17:9A-48

LEGISLATIVE HISTORY CHECKLIST

IJSA 17:9A-48	(State Bankscertainallow investment of direct obligations of U.S. Government)
LAUS OF 1979	CHAPTER 215
Bill HoS1074	
Sponsor(s) Dodd	
Date Introduced April 20, 1978	
Committee: Assembly Banking and Inst	irance .
Senate Labor, Industry and Professions	
Amended during passage Yes	
Date of Passage: Assembly Aug. 23, 197	denoted by asterisks
Senate	
Date of approvalOct. 11, 1979	
Following statements are attached if avai	and the second
Sponsor statement Yes	6 Sox (Below)
Committee Statement: Assembly Yes	i in in it is in the initial initialia initialia initia initial initial initial initial initia
Senate Yes	
Fiscal Note Yes	k Ro Tana a
Veto ilessage Kos	k to
Lessage on signing Kod	k line series and s
Following were printed:	
Reports Yes	k No trade
Hearings Yes	k ilo

Sponsor's statement:

The purpose of this bill is to permit State-chartered banks which are not members of the Federal Reserve System to include immediately available funds sold or transferred to other banks as part of their required available funds. It provides for these Statechartered banks the same provision which the preceding Legislature enacted for State savings banks in P.L. 1976, c.140 (Senate No. 1651).

EJ/1/73

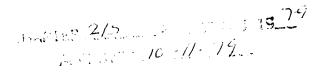
.

.

(over)

.

Federal Reserve Regulation D (mentioned in Assembly Committee Statement) in 12C.F.R. $\S204$ et seq.



[SECOND OFFICIAL COPY REPRINT] SENATE, No. 1074

STATE OF NEW JERSEY

INTRODUCED APRIL 20, 1978

By Senator DODD

Referred to Committee on Labor, Industry and Professions

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 48 of P. L. 1948, c. 67 (C. 17:9A-48) is amended to read 2 as follows:

3 48. Nonmembers of Federal Reserve System.

4 A. A bank which is not a member of the Federal Reserve System shall, subject to the provisions of subsection B of this section, at 5 all times have in available funds consisting of (1) lawful currency 6 of the United States, or (2) balances due on demand from reserve 7 depositaries, **or (3) direct obligations of the United States which 8 SA have a maturity of not more than 18 months,** not less than an 8B amount equal to the aggregate of 15% of its immediate liabilities 8c and 3% of its time liabilities**. The amount of direct obligations SD of the United States, if any, which may be included in available SE funds shall be established by regulation of the Commissioner of 8F Banking but in no case shall such amount exceed 50% of the total required available fund.** *[, or (3) immediately available funds 9 which are transferred or sold by such bank to a member or 10nonmember bank of the Federal Reserve System^{*} **[*or (3) 11 immediately available funds which are transferred or sold by 12such bank to a member or nonmember bank of the Federal 13 Reserve System^{*}.]^{**} The commissioner may from time to time, 14 with the concurrence of the banking advisory board, increase or 15 decrease such percentages; provided, that, in the case of 16 immediate liabilties, such percentage shall not be lower than 17 15 or higher than 30 and, in the case of time liabilities, such per-18 centage shall not be lower than 3 or higher than 6. Notwithstanding 19 the foregoing provisions of this section, the amount of available 20EXPLANATION—Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.

21 funds required of such a bank shall at no time exceed the amount
22 of the reserve balances it would be required to mainatin were such
23 a bank a member of the Federal Reserve System. The sufficiency
24 of the available funds of any such bank upon a particular day
24A shall be determined upon the basis of the bank's immediate liabili24B ties at the opening of business on that day.
25 B. A bank shall be determed to have complied with the require-

26 ments of subsection A of this section if its daily available funds,

27 averaged over semimonthly periods beginning with the first and the

28 sixteenth days of each month, shall at least equal the minimum

29 amount prescribed by subsection A of this section.

1 2. This act shall take effect immediately.

ASSEMBLY BANKING AND INSURANCE COMMITTEE STATEMENT TO SENATE, No. 1074

STATE OF NEW JERSEY

DATED: MAY 3, 1979

This legislation amends the sections of the Banking Act of 1948 (C. 17:9A-1 et seq.) to modify the manner in which banks which are non-members of the Federal Reserve System may hold necessary reserves against time and demand deposits. At present, such reserves may be held in United States currency or balances due on demand from designated reserve depositaries in an amount not less than an aggregate of 15% of a bank's immediate liabilities, or demand deposits, and 3% of its time deposits. Larger reserves may be required by the Commissioner of Banking by regulation within certain limits prescribed by the act. This legislation amends the present law to provide that in addition to currency and moneys in reserve depositaries, reserves for state-chartered non-member banks may be also held in direct obligations of the United States which have a maturity of not more than 18 months, provided that the total amount of such obligations held as reserves not exceed 50% of the reserve requirement. This legislation would not affect state-chartered banks which are members of the Federal Reserve System, which establishes by reserve requirements independently for its member banks by Federal Reserve Regulation D.

The purpose of this legislation is to modernize the methods in which reserves are kept in order that instruments which have come into existence since the reserves section of the Banking Act of 1948 was last amended in 1954. Treasury bill and treasury notes, for example, are interest-bearing instruments which are relatively liquid and are appropriate for use as reserves. The bill originally included federal funds (lines 9-14) as permissible reserves, but this was deleted at the request of the Department of Banking.

SENATE LABOR, INDUSTRY AND PROFESSIONS COMMITTEE

STATEMENT TO

SENATE, No. 1074

STATE OF NEW JERSEY

DATED: JULY 27, 1978

The purpose of this bill is to permit State-chartered banks which are not members of the Federal Reserve System to include immediately available funds sold or transferred to other banks as part of their required available funds. It provides for these State-chartered banks the same provision which the preceding Legislature enacted for State savings banks in P. L. 1976, C. 140 (Senate Bill No. 1651).

The committee, by amendment, restructured the language of the bill.