

17:12B-259

LEGISLATIVE HISTORY CHECKLIST

(Savings and Loan Association reserves same as Federal Insurance Reserve)

NJSA 17:12B-259

LAWS 1981

CHAPTER 420

Bill No. A2127

Sponsor(s) Bornheimer

Date Introduced Oct. 6, 1980

Committee: Assembly Banking and Insurance

Senate Labor, Industry and Professions

Amended during passage Yes ~~XX~~ Amendments during passage denoted by asterisks

Date of Passage: Assembly Nov. 24, 1980

Senate Dec. 10, 1981

Date of approval Jan. 9, 1982

Following statements are attached if available:

Sponsor statement Yes ~~XX~~ (Below)

Committee Statement: Assembly Yes ~~XX~~

Senate Yes ~~XX~~

Fiscal Note ~~XX~~ No

Veto Message ~~XX~~ No

Message on signing *Yes* ~~XX~~ ~~XX~~

Following were printed:

Reports ~~XX~~ No

Hearings ~~XX~~ No

Sponsor's statement:

This legislation changes the law with respect to stock savings and loan association reserves to provide that State chartered stock association reserve requirements equal those required by the F.S.L.I.C. for the Federal Insurance Reserve. Regulations of Federal Savings and Loan Insurance Corporation 12 CFR 561 et seq.

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ASSEMBLY, No. 2127

STATE OF NEW JERSEY

INTRODUCED OCTOBER 6, 1980

By Assemblyman BORNHEIMER

Referred to Committee on Banking and Insurance

AN ACT concerning certain savings and loan reserves, amending
P. L. 1974, c. 137.

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

1 1. Section 30 of P. L. 1974, c. 137 (C. 17:12B-259) is amended to
2 read as follows:

3 30. Dividends on capital stock. The directors of a capital stock
4 association, after payment of interest to depositors may declare
5 dividends on capital stock from net income, earned surplus or
6 undivided profits in accordance with the provisions of this act and
7 the bylaws of such association, provided that before and following
8 the declaration of any such dividend, a capital stock association
9 shall have reserves required by this act, ***[stated capital, capital**
10 **surplus, earned surplus and undivided profits]*** **[totaling at least**
11 **5% of the outstanding amount of its savings accounts or deposits.]**
12 ***[which are equal to at least the percentage required by the Federal**
13 **Savings and Loan Insurance Corporation for the Federal Insur-**
14 **ance Reserve, of that outstanding amount of the capital stock**
15 **association's checking, tax and loan and savings account balances**
16 **as of the close of business on the annual closing date following**
17 **each anniversary date of the date on which a certificate of insur-**
18 **ance was issued by the Federal Savings and Loan Insurance Cor-**
19 **poration, or the average of such account balances on such closing**
20 **date and on one or more of the four immediately preceding**
21 **consecutive annual closing dates, whichever is less.]*** *including
22 reserves and net worth which are in compliance with the regula-
23 tions of the Federal Savings and Loan Insurance Corporation.*

1 2. This act shall take effect immediately.

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

SENATE LABOR, INDUSTRY AND PROFESSIONS
COMMITTEE

STATEMENT TO

ASSEMBLY, No. 2127

with Assembly committee amendments

STATE OF NEW JERSEY

DATED: DECEMBER 11, 1980

This legislation removes the requirement that a capital stock savings and loan association must have a reserve of 5% of the outstanding amount of its savings accounts or deposits, and provides that such reserves and net worth be in compliance with the regulations established by the Federal Savings and Loan Insurance Corporation.

When legislation was enacted in 1974 permitting the establishment of capital stock savings and loan associations, a requirement was established that no dividends could be paid to stockholders unless there were reserves of 5% of the outstanding amount of its savings accounts or deposits. There is no specific statutory reserve requirement for mutual savings and loan associations; the appropriate reserve requirements are established by the Federal Savings and Loan Insurance Corporation by regulation. At present, the FSLIC has required a 4% reserve for mutual associations. This legislation would provide parity with respect to reserve requirements for mutual and stock associations.

A-543, sponsored by Assemblyman Dennis L. Riley (D-Gloucester), giving any municipality the option of conducting a public sale for new liquor licenses with the license issued to the highest qualified bidder. The bill also sets forth procedures for screening qualified from unqualified bidders. In municipalities having either an alcoholic beverage control board or an excise commission, the municipality is required to direct the board or commission to conduct a public sale of the licenses.

A-2018, sponsored by Assemblyman Gerald R. Stockman (D-Mercer), prohibiting a member of a board of education from being appointed to any paid office or position unless the member has resigned from the board for at least six months. An exemption is made for offices required by law to be filled by members of the board. This law is similar to the conflict of interest prohibitions governing county freeholders.

A-2061, sponsored by Assemblyman Walter Rand (D-Camden), transferring jurisdiction over pedestrian, bicycling and moped traffic offenses from Juvenile and Domestic Relations Court to municipal courts. The move is expected to raise juvenile awareness of the seriousness of vehicular violations.

A-2127, sponsored by Assemblyman James W. Bornheimer (D-Middlesex), equalizing the reserve requirements for state-chartered savings and loan associations with the recently liberalized requirements for federally-chartered S&L's. A state-chartered S&L must currently maintain a reserve equal to 5-percent of its accounts or deposits; parity with federal law will be achieved by reducing that requirement to 4-percent.

A-2153, sponsored by Assemblyman Thomas H. Paterniti (D-Middlesex), permitting members of a group health plan issued by a commercial insurer to retain full benefits from the plan if they are forced to leave the group plan due to total disability. The bill is designed to provide full health insurance coverage for disabled persons at the same benefit level they had while employed.

A-3744, sponsored by Assemblyman Christopher Jackman (D-Hudson), exempting the earned interest on "all-savers" certificates from the New Jersey Gross Income Tax, up to a maximum of \$1,000.00 for an individual or \$2,000.00 for a couple filing jointly. As with the comparable federal law, 75-percent of the proceeds raised through the issuance of the certificates is dedicated to residential financing.

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