

17: 9A-24.12

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LEGISLATIVE HISTORY CHECKLIST

NJSA: 17:9A-24.12, 17:9A-24.13

(Banks and saving banks--State and Federally chartered--investment powers)

LAWS OF: 1985

CHAPTER: 168

Bill No: S1085

Sponsor(s): Jackman

Date Introduced: January 30, 1984

Committee: Assembly: Banking and Insurance

Senate: Labor, Industry and Professions

Amended during passage: No

Date of Passage: Assembly: May 6, 1985

Senate: November 19, 1984

Date of Approval: May 17, 1985

Following statements are attached if available:

Sponsor statement: Yes

Committee statement: Assembly Yes

Senate Yes

Fiscal Note: No

Veto Message: No

Message on Signing: No

Following were printed:

Reports: No

Hearings: No

Pending regulations, as mentioned in statements:

18 N.J.R. 132, proposed as N.J.A.C. 3:11-11.1 et seq.

CHAPTER 168 LAWS OF N. J. 1985
APPROVED 5-17-85

SENATE, No. 1085

STATE OF NEW JERSEY

INTRODUCED JANUARY 30, 1984

By Senator JACKMAN

Referred to Committee on Labor, Industry and Professions

AN ACT concerning investments by banks and savings banks, supplementing "The Banking Act of 1948," approved April 29, 1948 (P. L. 1948, c. 67; C. 17:9A-1 et seq.) and repealing P. L. 1975, c. 112 (C. 17:9A-182.4 et seq.).

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

1 1. In addition to investments otherwise authorized by law, a
2 bank or savings bank may invest in any kind or kinds of assets,
3 wherever located, of any person, partnership, corporation, other
4 business entity, association or body politic, in amounts not exceed-
5 ing in the aggregate more than 3% of the bank's or savings bank's
6 total assets, or 50% of its capital, surplus, reserves, undivided
7 profits and capital notes, whichever is the lesser. The aggregate
8 amount invested pursuant to this act in an asset or assets of any one
9 person, partnership, corporation, other business entity, association
10 or body politic, shall not exceed 1% of the bank's or savings bank's
11 total assets.

1 2. The commissioner may make, amend and repeal regulations
2 prescribing the amount, location, required collateral or purpose of
3 any investment made in accordance with this act as the commis-
4 sioner may from time to time deem advisable to foster safe and
5 sound banking practices in this State and to promote the public
6 interest. No regulations shall be deemed to expand the powers
7 granted to banks or savings banks in this act.

1 3. P. L. 1975, c. 112 (C. 17:9A-182.4 et seq.) is repealed.

1 4. This act shall take effect immediately.

STATEMENT

This bill would allow State banks or savings banks to invest up to 3% of their total assets or 50% of their capital, surplus, reserves, undivided profits and capital notes, whichever is the lesser, in legally allowable investments, wherever they are located, which are in addition to those specifically spelled out in the statutes. In addition, the amount a State bank or savings bank invests in any one such investment would be limited to 1% of the bank's or savings bank's total assets.

The Commissioner of Banking may issue regulations regarding the amount, location, required collateralization or purpose of any investment to foster safe and sound banking practices.

P. L. 1975, c. 112 (C. 17:9A-182.4 et seq.) which is repealed in this bill is an act concerning savings banks which is similar to the provisions in this bill.

SENATE, No. 1085

STATE OF NEW JERSEY

INTRODUCED JANUARY 30, 1984

By Senator JACKMAN

Referred to Committee on Labor, Industry and Professions

AN ACT concerning investments by banks and savings banks, supplementing "The Banking Act of 1948," approved April 29, 1948 (P. L. 1948, c. 67; C. 17:9A-1 et seq.) and repealing P. L. 1975, c. 112 (C. 17:9A-182.4 et seq.).

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

1 1. In addition to investments otherwise authorized by law, a
2 bank or savings bank may invest in any kind or kinds of assets,
3 wherever located, of any person, partnership, corporation, other
4 business entity, association or body politic, in amounts not exceed-
5 ing in the aggregate more than 3% of the bank's or savings bank's
6 total assets, or 50% of its capital, surplus, reserves, undivided
7 profits and capital notes, whichever is the lesser. The aggregate
8 amount invested pursuant to this act in an asset or assets of any one
9 person, partnership, corporation, other business entity, association
10 or body politic, shall not exceed 1% of the bank's or savings bank's
11 total assets.

1 2. The commissioner may make, amend and repeal regulations
2 prescribing the amount, location, required collateral or purpose of
3 any investment made in accordance with this act as the commis-
4 sioner may from time to time deem advisable to foster safe and
5 sound banking practices in this State and to promote the public
6 interest. No regulations shall be deemed to expand the powers
7 granted to banks or savings banks in this act.

1 3. P. L. 1975, c. 112 (C. 17:9A-182.4 et seq.) is repealed.

1 4. This act shall take effect immediately.

STATEMENT

This bill would allow State banks or savings banks to invest up to 3% of their total assets or 50% of their capital, surplus, reserves, undivided profits and capital notes, whichever is the lesser, in legally allowable investments, wherever they are located, which are in addition to those specifically spelled out in the statutes. In addition, the amount a State bank or savings bank invests in any one such investment would be limited to 1% of the bank's or savings bank's total assets.

The Commissioner of Banking may issue regulations regarding the amount, location, required collateralization or purpose of any investment to foster safe and sound banking practices.

P. L. 1975, c. 112 (C. 17:9A-182.4 et seq.) which is repealed in this bill is an act concerning savings banks which is similar to the provisions in this bill.

S 1085 (1985)

ASSEMBLY BANKING AND INSURANCE COMMITTEE

STATEMENT TO

SENATE, No. 1085

STATE OF NEW JERSEY

DATED: JANUARY 28, 1985

Senate Bill No. 1085 grants additional investment authority to banks and savings banks.

The bill authorizes a bank or savings bank to invest up to 3% of its total assets or 50% of its capital, surplus, reserves, undivided capital, profits and capital notes, whichever is the lesser amount, in any kinds of assets, wherever located, of any person, business entity, association or body politic, except that the aggregate amount invested in any single person, business entity, association or body politic shall not exceed 1% of the bank's or savings bank's total assets.

The Commissioner of Banking may regulate the amount, location, required collateral or purpose of any investment made in accordance with this act, as he may deem advisable to promote safe and sound banking practices and the public interest.

Section 3 of the bill repeals section 1 of P. L. 1975, c. 112 (C. 17:9A-182.4), which authorizes savings banks to invest, within this State, a specified percentage of its assets, or the sum of its surplus, reserves and undivided profits, in any assets, other than the equity securities of a bank, national banking association or bank holding company.

The investment powers granted by this bill are in addition to those already provided by law, including sections 24 and 25 of P. L. 1948, c. 67 (C. 17:9A-24 and 17:9A-25), P. L. 1966, c. 279 (C. 17:9A-25.2) and section 9 of P. L. 1981, c. 153 (C. 17:9A-24a).

The new investment powers include equity investments of all kinds and out-of-state investments.

SENATE LABOR, INDUSTRY AND PROFESSIONS
COMMITTEE

STATEMENT TO
SENATE, No. 1085

STATE OF NEW JERSEY

DATED: JUNE 28, 1984

This bill would allow banks and savings banks to invest up to 3% of their total assets or 50% of their capital, surplus, reserves, undivided profits and capital notes, whichever is the lesser, in legally allowable investments, wherever they are located, which are in addition to those specifically spelled out in the statutes. In addition, the amount a bank or savings bank invests in any one such investment would be limited to 1% of the bank's or savings bank's total assets.

The Commissioner of Banking may issue regulations regarding the amount, location, required collateral or purpose of any investment to foster safe and sound banking practices.