

17:9A-18

LEGISLATIVE HISTORY CHECKLIST

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LAWS OF: 2004 **CHAPTER:** 77

NJSA: 17:9A-18 (Non-bank may use "bank" in its name)

BILL NO: A3052 (Substituted for S1717)

SPONSOR(S): Sires

DATE INTRODUCED: June 17, 2004

COMMITTEE: **ASSEMBLY:** Financial Instititons

SENATE ----

AMENDED DURING PASSAGE: Yes

DATE OF PASSAGE: **ASSEMBLY:** June 24, 2004

SENATE: June 24, 2004

DATE OF APPROVAL: July 1, 2004

FOLLOWING ARE ATTACHED IF AVAILABLE:

[FINAL TEXT OF BILL](#) (1st reprint enacted)

A3052

[SPONSOR'S STATEMENT:](#) (Begins on page 3 of original bill) [Yes](#)

COMMITTEE STATEMENT: [ASSEMBLY:](#) [Yes](#)

SENATE: No

FLOOR AMENDMENT STATEMENT: No

LEGISLATIVE FISCAL ESTIMATE: No

S1717

[SPONSOR'S STATEMENT:](#) (Begins on page 3 of original bill) [Yes](#)

COMMITTEE STATEMENT: **ASSEMBLY:** No

[SENATE:](#) [Yes](#)

FLOOR AMENDMENT STATEMENT: No

LEGISLATIVE FISCAL ESTIMATE: No

VETO MESSAGE: No

GOVERNOR'S PRESS RELEASE ON SIGNING: No

FOLLOWING WERE PRINTED:

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REPORTS:

No

HEARINGS:

No

NEWSPAPER ARTICLES:

No

P.L. 2004, CHAPTER 77, *approved July 1, 2004*
Assembly, No. 3052 (*First Reprint*)

1 AN ACT concerning use of the term "bank" and amending P.L.1948,
2 c.67.

3

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

6

7 1. Section 18 of P.L.1948, c. 67 (C.17:9A-18) is amended to read
8 as follows:

9 18. A. The name of every bank shall contain the word "bank" or
10 "banking" or "trust," or a combination of the words "bank" or
11 "banking" and "trust," except that no bank which is not qualified to
12 exercise any of the powers specified in section 28 shall use the word
13 "trust" as part of its name. Any bank which, immediately prior to the
14 effective date of this act, lawfully used the word "savings" as part of
15 its name ^{1, 1} may continue the use thereof, but no other bank shall
16 hereafter use such word as part of its name.

17 B. The name of every savings bank shall contain the words
18 "savings bank" or "savings fund society" or "savings institution" or
19 "institution for savings" or "bank for savings ¹" or "bank¹." Any
20 savings bank which, immediately prior to the effective date of this act,
21 lawfully used the word "trust" as part of its name ^{1, 1} may continue the
22 use thereof, but no other savings bank shall hereafter use such word
23 as part of its name.

24 C. No bank or savings bank shall assume a name identical with that
25 of an existing banking institution, or so similar thereto that confusion
26 may result therefrom; except that, if a bank or savings bank is
27 organized to succeed another bank or savings bank pursuant to section
28 16, it may adopt the name of the bank or savings bank which it
29 succeeds.

30 D. No person, other than a banking institution or bank holding
31 company, shall use the words "bank" or "banker" or "banking" or
32 "trust" or "savings" or any of them, as part of his or its name, or in any
33 representations describing his or its powers, services or functions,
34 except as otherwise permitted by law, provided, however, that the
35 commissioner may waive the provisions of this subsection if the
36 commissioner upon application determines that: (1) the applicant has
37 used the requested name in at least one other state for at least six years
38 and use of that name has not resulted in a pattern of confusion to
39 consumers in that or any other state; (2) there is no risk of confusion
40 to consumers in this State; (3) the services provided by an applicant

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.

Matter enclosed in superscript numerals has been adopted as follows:

¹ Assembly AFI committee amendments adopted June 21, 2004.

1 are not financial services; and (4) the applicant only does business with
2 other commercial entities and not with consumers.

3 Upon receipt of an application for a waiver of the provisions of this
4 subsection, the commissioner shall provide notice of that application
5 to the New Jersey Bankers Association, the New Jersey League of
6 Community Bankers, and any successor trade associations. Upon
7 receipt of the notice from the commissioner, the trade associations or
8 any member thereof shall have 30 days in which to provide written
9 comments supporting or opposing the application to the commissioner.

10 A violation of the provisions of this subsection shall be a
11 misdemeanor, and the Superior Court shall have jurisdiction to enjoin
12 such violation at the suit of the commissioner.

13 E. The provisions of subsection D of this section shall not apply to
14 any corporation or association formed for the purpose of promoting
15 the interests of banking institutions, the membership of which is
16 comprised of banking institutions, their officers or other
17 representatives; nor shall the said subsection apply to any partnership,
18 association, or corporation, which, on the effective date of this act,
19 lawfully used the words "bank," "banker," "banking," "trust," or
20 "savings," or any of them, as part of its name.

21 F. The provisions of subsection D of this section shall not prevent
22 the use of the word "savings" by a building and loan association or a
23 savings and loan association, or by a corporation or association
24 formed for the purpose of promoting the interests of building and loan
25 associations or savings and loan associations, the membership of which
26 is comprised of building and loan or savings and loan associations,
27 their officers or other representatives.

28 G. The provisions of subsection D of this section shall not prevent
29 the use of the word "trust" by a Real Estate Investment Trust as
30 defined in 26 U.S.C. s.856.

31 (cf: P.L.2000, c.68, s.1)

32

33 2. This act shall take effect immediately.

34

35

36

37

38 Provides that non-bank may use "bank" in its name under certain
39 circumstances.

ASSEMBLY, No. 3052

STATE OF NEW JERSEY 211th LEGISLATURE

INTRODUCED JUNE 17, 2004

Sponsored by:
Assemblyman ALBIO SIRES
District 33 (Hudson)

SYNOPSIS

Provides that non-bank may use "bank" in its name under certain circumstances.

CURRENT VERSION OF TEXT

As introduced.



A3052 SIRES

2

1 AN ACT concerning use of the term "bank" and amending P.L.1948,
2 c.67.

3
4 **BE IT ENACTED** by the Senate and General Assembly of the State
5 of New Jersey:

6
7 1. Section 18 of P.L.1948, c. 67 (C.17:9A-18) is amended to read
8 as follows:

9 18. A. The name of every bank shall contain the word "bank" or
10 "banking" or "trust," or a combination of the words "bank" or
11 "banking" and "trust," except that no bank which is not qualified to
12 exercise any of the powers specified in section 28 shall use the word
13 "trust" as part of its name. Any bank which, immediately prior to the
14 effective date of this act, lawfully used the word "savings" as part of
15 its name may continue the use thereof, but no other bank shall
16 hereafter use such word as part of its name.

17 B. The name of every savings bank shall contain the words
18 "savings bank" or "savings fund society" or "savings institution" or
19 "institution for savings" or "bank for savings." Any savings bank
20 which, immediately prior to the effective date of this act, lawfully used
21 the word "trust" as part of its name may continue the use thereof, but
22 no other savings bank shall hereafter use such word as part of its
23 name.

24 C. No bank or savings bank shall assume a name identical with that
25 of an existing banking institution, or so similar thereto that confusion
26 may result therefrom; except that, if a bank or savings bank is
27 organized to succeed another bank or savings bank pursuant to section
28 16, it may adopt the name of the bank or savings bank which it
29 succeeds.

30 D. No person, other than a banking institution or bank holding
31 company, shall use the words "bank" or "banker" or "banking" or
32 "trust" or "savings" or any of them, as part of his or its name, or in any
33 representations describing his or its powers, services or functions,
34 except as otherwise permitted by law, provided, however, that the
35 commissioner may waive the provisions of this subsection if the
36 commissioner upon application determines that: (1) the applicant has
37 used the requested name in at least one other state for at least six years
38 and use of that name has not resulted in a pattern of confusion to
39 consumers in that or any other state; (2) there is no risk of confusion
40 to consumers in this State; (3) the services provided by an applicant
41 are not financial services; and (4) the applicant only does business with
42 other commercial entities and not with consumers.

43 Upon receipt of an application for a waiver of the provisions of this

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.

A3052 SIRES

1 subsection, the commissioner shall provide notice of that application
2 to the New Jersey Bankers Association, the New Jersey League of
3 Community Bankers, and any successor trade associations. Upon
4 receipt of the notice from the commissioner, the trade associations or
5 any member thereof shall have 30 days in which to provide written
6 comments supporting or opposing the application to the commissioner.

7 A violation of the provisions of this subsection shall be a
8 misdemeanor, and the Superior Court shall have jurisdiction to enjoin
9 such violation at the suit of the commissioner.

10 E. The provisions of subsection D of this section shall not apply to
11 any corporation or association formed for the purpose of promoting
12 the interests of banking institutions, the membership of which is
13 comprised of banking institutions, their officers or other
14 representatives; nor shall the said subsection apply to any partnership,
15 association, or corporation, which, on the effective date of this act,
16 lawfully used the words "bank," "banker," "banking," "trust," or
17 "savings," or any of them, as part of its name.

18 F. The provisions of subsection D of this section shall not prevent
19 the use of the word "savings" by a building and loan association or a
20 savings and loan association, or by a corporation or association
21 formed for the purpose of promoting the interests of building and loan
22 associations or savings and loan associations, the membership of which
23 is comprised of building and loan or savings and loan associations,
24 their officers or other representatives.

25 G. The provisions of subsection D. of this section shall not prevent
26 the use of the word "trust" by a Real Estate Investment Trust as
27 defined in 26 U.S.C. s.856.

28 (cf: P.L.2000, c.68, s.1)

29
30 2. This act shall take effect immediately.

31
32
33 STATEMENT

34
35 This bill provides for an exception to the current requirement that
36 only a banking institution or bank holding company is permitted to use
37 the words "bank" or "banker" or "banking" or "trust" or "savings" or
38 any of them, as part of its name, or in any representations describing
39 its powers, services or functions. The bill provides that the
40 Commissioner of Banking and Insurance may waive this provision so
41 long as the commissioner determines the following: (1) the applicant
42 has used the requested name in at least one other state for at least six
43 years and use of that name has not resulted in a pattern of confusion
44 to consumers in that or any other state; (2) there is no risk of
45 confusion to consumers in this State; (3) the services provided by an
46 applicant for a waiver are not financial services; and (4) the applicant

A3052 SIRES

4

1 only does business with other commercial entities and not with
2 consumers.

3 The bill also provides that upon receipt of an application for a
4 waiver, the commissioner shall provide notice of that application to the
5 New Jersey Bankers Association, the New Jersey League of
6 Community Bankers, and any successor trade associations and allows
7 30 days for the trade associations or any member thereof to provide
8 written comments supporting or opposing the application to the
9 commissioner.

ASSEMBLY FINANCIAL INSTITUTIONS AND INSURANCE
COMMITTEE

STATEMENT TO

ASSEMBLY, No. 3052

with committee amendments

STATE OF NEW JERSEY

DATED: JUNE 21, 2004

The Assembly Financial Institutions and Insurance Committee reports favorably and with committee amendments, Assembly Bill No. 3052.

As amended by the committee, this bill provides for an exception to the current requirement that only a banking institution or bank holding company is permitted to use the words "bank" or "banker" or "banking" or "trust" or "savings" or any of them, as part of its name, or in any representations describing its powers, services or functions. The bill provides that the Commissioner of Banking and Insurance may waive this provision so long as the commissioner, upon application, determines the following: (1) the applicant has used the requested name in at least one other state for at least six years and use of that name has not resulted in a pattern of confusion to consumers in that or any other state; (2) there is no risk of confusion to consumers in this State; (3) the services provided by an applicant for a waiver are not financial services; and (4) the applicant only does business with other commercial entities and not with consumers.

The bill also provides that upon receipt of an application for a waiver, the commissioner shall provide notice of that application to the New Jersey Bankers Association, the New Jersey League of Community Bankers, and any successor trade associations and allows 30 days for the trade associations or any member thereof to provide written comments supporting or opposing the application to the commissioner.

Finally, technical amendments were made by the committee to have the provisions of the bill reflect provisions previously enacted into law in 2000.

COMMITTEE AMENDMENTS

The committee made technical amendments to the bill to reflect provisions previously enacted into law in 2000.

SENATE, No. 1717

STATE OF NEW JERSEY
211th LEGISLATURE

INTRODUCED JUNE 14, 2004

Sponsored by:
Senator RICHARD J. CODEY
District 27 (Essex)

SYNOPSIS

Provides that non-bank may use "bank" in its name under certain circumstances.

CURRENT VERSION OF TEXT

As introduced.



S1717 CODEY

2

1 AN ACT concerning use of the term "bank" and amending P.L.1948,
2 c.67.

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4 **BE IT ENACTED** by the Senate and General Assembly of the State
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7 1. Section 18 of P.L.1948, c. 67 (C.17:9A-18) is amended to read
8 as follows:

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12 exercise any of the powers specified in section 28 shall use the word
13 "trust" as part of its name. Any bank which, immediately prior to the
14 effective date of this act, lawfully used the word "savings" as part of
15 its name may continue the use thereof, but no other bank shall
16 hereafter use such word as part of its name.

17 B. The name of every savings bank shall contain the words
18 "savings bank" or "savings fund society" or "savings institution" or
19 "institution for savings" or "bank for savings." Any savings bank
20 which, immediately prior to the effective date of this act, lawfully used
21 the word "trust" as part of its name may continue the use thereof, but
22 no other savings bank shall hereafter use such word as part of its
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24 C. No bank or savings bank shall assume a name identical with that
25 of an existing banking institution, or so similar thereto that confusion
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27 organized to succeed another bank or savings bank pursuant to section
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29 succeeds.

30 D. No person, other than a banking institution or bank holding
31 company, shall use the words "bank" or "banker" or "banking" or
32 "trust" or "savings" or any of them, as part of his or its name, or in any
33 representations describing his or its powers, services or functions,
34 except as otherwise permitted by law, provided, however, that the
35 commissioner may waive the restrictions of this subsection if the
36 commissioner determines that: (1) the applicant has used the
37 requested name in at least one other state for at least six years and use
38 of that name has not resulted in a pattern of confusion to consumers
39 in that or any other state; (2) there is no risk of confusion to
40 consumers in this State; (3) the services provided by an applicant are
41 not financial services; and (4) the applicant only does business with
42 other commercial entities and not with members of the general public.

43 Upon receipt of an application for a waiver of the provisions of this

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Matter underlined thus is new matter.

1 subsection, the commissioner shall provide notice of that application
2 to the New Jersey Bankers Association, the New Jersey League of
3 Community Bankers, and any successor trade associations. Upon
4 receipt of the notice from the commissioner, the trade associations
5 shall have 30 days in which to provide written comments to the
6 commissioner. A violation of the provisions of this subsection shall be
7 a misdemeanor, and the Superior Court shall have jurisdiction to
8 enjoin such violation at the suit of the commissioner.

9 E. The provisions of subsection D of this section shall not apply to
10 any corporation or association formed for the purpose of promoting
11 the interests of banking institutions, the membership of which is
12 comprised of banking institutions, their officers or other
13 representatives; nor shall the said subsection apply to any partnership,
14 association, or corporation, which, on the effective date of this act,
15 lawfully used the words "bank," "banker," "banking," "trust," or
16 "savings," or any of them, as part of its name.

17 F. The provisions of subsection D of this section shall not prevent
18 the use of the word "savings" by a building and loan association or a
19 savings and loan association, or by a corporation or association
20 formed for the purpose of promoting the interests of building and loan
21 associations or savings and loan associations, the membership of which
22 is comprised of building and loan or savings and loan associations,
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24 G. The provisions of subsection D of this section shall not prevent
25 the use of the word "trust" by a Real Estate Investment Trust as
26 defined in 26 U.S.C. s.856.

27 (cf: P.L.2000, c.68, s.1)

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29 2. This act shall take effect immediately.

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32 STATEMENT

33
34 This bill provides for an exception to the current requirement that
35 only a banking institution or bank holding company is permitted to use
36 the words "bank" or "banker" or "banking" or "trust" or "savings" or
37 any of them, as part of its name, or in any representations describing
38 its powers, services or functions. The bill provides that the
39 Commissioner of Banking and Insurance may waive this restriction so
40 long as the commissioner determines the following: (1) the applicant
41 has used the requested name in at least one other state for at least six
42 years and use of that name has not resulted in a pattern of confusion
43 to consumers in that or any other state; (2) there is no risk of
44 confusion to consumers in this State; (3) the services provided by an
45 applicant for a waiver are not financial services; and (4) the applicant
46 only does business with other commercial entities and not with

S1717 CODEY

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1 members of the general public.

2 The bill also provides that upon receipt of an application for a
3 waiver, the commissioner shall provide notice of that application to the
4 New Jersey Bankers Association, the New Jersey League of
5 Community Bankers, and any successor trade associations and allows
6 30 days for the trade associations to provide written comments to the
7 commissioner.

SENATE COMMERCE COMMITTEE

STATEMENT TO

SENATE, No. 1717

with committee amendments

STATE OF NEW JERSEY

DATED: JUNE 21, 2004

The Senate Commerce Committee reports favorably and with committee amendments Senate Bill No. 1717.

As amended, this bill provides for an exception to the current requirement that only a banking institution or bank holding company is permitted to use the words "bank" or "banker" or "banking" or "trust" or "savings" or any of them, as part of its name, or in any representations describing its powers, services or functions. The bill provides that the Commissioner of Banking and Insurance may waive this provision so long as the commissioner determines the following: (1) the applicant has used the requested name in at least one other state for at least six years and use of that name has not resulted in a pattern of confusion to consumers in that or any other state; (2) there is no risk of confusion to consumers in this State; (3) the services provided by an applicant for a waiver are not financial services; and (4) the applicant only does business with other commercial entities and not with consumers.

The bill also provides that upon receipt of an application for a waiver, the commissioner shall provide notice of that application to the New Jersey Bankers Association, the New Jersey League of Community Bankers, and any successor trade associations and allows 30 days for the trade associations or any member thereof to provide written comments supporting or opposing the application to the commissioner.

Certain of the committee amendments are technical in nature. Other amendments allow individual members of the trade associations listed by the bill, in addition to the associations themselves, to provide written comments supporting or opposing an application for the waiver provided by the bill.