

17:9A-18

LEGISLATIVE HISTORY CHECKLIST

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LAWS OF: 2000 **CHAPTER:** 68

NJSA: 17:9A-18 (Banks need not use "savings" in name)

BILL NO A2180 (Substituted for S1157)

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

A2180

SPONSORS STATEMENT: (Begins on page 3 of original bill) Yes

COMMITTEE STATEMENT: **ASSEMBLY:** Yes

SENATE: No

FLOOR AMENDMENT STATEMENTS: No

LEGISLATIVE FISCAL ESTIMATE: No

S1157

SPONSORS STATEMENT: (Begins on page 3 of original bill) Yes
Bill and Sponsors Statement identical to A2180

COMMITTEE STATEMENT: **ASSEMBLY:** No

SENATE: Yes
Identical to Assembly Statement for A2180

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 CLIPPINGS No

ASSEMBLY, No. 2180

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:

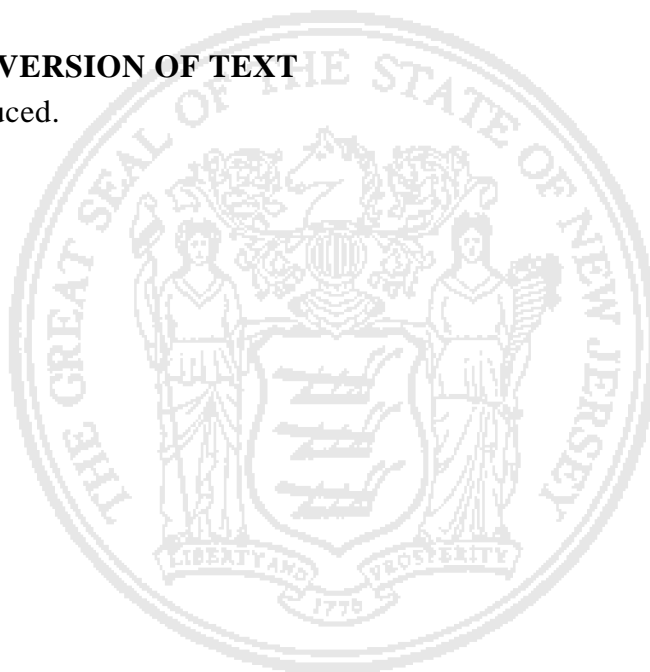
**Assemblymen Augustine, Merkt, Assemblywoman Farragher and Senator
Cardinale**

SYNOPSIS

Removes the requirement that a savings bank must use the word "savings" in its name.

CURRENT VERSION OF TEXT

As introduced.



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

A2180 BATEMAN, GARRETT

2

1 AN ACT concerning the names of savings banks and amending
2 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 18 of P.L.1948, c.67 (C.17:9A-18) is amended to read
8 as follows:

9 18. A. The name of every bank shall contain the word "bank" or
10 "banking" or "trust," or a combination of the words "bank" or
11 "banking" and "trust," except that no bank which is not qualified to
12 exercise any of the powers specified in section 28 shall use the word
13 "trust" as part of its name. Any bank which, immediately prior to the
14 effective date of this act, lawfully used the word "savings" as part of
15 its name, may continue the use thereof, but no other bank shall
16 hereafter use such word as part of its name.

17 B. The name of every savings bank shall contain the words
18 "savings bank" or "savings fund society" or "savings institution" or
19 "institution for savings" or "bank for savings" or "bank." Any savings
20 bank which, immediately prior to the effective date of this act, lawfully
21 used the word "trust" as part of its name, may continue the use
22 thereof, but no other savings bank shall hereafter use such word as
23 part of its name.

24 C. No bank or savings bank shall assume a name identical with that
25 of an existing banking institution, or so similar thereto that confusion
26 may result therefrom; except that, if a bank or savings bank is
27 organized to succeed another bank or savings bank pursuant to section
28 16, it may adopt the name of the bank or savings bank which it
29 succeeds.

30 D. No person, other than a banking institution or bank holding
31 company, shall use the words "bank" or "banker" or "banking" or
32 "trust" or "savings" or any of them, as part of his or its name, or in any
33 representations describing his or its powers, services or functions,
34 except as otherwise permitted by law. A violation of the provisions of
35 this subsection shall be a misdemeanor, and the Superior Court shall
36 have jurisdiction to enjoin such violation at the suit of the
37 commissioner.

38 E. The provisions of subsection D of this section shall not apply to
39 any corporation or association formed for the purpose of promoting
40 the interests of banking institutions, the membership of which is
41 comprised of banking institutions, their officers or other
42 representatives; nor shall the said subsection apply to any partnership,
43 association, or corporation, which, on the effective date of this act,

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 lawfully used the words "bank," "banker," "banking," "trust," or
2 "savings," or any of them, as part of its name.

3 F. The provisions of subsection D of this section shall not prevent
4 the use of the word "savings" by a building and loan association or a
5 savings and loan association, or by a corporation or association
6 formed for the purpose of promoting the interests of building and loan
7 associations or savings and loan associations, the membership of which
8 is comprised of building and loan or savings and loan associations,
9 their officers or other representatives.

10 G. The provisions of subsection D of this section shall not prevent
11 the use of the word "trust" by a Real Estate Investment Trust as
12 defined in 26 U.S.C.s.856.

13 (cf: P.L.1997, c.370, s.1)

14

15 2. This act shall take effect immediately.

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STATEMENT

19

20 This bill gives New Jersey State chartered savings banks parity with
21 the 41 federal savings banks with offices in New Jersey by dropping
22 the requirement that a savings bank have the word "savings" in their
23 names.

24 The change will help preserve the viability of the State savings bank
25 charter and recognize the blurring of the distinction between banks and
26 savings banks in the eyes of the consumer. Savings banks will
27 continue to have a high percentage of their assets invested in mortgage
28 loans. Eliminating the requirement to use "savings" in the name does
29 not constitute a competitive threat to commercial banks, as the true
30 factors in being competitive are service and accessibility.

ASSEMBLY BANKING AND INSURANCE COMMITTEE

STATEMENT TO

ASSEMBLY, No. 2180

STATE OF NEW JERSEY

DATED: MARCH 20, 2000

The Assembly Banking and Insurance Committee reports favorably Assembly Bill No. 2180.

This bill gives New Jersey State chartered savings banks parity with the 41 federal savings banks with offices in New Jersey by dropping the requirement that a savings bank have the word "savings" in its name. Federal law no longer imposes this requirement on federally chartered savings banks.

P.L. 2000, CHAPTER 68, *approved July 13, 2000*
Assembly, No. 2180

1 AN ACT concerning the names of savings banks and amending
2 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 18 of P.L.1948, c.67 (C.17:9A-18) is amended to read
8 as follows:

9 18. A. The name of every bank shall contain the word "bank" or
10 "banking" or "trust," or a combination of the words "bank" or
11 "banking" and "trust," except that no bank which is not qualified to
12 exercise any of the powers specified in section 28 shall use the word
13 "trust" as part of its name. Any bank which, immediately prior to the
14 effective date of this act, lawfully used the word "savings" as part of
15 its name, may continue the use thereof, but no other bank shall
16 hereafter use such word as part of its name.

17 B. The name of every savings bank shall contain the words
18 "savings bank" or "savings fund society" or "savings institution" or
19 "institution for savings" or "bank for savings" or "bank." Any savings
20 bank which, immediately prior to the effective date of this act, lawfully
21 used the word "trust" as part of its name, may continue the use
22 thereof, but no other savings bank shall hereafter use such word as
23 part of its name.

24 C. No bank or savings bank shall assume a name identical with that
25 of an existing banking institution, or so similar thereto that confusion
26 may result therefrom; except that, if a bank or savings bank is
27 organized to succeed another bank or savings bank pursuant to section
28 16, it may adopt the name of the bank or savings bank which it
29 succeeds.

30 D. No person, other than a banking institution or bank holding
31 company, shall use the words "bank" or "banker" or "banking" or
32 "trust" or "savings" or any of them, as part of his or its name, or in any
33 representations describing his or its powers, services or functions,
34 except as otherwise permitted by law. A violation of the provisions of
35 this subsection shall be a misdemeanor, and the Superior Court shall
36 have jurisdiction to enjoin such violation at the suit of the
37 commissioner.

38 E. The provisions of subsection D of this section shall not apply to
39 any corporation or association formed for the purpose of promoting
40 the interests of banking institutions, the membership of which is
41 comprised of banking institutions, their officers or other

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 representatives; nor shall the said subsection apply to any partnership,
2 association, or corporation, which, on the effective date of this act,
3 lawfully used the words "bank," "banker," "banking," "trust," or
4 "savings," or any of them, as part of its name.

5 F. The provisions of subsection D of this section shall not prevent
6 the use of the word "savings" by a building and loan association or a
7 savings and loan association, or by a corporation or association
8 formed for the purpose of promoting the interests of building and loan
9 associations or savings and loan associations, the membership of which
10 is comprised of building and loan or savings and loan associations,
11 their officers or other representatives.

12 G. The provisions of subsection D of this section shall not prevent
13 the use of the word "trust" by a Real Estate Investment Trust as
14 defined in 26 U.S.C.s.856.

15 (cf: P.L.1997, c.370, s.1)

16

17 2. This act shall take effect immediately.

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20

STATEMENT

21

22 This bill gives New Jersey State chartered savings banks parity with
23 the 41 federal savings banks with offices in New Jersey by dropping
24 the requirement that a savings bank have the word "savings" in their
25 names.

26 The change will help preserve the viability of the State savings bank
27 charter and recognize the blurring of the distinction between banks and
28 savings banks in the eyes of the consumer. Savings banks will
29 continue to have a high percentage of their assets invested in mortgage
30 loans. Eliminating the requirement to use "savings" in the name does
31 not constitute a competitive threat to commercial banks, as the true
32 factors in being competitive are service and accessibility.

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34

35

36

37 Removes the requirement that a savings bank must use the word
38 "savings" in its name.

CHAPTER 68

AN ACT concerning the names 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 18 of P.L.1948, c.67 (C.17:9A-18) is amended to read as follows:

C.17:9A-18 Names of banks, savings banks.

18. A. The name of every bank shall contain the word "bank" or "banking" or "trust," or a combination of the words "bank" or "banking" and "trust," except that no bank which is not qualified to exercise any of the powers specified in section 28 shall use the word "trust" as part of its name. Any bank which, immediately prior to the effective date of this act, lawfully used the word "savings" as part of its name, may continue the use thereof, but no other bank shall hereafter use such word as part of its name.

B. The name of every savings bank shall contain the words "savings bank" or "savings fund society" or "savings institution" or "institution for savings" or "bank for savings" or "bank." Any savings bank which, immediately prior to the effective date of this act, lawfully used the word "trust" as part of its name, may continue the use thereof, but no other savings bank shall hereafter use such word as part of its name.

C. No bank or savings bank shall assume a name identical with that of an existing banking institution, or so similar thereto that confusion may result therefrom; except that, if a bank or savings bank is organized to succeed another bank or savings bank pursuant to section 16, it may adopt the name of the bank or savings bank which it succeeds.

D. No person, other than a banking institution or bank holding company, shall use the words "bank" or "banker" or "banking" or "trust" or "savings" or any of them, as part of his or its name, or in any representations describing his or its powers, services or functions, except as otherwise permitted by law. A violation of the provisions of this subsection shall be a misdemeanor, and the Superior Court shall have jurisdiction to enjoin such violation at the suit of the commissioner.

E. The provisions of subsection D of this section shall not apply to any corporation or association formed for the purpose of promoting the interests of banking institutions, the membership of which is comprised of banking institutions, their officers or other representatives; nor shall the said subsection apply to any partnership, association, or corporation, which, on the effective date of this act, lawfully used the words "bank," "banker," "banking," "trust," or "savings," or any of them, as part of its name.

F. The provisions of subsection D of this section shall not prevent the use of the word "savings" by a building and loan association or a savings and loan association, or by a corporation or association formed for the purpose of promoting the interests of building and loan associations or savings and loan associations, the membership of which is comprised of building and loan or savings and loan associations, their officers or other representatives.

G. The provisions of subsection D of this section shall not prevent the use of the word "trust" by a Real Estate Investment Trust as defined in 26 U.S.C.s.856.

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.