 004
TRENTON, NJ 08625

CONTACT: Jayne O'Connor
609-777-2600

RELEASE: July 13, 2000

Gov. Christie Whitman signed the following legislation:

A-135, sponsored by Assembly Members Arline M. Friscia (D-Middlesex) and Neil M. Cohen (D-Union), amends motor vehicle laws to require State and local law enforcement authorities to receive proof of valid automobile insurance before releasing a motor vehicle impounded pursuant to State law. Uninsured vehicles would, therefore, remain impounded until a valid insurance policy was obtained or proof of existing insurance was presented.

A-316, sponsored by Assemblywomen Charlotte Vandervalk (R-Bergen) and Joan M. Quigley (D-Bergen/Hudson) and Senator Peter A. Inverso (R-Mercer/Middlesex), directs the Department of Health and Senior Services to develop regulations to require licensed health care facilities to monitor pain in patients as a fifth vital sign. The four traditionally accepted medical vital signs include blood pressure, pulse, respiration and temperature. The bill is based on one of the recommendations issued by the New Jersey Legislative Commission for the Study of Pain Management Policy in its report to the Governor and the Legislature in March 1999. The purpose of this bill is to promote greater awareness of pain as a patient concern among physicians, physician assistants and nurses. Additionally, the bill is intended to facilitate communication between health care professionals and their patients about levels of pain intensity.

A-317, sponsored by Assemblywomen Charlotte Vandervalk (R-Bergen) and Rose Marie Heck (R-Bergen) and Senator Peter A. Inverso (R-Mercer/Middlesex), amends the "Cancer Research Act" and broadens the mandate of the statutorily created New Jersey State Commission on Cancer Research (Commission) to encourage the development of research projects on pain management and palliative care for cancer patients. The bill is based on one of the recommendations issued by the New Jersey Legislative Commission for the Study of Pain Management Policy in its report to the Governor and the Legislature in March 1999. The Commission currently receives \$1 million annually to fund research projects on the genetic, biochemical, viral, microbiological and environmental causes of cancer. This bill would specifically authorize the Commission to fund research projects that focus on pain management and palliative care for persons diagnosed with cancer.

A-318, sponsored by Assemblywomen Charlotte Vandervalk (R-Bergen) and Joan M. Quigley (D-Bergen/Hudson) and Senator Peter A. Inverso (R-Mercer/Middlesex), continues the work of the New Jersey Legislative Commission for the Study of Pain Management Policy (Commission), which was established by the Legislature in 1997 to study and make recommendations concerning acute and chronic pain management policy issues. The Commission expired in 1999 upon submission of its recommendations to the

Governor and the Legislature. This bill would temporarily establish the New Jersey Pain Management Policy Advisory Council (Council) in the Department of Health and Senior Services for another two years, as a follow-up entity to the Commission in order to continue to study and develop further policy recommendations concerning pain management. The bill calls for the Council to submit a report of its recommendations to the Legislature and the Governor at the end of two years.

A-319, sponsored by Assembly Members Charlotte Vandervalk (R-Bergen) and Samuel D. Thompson (R-Middlesex/Monmouth) and Senator Peter A. Inverso (R-Mercer/Middlesex), intends to focus the attention of hospital and nursing home management and health care professional staff on the need to address pain management as an integral component of patient care. The bill amends the statutory "bill of rights" for hospital and nursing home patients to explicitly include the right to expect and receive appropriate assessment, management and treatment of pain. The bill is based on one of the recommendations of the New Jersey Legislative Commission for the Study of Pain Management Policy in its report to the Governor and the Legislature.

A-2179, sponsored by Assemblymen Christopher Bateman (R-Morris/Somerset) and E. Scott Garrett (R-Sussex/Hunterdon/Morris) and Senator Gerald Cardinale (R-Bergen), eliminates the requirement that a minimum of two-thirds of a savings bank's board of managers be residents of New Jersey. The residency requirement is retained for the first five years of operation of a newly formed savings bank. The bill intends to allow New Jersey State chartered savings banks greater flexibility to attract and retain the best qualified managers and to provide parity with State chartered banks and savings and loan associations, which do not have residency requirements.

A-2180, sponsored by Assemblymen Christopher Bateman (R-Morris/Somerset) and E. Scott Garrett (R-Sussex/Hunterdon/Morris) and Senator Gerald Cardinale (R-Bergen), removes the requirement that a savings bank must use the word "savings" in its name. The change will help preserve the viability of the State savings bank charter and recognizes the blurring of distinction between banks and savings banks by consumers. Federal law does not require the use of the word savings in the title of a federally chartered savings bank.

A-2263, sponsored by Assemblymen Christopher Bateman (R-Morris/Somerset) and Neil M. Cohen (D-Union) and Senator Gerald Cardinale (R-Bergen), provides for an expedited approval process for certain applications by banks, savings banks and savings and loan associations, such as for branch office applications, certificate of incorporation amendments, and other corporate approvals. The bill sets forth eligibility requirements that banks must meet to qualify for the expedited approval process. Also, the bill consolidates and clarifies parity power provisions for financial institutions to be consistent with new powers granted by the federal "Graham-Leach-Bliley Act."

A-2264, sponsored by Assemblymen Christopher Bateman (R-Morris/Somerset) and Neil M. Cohen (D-Union) and Senator Gerald Cardinale (R-Bergen), outlines procedures to be followed in the event of mergers between financial institutions and their subsidiaries, as

allowed by new federal law. The bill requires the Department of Banking and Insurance Commissioner's approval prior to a merger and requires a financial institution's governing board to adopt a plan of merger that sets forth, among other things, the terms and conditions of the proposed merger and the manner in which shares will be converted or paid.