

17:9A-29

LEGISLATIVE FACT SHEET

on Banks merge - Trust org.

N.J.R.S. 17:9A-29

(1975 Amendment)

LAWS OF 1975

SENATE BILL 3253

INTRODUCED May 27, 1975

SPONSOR'S STATEMENT

ASSEMBLY COMMITTEE STATEMENT

SENATE COMMITTEE STATEMENT

FISCAL NOTE

AMENDED DURING PASSAGE

HEARING None discovered

VETO

CHAPTER 323 2/20/76

ASSEMBLY BILL

BY Dodd

YES NO

YES NO

YES NO

YES NO

YES NO

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SPONSOR'S STATEMENT to Senate, No. 3253

The purpose of this bill is to

1. Allow affiliate banks in a holding company to organize their trust services similar to those of merged banks thereby providing a more efficient service.

2. Make it possible for the corporate fiduciary to provide professional trust services to a larger number of New Jersey citizens, even those in smaller locations, which could normally support a trust department of a bank.

3. Place the local trust administrator in the smaller bank in a better position to compete for substantial trust customers who would normally give their business to a trust department with large resources in New Jersey or to a New York or Philadelphia bank.

JA/PC
11/7/75

SENATE, No. 3253

STATE OF NEW JERSEY

INTRODUCED MAY 27, 1975

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 29 of P. L. 1948, c. 67 (C. 17:9A-29) is amended to
2 read as follows:

3 A. A court or officer with power to appoint a fiduciary, may
4 appoint a qualified bank.

5 B. When a qualified bank, named in a fiduciary capacity in any
6 instrument, shall, before its appointment and qualification as such
7 fiduciary, have been succeeded by another qualified bank as a re-
8 sult of a merger, consolidation, conversion or other corporate
9 reorganization, *or when a successor fiduciary to such qualified bank*
10 *has been appointed as provided in subsection F. of this section,* the
11 court or officer having jurisdiction shall, except for good cause
12 shown, upon proper application therefor, appoint the successor
13 bank *or such successor fiduciary, as the case may be,* to act in such
14 fiduciary capacity.

15 C. A qualified bank may be appointed, upon the application of
16 any party in interest or upon the application of any person or cor-
17 poration acting or entitled to act in a fiduciary capacity, to act in
18 the place and stead of such person or corporation so acting or en-
19 titled to act, or jointly with such person or corporation. Such
20 appointment shall be made upon such notice as the court or officer
21 shall direct.

22 D. Except as may in this act be otherwise expressly provided,
23 a qualified bank acting in a fiduciary capacity shall have all powers,
24 and shall be subject to all liabilities, duties, and obligations as if
25 such bank were an individual.

26 E. Whenever, under any law of this State, or of the United

27 States, any fiduciary is required to make oath, such oath may be
 28 made on behalf of a qualified bank by its president, vice president,
 29 cashier, assistant cashier, secretary, assistant secretary, treasurer,
 30 assistant treasurer, trust officer, or assistant trust officer.

31 *F. A qualified bank which is a wholly-owned subsidiary of a bank*
 32 *holding company organized under the laws of New Jersey may*
 33 *apply ex parte to the Superior Court to be substituted in the place*
 34 *and stead of one or more qualified banks which are also wholly-*
 35 *owned subsidiaries of such bank holding company, and which are*
 36 *desirous of being discharged from acting further in certain fidu-*
 37 *ciary capacities and relationships. Upon such application, the*
 38 *court shall make an order appointing the applicant qualified bank*
 39 *as successor fiduciary in respect to the fiduciary capacities and re-*
 40 *lationships set forth in such application, with the same powers and*
 41 *duties in respect to such fiduciary capacities and relationships as*
 42 *those possessed by the qualified bank or banks for which the suc-*
 43 *cessor fiduciary is substituted. After such order of substitution has*
 44 *been entered every instrument executed or otherwise effected be-*
 45 *fore or after such entry, which purports to appoint to any fiduciary*
 46 *capacity or relationship any qualified bank for which a successor*
 47 *fiduciary has been appointed pursuant to this subsection shall be*
 48 *deemed to constitute an appointment of such successor fiduciary.*
 49 *The qualified bank which has been succeeded by a successor fidu-*
 50 *ciary as provided in this section, may, but shall not be required to,*
 51 *present an accounting, in which the successor bank may join, of*
 52 *its administration of the fiduciary capacities or relationships to*
 53 *which the successor fiduciary has been appointed.*

1 2. This act shall take effect immediately.

STATEMENT

The purpose of this bill is to

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