

VETO MESSAGE: No

GOVERNOR'S PRESS RELEASE ON SIGNING: No

FOLLOWING WERE PRINTED:

To check for circulating copies, contact New Jersey State Government Publications at the State Library (609) 278-2640 ext.103 or <mailto:refdesk@njstatelib.org>

REPORTS: No

HEARINGS: No

NEWSPAPER ARTICLES: No

LAW/RWH

Title 17.
Subtitle 2.
Part 9.
Chapter 16Z.
(New)
Banking
Development
Districts
§§1-8 -
C.17:16Z-1 to
17:16Z-8
§9 - Note

P.L.2011, CHAPTER 24, *approved February 21, 2011*
Assembly, No. 1458

1 AN ACT concerning banking services and supplementing Title 17 of
2 the Revised Statutes.

3

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

6

7 1. This act shall be known and may be cited as the “Banking
8 Development District Act.”

9

10 2. As used in this act:

11 “Bank” means a State or federally chartered bank, savings bank,
12 savings and loan association, or credit union doing business in the
13 State.

14 “Banking services” means deposit taking, check cashing, sale of
15 money orders, and origination of residential or commercial
16 mortgages, consumer loans, and commercial loans.

17 “Branch” means a full service branch office of a bank, providing
18 banking services with tellers, customer service representatives, and
19 loan officers available at least 40 hours per week.

20 “Commissioner” means the Commissioner of Banking and
21 Insurance.

22 “Department” means the Department of Banking and Insurance.

23 “District” means a banking development district approved under
24 this act.

25 “Program” means the Banking Development District Program
26 established pursuant to this act.

27

28 3. There is established in the department, the Banking
29 Development District Program. The commissioner shall administer
30 and monitor the program to encourage the establishment of bank
31 branches in geographic locations in this State where there is a
32 demonstrated need for banking services by the establishment of
33 banking development districts.

1 4. The department shall promulgate rules and regulations
2 which set forth the criteria for the establishment of banking
3 development districts. The criteria shall include, but not be limited
4 to, the following:

5 a. The location, number, and proximity of sites where banking
6 services are currently available within the district;

7 b. The identification of consumer needs for banking services
8 within the district;

9 c. The economic viability and local credit needs of the
10 community within the district;

11 d. The existing commercial development within the district;

12 e. The impact additional banking services would have on
13 potential economic development in the district; and

14 f. Such other criteria that the commissioner shall identify as
15 appropriate.

16

17 5. a. A municipality, in conjunction with a bank, may submit
18 an application to the commissioner for the designation of a banking
19 development district within a specified geographic area.

20 b. The commissioner shall issue a determination as to an
21 application for designation as a district within 60 days of receipt of
22 the application. If an application is approved, the commissioner
23 shall transmit notification of the approval to the municipality
24 requesting the district, the State Treasurer, and any bank which has
25 or will have a branch located in the district.

26 c. A bank may submit an application to open a branch in the
27 requested banking development district, subject to all applicable
28 federal and State laws regarding the establishment of branch
29 offices, simultaneously with the submission of the application for
30 the designation of a banking development district.

31

32 6. a. Notwithstanding the provisions of section 1 of P.L.1956,
33 c.174 (C.52:18-16.1) or any other law to the contrary, the State
34 Treasurer may select a bank in a district as a depository for public
35 moneys or funds that are otherwise in the custody of the State
36 Treasurer.

37 b. Subject to an agreement between the State Treasurer and the
38 bank, funds of the State deposited in the bank may earn a fixed rate
39 of interest which is at or below the bank's posted rate for a mutually
40 agreeable depository product, for a mutually agreeable term.

41

42 7. a. The governing body of a municipality in which a banking
43 development district has been designated by the commissioner may,
44 by resolution, select a bank in the district as a depository for funds
45 of the municipality, provided the bank shall be subject to the
46 requirements for a public depository established pursuant to
47 P.L.1970, c.236 (C.17:9-41 et seq.). The resolution shall state the

1 maximum amount which may be on deposit at any time with the
2 bank and such other terms and conditions as are determined to be
3 necessary by the governing body of the municipality.

4 b. Subject to an agreement between the governing body of the
5 municipality and the bank, funds of the municipality deposited in
6 the bank may earn a fixed rate of interest which is at or below the
7 bank's posted rate for a mutually agreeable depository product, for
8 a mutually agreeable term.

9 c. The selection of a bank, deposit amount, and the terms and
10 conditions of a deposit may be changed at any time by the
11 governing body of the municipality by further resolution.

12

13 8. The Department of Banking and Insurance shall adopt rules
14 and regulations pursuant to the "Administrative Procedure Act,"
15 P.L.1968, c.410 (C.52:14B-1 et seq.), to effectuate the purposes of
16 this act.

17

18 9. This act shall take effect 60 days following enactment.

19

20

21

22

23 The "Banking Development District Act."

ASSEMBLY, No. 1458

STATE OF NEW JERSEY 214th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2010 SESSION

Sponsored by:

Assemblyman JOHN S. WISNIEWSKI

District 19 (Middlesex)

Assemblywoman L. GRACE SPENCER

District 29 (Essex and Union)

Assemblywoman BONNIE WATSON COLEMAN

District 15 (Mercer)

Assemblyman JACK CONNERS

District 7 (Burlington and Camden)

Assemblyman GARY R. CHIUSANO

District 24 (Sussex, Hunterdon and Morris)

Assemblywoman DENISE M. COYLE

District 16 (Morris and Somerset)

SYNOPSIS

The "Banking Development District Act."

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel



1 AN ACT concerning banking services and supplementing Title 17 of
2 the Revised Statutes.

3

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

6

7 1. This act shall be known and may be cited as the “Banking
8 Development District Act.”

9

10 2. As used in this act:

11 “Bank” means a State or federally chartered bank, savings bank,
12 savings and loan association, or credit union doing business in the
13 State.

14 “Banking services” means deposit taking, check cashing, sale of
15 money orders, and origination of residential or commercial
16 mortgages, consumer loans, and commercial loans.

17 “Branch” means a full service branch office of a bank, providing
18 banking services with tellers, customer service representatives, and
19 loan officers available at least 40 hours per week.

20 “Commissioner” means the Commissioner of Banking and
21 Insurance.

22 “Department” means the Department of Banking and Insurance.

23 “District” means a banking development district approved under
24 this act.

25 “Program” means the Banking Development District Program
26 established pursuant to this act.

27

28 3. There is established in the department, the Banking
29 Development District Program. The commissioner shall administer
30 and monitor the program to encourage the establishment of bank
31 branches in geographic locations in this State where there is a
32 demonstrated need for banking services by the establishment of
33 banking development districts.

34

35 4. The department shall promulgate rules and regulations which
36 set forth the criteria for the establishment of banking development
37 districts. The criteria shall include, but not be limited to, the
38 following:

39 a. The location, number, and proximity of sites where banking
40 services are currently available within the district;

41 b. The identification of consumer needs for banking services
42 within the district;

43 c. The economic viability and local credit needs of the
44 community within the district;

45 d. The existing commercial development within the district;

46 e. The impact additional banking services would have on
47 potential economic development in the district; and

- 1 f. Such other criteria that the commissioner shall identify as
2 appropriate.
3
- 4 5. a. A municipality, in conjunction with a bank, may submit an
5 application to the commissioner for the designation of a banking
6 development district within a specified geographic area.
- 7 b. The commissioner shall issue a determination as to an
8 application for designation as a district within 60 days of receipt of
9 the application. If an application is approved, the commissioner
10 shall transmit notification of the approval to the municipality
11 requesting the district, the State Treasurer, and any bank which has
12 or will have a branch located in the district.
- 13 c. A bank may submit an application to open a branch in the
14 requested banking development district, subject to all applicable
15 federal and State laws regarding the establishment of branch
16 offices, simultaneously with the submission of the application for
17 the designation of a banking development district.
18
- 19 6. a. Notwithstanding the provisions of section 1 of P.L.1956,
20 c.174 (C.52:18-16.1) or any other law to the contrary, the State
21 Treasurer may select a bank in a district as a depository for public
22 moneys or funds that are otherwise in the custody of the State
23 Treasurer.
- 24 b. Subject to an agreement between the State Treasurer and the
25 bank, funds of the State deposited in the bank may earn a fixed rate
26 of interest which is at or below the bank's posted rate for a mutually
27 agreeable depository product, for a mutually agreeable term.
28
- 29 7. a. The governing body of a municipality in which a banking
30 development district has been designated by the commissioner may,
31 by resolution, select a bank in the district as a depository for funds
32 of the municipality, provided the bank shall be subject to the
33 requirements for a public depository established pursuant to
34 P.L.1970, c.236 (C.17:9-41 et seq.). The resolution shall state the
35 maximum amount which may be on deposit at any time with the
36 bank and such other terms and conditions as are determined to be
37 necessary by the governing body of the municipality.
- 38 b. Subject to an agreement between the governing body of the
39 municipality and the bank, funds of the municipality deposited in
40 the bank may earn a fixed rate of interest which is at or below the
41 bank's posted rate for a mutually agreeable depository product, for
42 a mutually agreeable term.
- 43 c. The selection of a bank, deposit amount, and the terms and
44 conditions of a deposit may be changed at any time by the
45 governing body of the municipality by further resolution.

A1458 WISNIEWSKI, SPENCER

5

- 1 “Administrative Procedure Act,” P.L.1968, c.410 (C.52:14B-1 et
- 2 seq.), to effectuate the bill’s provisions.

ASSEMBLY FINANCIAL INSTITUTIONS AND INSURANCE
COMMITTEE

STATEMENT TO

ASSEMBLY, No. 1458

STATE OF NEW JERSEY

DATED: MAY 6, 2010

The Assembly Financial Institutions and Insurance Committee reports favorably Assembly Bill No. 1458.

This bill creates, within the Department of Banking and Insurance, a Banking Development District Program, to encourage the establishment of bank branches in geographic locations in the State where there is a demonstrated need for banking services.

The bill requires the department to promulgate rules and regulations to develop the criteria for the creation of banking development districts.

A municipality, in conjunction with a bank, may submit an application to the commissioner for the designation of a banking development district within a specified geographic area. The commissioner shall issue a determination on the application within 60 days of receipt of the application. A bank may submit an application to open a branch in the proposed banking development district, subject to all applicable federal and State laws regarding the establishment of branch offices, simultaneously with the submission of the application for the designation of a banking development district.

The State Treasurer may select a bank in a district as a depository for public moneys or funds that are otherwise in the custody of the State Treasurer. Subject to an agreement between the State Treasurer and the bank, funds of the State deposited in the bank may earn a fixed rate of interest which is at or below the bank's posted rate for a mutually agreeable depository product for a mutually agreeable term.

The governing body of a municipality in which a banking development district has been designated by the commissioner may, by resolution, select a bank in the district as a depository for funds of the municipality, provided the bank shall be subject to the requirements for a public depository established pursuant to P.L.1970, c.236 (C.17:9-41 et seq.). Subject to an agreement between the governing body of the municipality and the bank, funds of the municipality deposited in the bank may earn a fixed rate of interest which is at or below the bank's posted rate for a mutually agreeable depository product for a mutually agreeable term.

Finally, the bill provides that the Department of Banking and Insurance shall adopt rules and regulations pursuant to the “Administrative Procedure Act,” P.L.1968, c.410 (C.52:14B-1 et seq.), to effectuate the bill’s provisions.

This bill was pre-filed for introduction in the 2010-2011 session pending technical review. As reported, the bill includes the changes required by technical review, which has been performed.

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

ASSEMBLY, No. 1458

STATE OF NEW JERSEY

DATED: DECEMBER 8, 2010

The Senate Budget and Appropriations Committee reports favorably Assembly Bill No. 1458.

This bill creates, within the Department of Banking and Insurance, a Banking Development District Program, to encourage the establishment of bank branches in geographic locations in the State where there is a demonstrated need for banking services.

The bill requires the department to promulgate rules and regulations to develop the criteria for the creation of banking development districts.

A municipality, in conjunction with a bank, may submit an application to the commissioner for the designation of a banking development district within a specified geographic area. The commissioner shall issue a determination on the application within 60 days of receipt of the application. A bank may submit an application to open a branch in the proposed banking development district, subject to all applicable federal and State laws regarding the establishment of branch offices, simultaneously with the submission of the application for the designation of a banking development district.

The State Treasurer may select a bank in a district as a depository for public moneys or funds that are otherwise in the custody of the State Treasurer. Subject to an agreement between the State Treasurer and the bank, funds of the State deposited in the bank may earn a fixed rate of interest which is at or below the bank's posted rate for a mutually agreeable depository product for a mutually agreeable term.

The governing body of a municipality in which a banking development district has been designated by the commissioner may, by resolution, select a bank in the district as a depository for funds of the municipality, provided the bank shall be subject to the requirements for a public depository established pursuant to P.L.1970, c.236 (C.17:9-41 et seq.). Subject to an agreement between the governing body of the municipality and the bank, funds of the municipality deposited in the bank may earn a fixed rate of interest which is at or below the bank's posted rate for a mutually agreeable depository product for a mutually agreeable term.

Finally, the bill provides that the Department of Banking and Insurance shall adopt rules and regulations pursuant to the

“Administrative Procedure Act,” P.L.1968, c.410 (C.52:14B-1 et seq.), to effectuate the bill’s provisions.

This bill is identical to Senate Bill No. 2286, as also reported by the committee.

FISCAL IMPACT:

This bill is not certified for a fiscal note.

SENATE, No. 2286

STATE OF NEW JERSEY 214th LEGISLATURE

INTRODUCED SEPTEMBER 23, 2010

Sponsored by:

Senator SANDRA B. CUNNINGHAM

District 31 (Hudson)

Senator DONALD NORCROSS

District 5 (Camden and Gloucester)

Co-Sponsored by:

Senators Girgenti, Gordon and Turner

SYNOPSIS

The “Banking Development District Act.”

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 1/7/2011)

1 AN ACT concerning banking services and supplementing Title 17 of
2 the Revised Statutes.

3

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

6

7 1. This act shall be known and may be cited as the “Banking
8 Development District Act.”

9

10 2. As used in this act:

11 “Bank” means a State or federally chartered bank, savings bank,
12 savings and loan association, or credit union doing business in the
13 State.

14 “Banking services” means deposit taking, check cashing, sale of
15 money orders, and origination of residential or commercial
16 mortgages, consumer loans, and commercial loans.

17 “Branch” means a full service branch office of a bank, providing
18 banking services with tellers, customer service representatives, and
19 loan officers available at least 40 hours per week.

20 “Commissioner” means the Commissioner of Banking and
21 Insurance.

22 “Department” means the Department of Banking and Insurance.

23 “District” means a banking development district approved under
24 this act.

25 “Program” means the Banking Development District Program
26 established pursuant to this act.

27

28 3. There is established in the department, the Banking
29 Development District Program. The commissioner shall administer
30 and monitor the program to encourage the establishment of bank
31 branches in geographic locations in this State where there is a
32 demonstrated need for banking services by the establishment of
33 banking development districts.

34

35 4. The department shall promulgate rules and regulations
36 which set forth the criteria for the establishment of banking
37 development districts. The criteria shall include, but not be limited
38 to, the following:

39 a. The location, number, and proximity of sites where banking
40 services are currently available within the district;

41 b. The identification of consumer needs for banking services
42 within the district;

43 c. The economic viability and local credit needs of the
44 community within the district;

45 d. The existing commercial development within the district;

46 e. The impact additional banking services would have on
47 potential economic development in the district; and

1 f. Such other criteria that the commissioner shall identify as
2 appropriate.

3

4 5. a. A municipality, in conjunction with a bank, may submit
5 an application to the commissioner for the designation of a banking
6 development district within a specified geographic area.

7 b. The commissioner shall issue a determination as to an
8 application for designation as a district within 60 days of receipt of
9 the application. If an application is approved, the commissioner
10 shall transmit notification of the approval to the municipality
11 requesting the district, the State Treasurer, and any bank which has
12 or will have a branch located in the district.

13 c. A bank may submit an application to open a branch in the
14 requested banking development district, subject to all applicable
15 federal and State laws regarding the establishment of branch
16 offices, simultaneously with the submission of the application for
17 the designation of a banking development district.

18

19 6. a. Notwithstanding the provisions of section 1 of P.L.1956,
20 c.174 (C.52:18-16.1) or any other law to the contrary, the State
21 Treasurer may select a bank in a district as a depository for public
22 moneys or funds that are otherwise in the custody of the State
23 Treasurer.

24 b. Subject to an agreement between the State Treasurer and the
25 bank, funds of the State deposited in the bank may earn a fixed rate
26 of interest which is at or below the bank's posted rate for a mutually
27 agreeable depository product, for a mutually agreeable term.

28

29 7. a. The governing body of a municipality in which a banking
30 development district has been designated by the commissioner may,
31 by resolution, select a bank in the district as a depository for funds
32 of the municipality, provided the bank shall be subject to the
33 requirements for a public depository established pursuant to
34 P.L.1970, c.236 (C.17:9-41 et seq.). The resolution shall state the
35 maximum amount which may be on deposit at any time with the
36 bank and such other terms and conditions as are determined to be
37 necessary by the governing body of the municipality.

38 b. Subject to an agreement between the governing body of the
39 municipality and the bank, funds of the municipality deposited in
40 the bank may earn a fixed rate of interest which is at or below the
41 bank's posted rate for a mutually agreeable depository product, for
42 a mutually agreeable term.

43 c. The selection of a bank, deposit amount, and the terms and
44 conditions of a deposit may be changed at any time by the
45 governing body of the municipality by further resolution.

46

47 8. The Department of Banking and Insurance shall adopt rules
48 and regulations pursuant to the "Administrative Procedure Act,"

1 P.L.1968, c.410 (C.52:14B-1 et seq.), to effectuate the purposes of
2 this act.

3

4 9. This act shall take effect 60 days following enactment.

5

6

7

STATEMENT

8

9 This bill creates, within the Department of Banking and
10 Insurance, a Banking Development District Program, to encourage
11 the establishment of bank branches in geographic locations in the
12 State where there is a demonstrated need for banking services.

13 The bill requires the department to promulgate rules and
14 regulations to develop the criteria for the creation of banking
15 development districts.

16 A municipality, in conjunction with a bank, may submit an
17 application to the commissioner for the designation of a banking
18 development district within a specified geographic area. The
19 commissioner shall issue a determination on the application within
20 60 days of receipt of the application. A bank may submit an
21 application to open a branch in the proposed banking development
22 district, subject to all applicable federal and State laws regarding
23 the establishment of branch offices, simultaneously with the
24 submission of the application for the designation of a banking
25 development district.

26 The State Treasurer may select a bank in a district as a
27 depository for public moneys or funds that are otherwise in the
28 custody of the State Treasurer. Subject to an agreement between the
29 State Treasurer and the bank, funds of the State deposited in the
30 bank may earn a fixed rate of interest which is at or below the
31 bank's posted rate for a mutually agreeable depository product for a
32 mutually agreeable term.

33 The governing body of a municipality in which a banking
34 development district has been designated by the commissioner may,
35 by resolution, select a bank in the district as a depository for funds
36 of the municipality, provided the bank shall be subject to the
37 requirements for a public depository established pursuant to
38 P.L.1970, c.236 (C.17:9-41 et seq.). Subject to an agreement
39 between the governing body of the municipality and the bank, funds
40 of the municipality deposited in the bank may earn a fixed rate of
41 interest which is at or below the bank's posted rate for a mutually
42 agreeable depository product for a mutually agreeable term.

43 Finally, the bill provides that the Department of Banking and
44 Insurance shall adopt rules and regulations pursuant to the
45 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et
46 seq.), to effectuate the bill's provisions.

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

SENATE, No. 2286

STATE OF NEW JERSEY

DATED: DECEMBER 8, 2010

The Senate Budget and Appropriations Committee reports favorably Senate Bill No. 2286.

This bill creates, within the Department of Banking and Insurance, a Banking Development District Program, to encourage the establishment of bank branches in geographic locations in the State where there is a demonstrated need for banking services.

The bill requires the department to promulgate rules and regulations to develop the criteria for the creation of banking development districts.

A municipality, in conjunction with a bank, may submit an application to the commissioner for the designation of a banking development district within a specified geographic area. The commissioner shall issue a determination on the application within 60 days of receipt of the application. A bank may submit an application to open a branch in the proposed banking development district, subject to all applicable federal and State laws regarding the establishment of branch offices, simultaneously with the submission of the application for the designation of a banking development district.

The State Treasurer may select a bank in a district as a depository for public moneys or funds that are otherwise in the custody of the State Treasurer. Subject to an agreement between the State Treasurer and the bank, funds of the State deposited in the bank may earn a fixed rate of interest which is at or below the bank's posted rate for a mutually agreeable depository product for a mutually agreeable term.

The governing body of a municipality in which a banking development district has been designated by the commissioner may, by resolution, select a bank in the district as a depository for funds of the municipality, provided the bank shall be subject to the requirements for a public depository established pursuant to P.L.1970, c.236 (C.17:9-41 et seq.). Subject to an agreement between the governing body of the municipality and the bank, funds of the municipality deposited in the bank may earn a fixed rate of interest which is at or below the bank's posted rate for a mutually agreeable depository product for a mutually agreeable term.

Finally, the bill provides that the Department of Banking and Insurance shall adopt rules and regulations pursuant to the

“Administrative Procedure Act,” P.L.1968, c.410 (C.52:14B-1 et seq.), to effectuate the bill’s provisions.

This bill is identical to Assembly Bill No. 1458, as also reported by the committee.

FISCAL IMPACT:

This bill is not certified for a fiscal note.