



LEGISLATIVE HISTORY CHECKLIST

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LAWS OF: 1998

CHAPTER:47

NJSA: 17:9A-131.20

"State Chartered Banks -- powers"

BILL NO: A2030 (Substituted for S1127)

SPONSOR(S): Bateman and Chatzidakis

DATE INTRODUCED:May 7, 1998

COMMITTEE:

ASSEMBLY: Banking

SENATE: ~~~~

AMENDED DURING PASSAGE:No

DATE OF PASSAGE:

ASSEMBLY: June 18, 1998

SENATE: June 22, 1998

DATE OF APPROVAL: July 1, 1998

THE FOLLOWING ARE ATTACHED IF AVAILABLE:

FINAL TEXT OF BILL: Original

(Amendments during passage denoted by superscript numbers)

A2030

SPONSORS STATEMENT: *Yes* (Begins on page 2 of original bill)

COMMITTEE STATEMENT:

ASSEMBLY:*Yes*

SENATE: *No*

FLOOR AMENDMENT STATEMENTS: *No*

LEGISLATIVE FISCAL ESTIMATE: *No*

S1127

SPONSORS STATEMENT: *Yes* (Begins on page 2 of original bill)
(Bill and Sponsors Statement identical to A2030)

COMMITTEE STATEMENT:

ASSEMBLY: *No*

SENATE: *Yes* (Identical to Assembly Statement for A2030)

FLOOR AMENDMENT STATEMENTS: *No*

LEGISLATIVE FISCAL ESTIMATE: *No*

VETO MESSAGE: *No*

GOVERNOR'S PRESS RELEASE ON SIGNING: *No*

THE FOLLOWING WERE PRINTED:

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REPORTS: *No*

HEARINGS: *No*

NEWSPAPER ARTICLES: *No*

ASSEMBLY, No. 2030

STATE OF NEW JERSEY 208th LEGISLATURE

INTRODUCED MAY 7, 1998

Sponsored by:

Assemblyman CHRISTOPHER "KIP" BATEMAN

District 16 (Morris and Somerset)

Assemblyman LARRY CHATZIDAKIS

District 8 (Atlantic, Burlington and Camden)

Co-Sponsored by:

Senator Kavanaugh

SYNOPSIS

Clarifies certain powers of State chartered banks.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 6/23/1998)

A2030 BATEMAN, CHATZIDAKIS

2

1 AN ACT clarifying certain powers of State chartered banks and
2 amending P.L.1966, c.272.

3

4 **BE IT ENACTED** by the Senate and General Assembly of the State
5 of New Jersey:

6

7 1. Section 1 of P.L.1966, c.272 (C.17:9A-131.20) is amended to
8 read as follows:

9 1. As used herein, (a) "capital notes" means notes, debentures and
10 other like writings having maturities of more than 1 year, issued by a
11 bank pursuant to P.L.1966, c.272 (C.17:9A-131.20 et seq.) and
12 included in the bank's capital funds pursuant to section 10 of P.L.1966,
13 c.272 (C.17:9A-131.29) to evidence its obligation to repay money
14 borrowed by it; (b) "Commissioner" means the Commissioner of
15 Banking and Insurance; (c) "bank" means those corporations
16 defined as banks in section 1 of the act to which this act is a
17 supplement and does not include savings banks; and (d) "capital
18 funds" means the aggregate of the unimpaired capital stock, surplus,
19 undivided profits and contingent reserves of a bank.

20 (cf: P.L.1966, c.272, s.1)

21

22 2. Section 11 of P.L.1966, c.272 (C.17:9A-131.30) is amended to
23 read as follows:

24 11. No bank shall hereafter issue capital notes or debentures
25 except pursuant to **[this act]** P.L.1966, c.272 (C.17:9A-131.20 et
26 seq.), provided, however, that P.L.1966, c.272 (C.17:9A-131.20 et
27 seq.) shall not affect the authority of a bank to issue debt, including
28 notes or debentures, under subsection (3) of section 24 of P.L.1948,
29 c.67 (C.17:9A-24) which debt shall not be included in the bank's
30 capital funds pursuant to section 10 of P.L.1966, c.272 (C.17:9A-
31 131.29) .

32 (cf: P.L.1966, c.272, s.11)

33

34 3. This act shall take effect on the 60th day after enactment.

35

36

37

STATEMENT

38

39 This bill clarifies that a State chartered bank may issue senior debt
40 in accordance with subsection (3) of section 24 of P.L.1948, c.67
41 (C.17:9A-24) separate and apart from capital notes issued under
42 P.L.1966, c.272 (C.17:9A-131.20 et seq.). Senior debt issued
43 pursuant to subsection (3) of section 24 of P.L.1948, c.67 (C.17:9A-

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

Matter underlined thus is new matter.

A2030 BATEMAN, CHATZIDAKIS

3

1 24) is not to be included in a bank's capital funds and is not
2 subordinated to the general creditors of the bank as are capital notes
3 issued under P.L.1966, c.272 (C.17:9A-131.20 et seq.). National
4 banks already have and exercise the authority to issue senior debt
5 separate and apart from capital notes.

ASSEMBLY BANKING AND INSURANCE COMMITTEE

STATEMENT TO

ASSEMBLY, No. 2030

STATE OF NEW JERSEY

DATED: JUNE 1, 1998

The Assembly Banking and Insurance Committee reports favorably Assembly Bill No. 2030.

This bill clarifies that a State chartered bank may issue debt, including senior debt, in accordance with subsection (3) of section 24 of P.L.1948, c.67 (C.17:9A-24) separate and apart from capital notes issued under P.L.1966, c.272 (C.17:9A-131.20 et seq.). Debt issued pursuant to subsection (3) of section 24 of P.L.1948, c.67 (C.17:9A-24) is not to be included in a bank's capital funds and senior debt issued pursuant to that subsection is not subordinated to the general creditors of the bank as are capital notes issued under P.L.1966, c.272 (C.17:9A-131.20 et seq.). National banks already have and exercise the authority to issue senior debt.

SENATE, No. 1127

STATE OF NEW JERSEY
208th LEGISLATURE

INTRODUCED MAY 28, 1998

Sponsored by:

Senator WALTER J. KAVANAUGH

District 16 (Morris and Somerset)

SYNOPSIS

Clarifies certain powers of State chartered banks

CURRENT VERSION OF TEXT

As introduced.



S1127 KAVANAUGH

2

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5 of New Jersey:

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7 1. Section 1 of P.L.1966, c.272 (C.17:9A-131.20) is amended to
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10 other like writings having maturities of more than 1 year, issued by a
11 bank pursuant to P.L.1966, c.272 (C.17:9A-131.20 et seq.) and
12 included in the bank's capital funds pursuant to section 10 of P.L.1966,
13 c.272 (C.17:9A-131.29) to evidence its obligation to repay money
14 borrowed by it; (b) "Commissioner" means the Commissioner of
15 Banking and Insurance; (c) "bank" means those corporations
16 defined as banks in section 1 of the act to which this act is a
17 supplement and does not include savings banks; and (d) "capital
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27 seq.) shall not affect the authority of a bank to issue debt, including
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29 c.67 (C.17:9A-24) which debt shall not be included in the bank's
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43 pursuant to subsection (3) of section 24 of P.L.1948, c.67

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S1127 KAVANAUGH

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3 issued under P.L.1966, c.272 (C.17:9A-131.20 et seq.). National
4 banks already have and exercise the authority to issue senior debt
5 separate and apart from capital notes.

SENATE STATE GOVERNMENT, BANKING AND FINANCIAL
INSTITUTIONS COMMITTEE

STATEMENT TO

SENATE, No. 1127

STATE OF NEW JERSEY

DATED: JUNE 11, 1998

The Senate State Government, Banking and Financial Institutions Committee reports favorably Senate Bill No. 1127.

This bill clarifies that a State chartered bank may issue debt, including senior debt, in accordance with subsection (3) of section 24 of P.L.1948, c.67 (C.17:9A-24) separate and apart from capital notes issued under P.L.1966, c.272 (C.17:9A-131.20 et seq.). Debt issued pursuant to subsection (3) of section 24 of P.L.1948, c.67 (C.17:9A-24) is not to be included in a bank's capital funds and senior debt issued thereunder is not subordinated to the general creditors of the bank as are capital notes issued under P.L.1966, c.272 (C.17:9A-131.20 et seq.). National banks already have and exercise the authority to issue senior debt.

This bill is identical to Assembly, No. 2030.