

17:9A-19

LEGISLATIVE HISTORY CHECKLIST

WASA 17:9A-19 (Banks--Branches--Allow communication terminal branch offices)

LAIS OF 1980 CHAPTER 20

Bill No. A683

Sponsor(s) Bornheimer and others

Date Introduced Jan. 17, 1980

Committee: Assembly Banking and Insurance

Senate -----

Amended during passage Yes Substituted for S976 (not attached since identical to A683)

Date of Passage: Assembly March 10, 1980

Senate March 13, 1980

Date of approval March 31, 1980

Following statements are attached if available:

Sponsor statement	Yes	<input checked="" type="checkbox"/>	(Below)
Committee Statement: Assembly	Yes	<input checked="" type="checkbox"/>	
Senate	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Fiscal Note	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Veto message	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Message on signing	Yes	<input checked="" type="checkbox"/>	
Following were printed:			
Reports	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Hearings	<input checked="" type="checkbox"/>	<input type="checkbox"/>	

Sponsor's statement:

This clarifying amendment is intended to remove any ambiguity regarding the ability of banks and savings banks to establish communication terminal branch offices subject to the same geographic requirements as for full branch or minibranch offices. This power exists under present law but is not as plainly stated as desired.

2/1/80

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EXHIBIT

ASSEMBLY, No. 683

STATE OF NEW JERSEY

INTRODUCED JANUARY 17, 1980

By Assemblymen BORNHEIMER, PATERNITI, T. GALLO, MAYS,
ADUBATO, ORECHIO, REMINGTON and KOSCO

Referred to Committee on Banking and Insurance

AN ACT to amend "The Banking Act of 1948," approved April 29,
1948 (P. L. 1948, c. 67).

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

1 1. Section 19 of P. L. 1948, c. 67 (C. 17:9A-19) is amended to
2 read as follows:

3 19. A. Any bank or savings bank may, pursuant to a resolution
4 of its board of directors or board of managers, establish and main-
5 tain branch offices, subject to the conditions and limitations of this
6 article.

7 B. No bank or savings bank shall establish or maintain a branch
8 office which is located outside the municipality in which it maintains
9 its principal office, except that a bank or savings bank may establish
10 and maintain a branch office or offices anywhere in the State:

11 (1) When such bank is a receiving bank as defined in section 132
12 or a receiving savings bank as defined in section 205, and each
13 proposed branch will be established at a location occupied by the
14 principal office or a branch office of a merging bank, as defined in
15 section 132; or a merging savings bank, as defined in section
16 205; or

17 (2) When each proposed branch will be established at a location
18 occupied by the principal office or a branch office of a banking insti-
19 tution in liquidation or in contemplation of liquidation.

20 (3) (Deleted by amendment.)

21 C. No bank shall hereafter establish a full branch office unless its
22 capital stock and surplus shall at least equal the minimum capital
23 stock and surplus required by section 4 on the organization of
24 a bank to transact business at the location occupied by the princi-
25 pal office of the bank proposing to establish such full branch office,

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

26 plus at least \$100,000.00 of capital stock for each full branch office
27 maintained or proposed to be established by such bank.

28 D. No savings bank shall hereafter establish a full branch office
29 unless its surplus shall at least equal the minimum capital deposits
30 required by section 8 on the organization of a savings bank to
31 transact business at the location occupied by the principal office
32 of the savings bank proposing to establish such full branch office,
33 plus at least \$100,000.00 of surplus for each full branch office main-
34 tained or proposed to be established by such savings bank.

35 E. (Deleted by amendment.)

36 F. (Deleted by amendment.)

37 G. (Deleted by amendment.)

38 H. (Deleted by amendment.)

39 I. During the year beginning January 1, 1975, and ending on
40 December 31, 1975, no bank or savings bank shall, except as pro-
41 vided in subsection B. of this section, establish a full branch office
42 or a minibranch office in a municipality, other than that in which it
43 maintains its principal office, which has a population of less than
44 30,000, and in which another banking institution maintains its
45 principal office. For the purposes of this subsection, the principal
46 office of each bank or national bank which is a subsidiary of a bank
47 holding company which controls two or more banking institutions
48 shall be deemed to be a branch office.

49 J. During the year beginning January 1, 1976, and ending on
50 December 31, 1976, no bank or savings bank shall, except as pro-
51 vided in subsection B. of this section, establish a full branch office
52 or a minibranch office in a municipality, other than that in which
53 it maintains its principal office, which has a population of less than
54 20,000, and in which another banking institution maintains its
55 principal office. For the purposes of this subsection, the principal
56 office of each bank or national bank which is a subsidiary of a bank
57 holding company which controls two or more banking institutions
58 shall be deemed to be a branch office.

59 K. During the year beginning January 1, 1977 and thereafter,
60 no bank or savings bank shall, except as provided in subsection B.
61 of this section, establish a full branch office **[or]**, a minibranch
62 office *or a communication terminal branch office* in a municipality,
63 other than that in which it maintains its principal office, which has
64 a population of less than 10,000, and in which another banking in-
65 stitution maintains its principal office. For the purposes of this
66 subsection, the principal office of each bank or national bank which
67 is a subsidiary of a bank holding company which controls two or
68 more banking institutions shall be deemed to be a branch office.

69 L. Except as otherwise provided by law, no foreign bank as
70 defined in section 315 shall establish, operate or maintain in this
71 State any full branch office, minibranch office or communication
72 terminal branch office.

1 2. This act shall take effect immediately.

STATEMENT

This clarifying amendment is intended to remove any ambiguity regarding the ability of banks and savings banks to establish communication terminal branch offices subject to the same geographic requirements as for full branch or minibranch offices. This power exists under present law but is not as plainly stated as desired.

ASSEMBLY BANKING AND INSURANCE COMMITTEE

STATEMENT TO

ASSEMBLY, No. 683

STATE OF NEW JERSEY

DATED: FEBRUARY 21, 1980

This legislation clarifies the provisions of P. L. 1975, c. 148, which provides for the establishment of "mini-branches" and communications terminal branch offices by certain depository institutions. At the time the legislation was passed, it was intended that the home office protection established by that legislation for full branches and mini-branches also apply to communications terminal branch offices, which are electronic or automated facilities. Because of a drafting error in the original legislation the law is not clear as to the status of communications terminal branch offices; this legislation is intended to eliminate any ambiguity which may exist.

FROM THE OFFICE OF THE GOVERNOR

FOR IMMEDIATE RELEASE

FOR FURTHER INFORMATION

APRIL 3, 1980

KATHRYN FORSYTH

Governor Brendan Byrne has signed A-683, sponsored by Assemblyman James Bornheimer (D-Middlesex) which permits banks and savings banks to establish communication terminal branch offices (computer-operated walk-up tellers) in any municipality in which the bank could legally have a regular branch office.

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