

17:1C-36

LEGISLATIVE HISTORY CHECKLIST

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LAWS OF: 2007 **CHAPTER:** 81

NJSA: 17:1C-36 (Revises and clarifies assessment funding mechanism for Division of Banking; provides certain uniform reporting and licensing requirements for regulated entities)

BILL NO: S2044 (Substituted for A3375)

SPONSOR(S) Lesniak and Others

DATE INTRODUCED: June 15, 2006

COMMITTEE: **ASSEMBLY:**

SENATE: Commerce

AMENDED DURING PASSAGE: Yes

DATE OF PASSAGE: **ASSEMBLY:** March 8, 2007

SENATE: February 22, 2007

DATE OF APPROVAL: May 4, 2007

FOLLOWING ARE ATTACHED IF AVAILABLE:

[FINAL TEXT OF BILL](#) (First reprint enacted)

S2044

[SPONSOR'S STATEMENT:](#) (Begins on page 21 of original bill) [Yes](#)

COMMITTEE STATEMENT: **ASSEMBLY:** No

SENATE: [Yes](#)

FLOOR AMENDMENT STATEMENT: No

LEGISLATIVE FISCAL NOTE: No

A3375

[SPONSOR'S STATEMENT:](#) (Begins on page 21 of original bill) [Yes](#)

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

SENATE: No

FLOOR AMENDMENT STATEMENT: No

LEGISLATIVE FISCAL ESTIMATE: No

VETO MESSAGE: No

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FOLLOWING WERE PRINTED:

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RWH 4/25/08

P.L. 2007, CHAPTER 81, *approved May 4, 2007*
Senate, No. 2044 (*First Reprint*)

1 **AN ACT** concerning the assessment funding mechanism for the
2 support of the Division of Banking in the Department of Banking
3 and Insurance, revising certain regulatory and fee requirements
4 and amending various parts of statutory law.

5

6 **BE IT ENACTED** by the Senate and General Assembly of the State
7 of New Jersey:

8

9 1. Section 4 of P.L.2005, c.199 (C.17:1C-36) is amended to read
10 as follows:

11 4. Within 15 days after the date of mailing a statement of the
12 assessment as provided in this act, a regulated entity may file its
13 objections to its assessment with the commissioner. The filing of
14 an objection shall not relieve a regulated entity from its obligation
15 to pay its assessment in full within 30 days after receipt of the
16 original statement of the assessment. Upon receiving those
17 objections, the commissioner shall either: amend the statement as
18 warranted, consistent with sections 5 and 6 of this act; or schedule
19 and send a notice of a hearing on the objections, which hearing
20 shall be held not less than 30 nor more than 60 days after the date of
21 the notice.

22 (cf: P.L.2005, c.199, s.4)

23

24 2. Section 6 of P.L.2005, c.199 (C.17:1C-38) is amended to read
25 as follows:

26 6. If a statement of the assessment against which objections are
27 filed is not paid in full within 30 days after the date of mailing **[to**
28 **the objector of notice of a finding that the objections have been**
29 **disallowed]** of the original statement of the assessment; or if an
30 amended statement of the assessment is not paid within 30 days of
31 the date a copy thereof is mailed by registered mail to the objector,
32 the commissioner shall give notice of the delinquency to the State
33 Treasurer and to the objector, and the State Treasurer shall proceed
34 to make the collection.

35 (cf: P.L.2005, c.199, s.6)

36

37 3. Section 15 of P.L.2005, c.199 (C.17:1C-47) is amended to
38 read as follows:

39 15. a. The total amount assessable to regulated entities in any
40 fiscal year for the assessment established by this act shall not
41 exceed the lesser of:

42 (1) the total amount of expenses incurred by the State in
43 connection with the administration of the special functions of the

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:

¹Senate SCM committee amendments adopted February 8, 2007.

1 division pursuant to section 3 of this act during the preceding fiscal
2 year as ascertained by the Director of the Division of Budget and
3 Accounting in the Department of the Treasury, on or before August
4 15 in each year, and certified to the commissioner by category; or

5 (2) ~~【.00015】~~ .0001084 times the sum of (a) the average total
6 assets for State-chartered banks, savings banks, and savings and
7 loan associations for the preceding five calendar years' data,
8 excluding the two most recent calendar ~~【year】~~ years plus (b) the
9 average total loan volume for residential mortgage loans closed by
10 licensed lenders pursuant to the "New Jersey Licensed Lenders
11 Act," P.L.1996, c.157 (C.17:11C-1 et seq.) for the preceding five
12 calendar years' data, excluding the two most recent calendar years.

13 b. In calculating the assessments:

14 (1) Banks, savings banks and savings and loan associations shall
15 be given prorated credit for unused portions of assessment periods;
16 and

17 (2) Licensees shall be given prorated credit for unused portions
18 of licensing periods.

19 c. The department shall not issue an examination bill for an
20 examination that has not been completed by the date that the
21 regulated entity becomes subject to the assessment pursuant to the
22 provisions of this act. For the purposes of this act, the completion
23 of the examination shall not include the time to process and review
24 the examination report.

25 (cf: P.L.2005, c.199, s.15)

26

27 4. Section 256 of P.L.1948, c.67 (C.17:9A-256) is amended to
28 read as follows:

29 256. A. Every bank and out-of-State bank with a branch office
30 in this State shall make and file in the department, not less than two
31 reports during each year, in the form prescribed by the
32 commissioner.

33 B. Every report filed pursuant to subsection A of this section
34 shall state in detail and under appropriate heads the assets and
35 liabilities of the bank or out-of-State bank at the close of business
36 on any day specified by the commissioner, and shall be filed in the
37 department within ten days after the receipt by the bank or out-of-
38 State bank of a request therefor. The report shall be attested by the
39 signatures of at least three directors who are not officers of the bank
40 or out-of-State bank, and shall be verified by the oaths of at least
41 two officers of the bank or out-of-State bank. The commissioner
42 may extend for not more than ten days the time within which such
43 report shall be filed.

44 C. The commissioner shall have power to call for special
45 reports from a bank or out-of-State bank when, in the
46 commissioner's judgment, such special reports are necessary in
47 order to obtain a full and complete knowledge of its condition.

48 D. A bank or out-of-State bank which fails to make and
49 transmit a report required by this section shall be subject to a

1 penalty of not more than \$100 for each day during which such
2 failure continues, **【**to be recovered with costs by the State in any
3 court of competent jurisdiction in a civil action prosecuted by the
4 Attorney General**】** and the commissioner may revoke or suspend its
5 authority to do business in this State.

6 The penalty may be collected in a summary proceeding pursuant
7 to the “Penalty Enforcement Law of 1999,” P.L.1999, c.274
8 (C.2A:58-10 et seq.). A warrant may issue in lieu of a summons.

9 E. The commissioner may waive the requirements of this
10 section if the bank or out-of-State bank files a similar report with
11 federal regulators and adequate provision is made for the
12 commissioner to have access to that filing.

13 (cf: P.L.1996, c.17, s.18)

14

15 5. Section 334 of P.L.1948, c.67 (C.17:9A-334) is amended to
16 read as follows:

17 334. A foreign bank shall pay to the commissioner for the use of
18 the State a fee, to be prescribed by the commissioner by regulation,
19 in an amount not less than or not more than, the following minimum
20 and maximum amounts:

	Minimum	Maximum
21 (1) For filing a copy of its		
22 certificate of incorporation or		
23 amendment thereof or other		
24 change therein	\$50.00	\$250.00
25 (2) For filing a statement of		
26 its financial condition	50.00	250.00
27 (3) For filing a power of		
28 attorney	25.00	75.00
29 (4) 【 For each substitution of		
30 securities pursuant to sub-		
31 section B. of section 320 of		
32 P.L.1948, c.67 (C.17:9A-320)	25.00	100.00 】
33 <u>(Deleted by amendment, P.L. , c. .)</u>		
34 (5) For registering a back office		500.00

35 The commissioner shall charge for the issuance of a certificate of
36 authority or a certificate of renewal of a certificate of authority such
37 fee as the commissioner shall prescribe by rule or regulation, not to
38 exceed \$1,500.00. The certificate shall run from the date of
39 issuance **【**to the end of the biennial period. When the initial
40 certificate is issued in the second year of the biennial certification
41 period, the certificate fee shall be an amount equal to one-half of
42 the fee for the biennial certification period**】** for a term of not less
43 than two years as set by the commissioner by regulation.

44 The commissioner may by rule or regulation adopted pursuant to
45 the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et
46 seq.) impose other fees and charges, including assessments and
47 nonrefundable fees for application and examinations, on out-of-
48

1 State banks establishing branch offices or agency offices in this
2 State.

3 (cf: P.L.1996, c.17, s.25)

4

5 6. Section 34 of P.L.1996, c.17 (C.17:9A-415) is amended to
6 read as follows:

7 34. a. To the extent specified by the commissioner by regulation,
8 order or written request:

9 (1) each bank holding company or person that controls a New
10 Jersey bank or a New Jersey bank holding company shall submit to
11 the commissioner one or more copies of each report filed with any
12 bank supervisory agency, except for any report the disclosure of
13 which would be prohibited by applicable federal or state law, within
14 15 days after the filing thereof with that agency; and

15 (2) each person that controls a New Jersey bank or a New Jersey
16 bank holding company that does not file a report with any other
17 bank supervisory agency shall file an annual report with the
18 commissioner.

19 b. At the request of the commissioner, to the extent permitted
20 by applicable state and federal law, each bank holding company or
21 person that controls a New Jersey bank or a New Jersey bank
22 holding company shall provide to the commissioner copies of the
23 reports of examination of any New Jersey bank or New Jersey bank
24 holding company.

25 c. A bank holding company or person that controls a New Jersey
26 bank or a New Jersey bank holding company that fails to make and
27 file a report in the form and within the time provided in this section
28 shall be subject to a penalty of not more than \$100 for each day's
29 failure, and, to the extent permitted by applicable state or federal
30 law, the commissioner may revoke or suspend its authority to do
31 business in this State. The penalty may be collected in a summary
32 proceeding pursuant to the "Penalty Enforcement Law of 1999,"
33 P.L.1999, c.274 (C.2A:58-10 et seq.). A warrant may issue in lieu
34 of a summons.

35 (cf: P.L.1996, c.17, s.34)

36

37 7. Section 8 of P.L.1996, c.157 (C.17:11C-8) is amended to read
38 as follows:

39 8. a. Every application for an initial license shall be accompanied
40 by **[an]** a nonrefundable application fee as set forth in subsection d.
41 of this section. When the applicant at the same time seeks a license
42 to engage in more than one activity, only one application fee may
43 be charged. With respect to a license fee imposed prior to the
44 implementation of the assessment pursuant to P.L.2005, c.199
45 (C.17:1C-33 et al.), the license fee, as prescribed by the
46 commissioner by regulation, shall be based on the number of the
47 following activities in which the person is licensed to engage under
48 this act or the "Retail Installment Sales Act of 1960," P.L.1960,
49 c.40 (C.17:16C-1 et seq.): a mortgage banker or mortgage broker; a

1 secondary lender; a consumer lender; or a sales finance company.
2 The fee for a biennial license or a renewal thereof shall be set
3 according to the following schedule:

4 (1) If the person is licensed to engage in one activity, the fee
5 shall not be more than \$3,000;

6 (2) If the person is licensed to engage in two activities, the fee
7 shall not be more than \$4,000;

8 (3) If the person is licensed to engage in three activities, the fee
9 shall not be more than \$5,000; and

10 (4) If the person is licensed to engage in all four activities, the
11 fee shall not be more than \$6,000.

12 Upon implementation of the assessment pursuant to P.L.2005,
13 c.199 (C.17:1C-33 et al.), a license fee shall no longer be imposed
14 or collected by the commissioner pursuant to this section. A license
15 shall run from the date of issuance to the end of a term of not less
16 than two years as set by the commissioner by regulation.

17 b. **【When the initial license is issued in the second year of the**
18 **biennial licensing period, the license fee shall equal one-half of the**
19 **license fee for the biennial period set forth above. In lieu of, or in**
20 **addition to, the fees set forth above, the department may impose**
21 **other fees and charges as provided by regulation.】** (Deleted by
22 amendment, P.L. , c. .)

23 c. An applicant for a mortgage solicitor registration pursuant to
24 subsection c. of section 3 of P.L.1996, c.157 (C.17:11C-3) shall be
25 subject to a nonrefundable mortgage solicitor registration
26 application fee, not to exceed \$100 as established by the
27 commissioner by regulation. A solicitor who changes his
28 registration to a different licensee shall be required to submit a new
29 registration application and to pay **【an】** another nonrefundable
30 application fee.

31 d. An applicant shall pay to the commissioner at the time of the
32 initial application for a license **【an】** a nonrefundable application fee
33 not to exceed the amounts specified in this subsection:

34 (1) For an application for one activity, an application fee not to
35 exceed \$700;

36 (2) For an application for two activities, an application fee not
37 to exceed \$1,000;

38 (3) For an application for three activities, an application fee not
39 to exceed \$1,300; and

40 (4) For an application for four activities, an application fee not
41 to exceed \$1,600.

42 e. A licensee that seeks to add an additional activity to an
43 existing license shall pay a fee not to exceed \$300 per activity.

44 f. Fee amounts shall be prescribed by the commissioner by
45 regulation.

46 (cf: P.L.2005, c.199, s.17)

1 ¹8. Section 9 of P.L.1996, c.157 (C.17:11C-9) is amended to read
2 as follows:

3 9. a. A licensee may maintain a branch office or offices. The
4 licensee shall license all branch offices in this State and all branch
5 offices outside this State from which the licensee has direct contact
6 with New Jersey consumers regarding origination or brokering.

7 b. The commissioner shall issue a branch office license if:

8 (1) The licensee has submitted a completed application form **[,]**
9 **and** a branch application fee **[of not more than \$300 as set by**
10 **regulation, and a branch license fee]** pursuant to the schedule
11 provided in subsection d. of section 8 of P.L.1996, c.157
12 (C.17:11C-8);

13 (2) The application for the branch office demonstrates that the
14 office is in a suitable location; and

15 (3) The application contains a certification that the office is
16 covered by the surety bond.

17 c. **[The license fee for a branch office shall be based on the**
18 **number of activities in which the person is authorized to engage at**
19 **that location pursuant to the schedule provided in section 8 of this**
20 **act.]** (Deleted by amendment, P.L. , c.) (pending before the
21 Legislature as this bill)¹

22 (cf: P.L.1996, c.157, s.9)

23
24 ¹**[8.] 9.¹** Section 11 of P.L.1996, c.157 (C.17:11C-11) is
25 amended to read as follows:

26 11. a. Each license issued pursuant to this act shall expire at the
27 end of the **[biennial]** license period of not less than two years as set
28 by the commissioner by regulation. **[The first biennial period shall**
29 **begin on July 1, 1997, and shall end on June 30, 1999. Every**
30 **licensee shall on or before June 30 of every other year pay to the**
31 **commissioner a biennial license fee for the next biennial period.**
32 **The license fee shall be determined by the provisions of sections 8**
33 **and 9 of this act.]**

34 b. **[Licenses issued to persons under the "Secondary Mortgage**
35 **Loan Act," P.L.1970, c.205 (C.17:11A-34 et seq.) or the "Consumer**
36 **Loan Act," R.S.17:10-1 et seq. or under the "Retail Installment**
37 **Sales Act of 1960," P.L.1960, c.40 (C.17:16C-1 et seq.) as a sales**
38 **finance company, and in effect prior to the operative date of this**
39 **act shall expire on July 1, 1997. All such persons shall receive a**
40 **credit of \$250 to renew any authority to engage in the secondary**
41 **mortgage loan business, the consumer loan business or the sales**
42 **finance company business.]** (Deleted by amendment, P.L. , c.)

43 c. The commissioner may by regulation provide for individual
44 mortgage banker, mortgage broker and secondary lender licenses to
45 continue in existence in an inactive status for a specified period of
46 time.

47 (cf: P.L.1996, c.157, s.11)

1 ~~'[9.] 10.'~~¹ Section 43 of P.L.1996, c.157 (C.17:11C-43) is
2 amended to read as follows:

3 43. A licensee shall annually file a report ~~【before April 1】~~ with
4 the commissioner which shall set forth such information as the
5 commissioner shall require concerning the business conducted as a
6 licensee during the preceding calendar year. The report shall be ~~【in~~
7 ~~writing】~~ under oath and ~~【on】~~ in a form ~~【provided】~~ and within the
8 time specified by the commissioner by regulation. ~~【The~~
9 commissioner shall charge a fee for the filing of the report to defer
10 the department's administrative expense. ~~】~~

11 A licensee that fails to make and file its annual report in the form
12 and within the time provided in this section shall be subject to a
13 penalty of not more than \$100 for each day's failure, and the
14 commissioner may revoke or suspend its authority to do business in
15 this State. The penalty may be collected in a summary proceeding
16 pursuant to the "Penalty Enforcement Law of 1999," P.L.1999,
17 c.274 (C.2A:58-10 et seq.). A warrant may issue in lieu of a
18 summons.
19 (cf: P.L.1996, c.157, s.43)
20

21 ~~'[10.] 11.'~~¹ Section 171 of P.L.1963, c.144 (C.17:12B-171) is
22 amended to read as follows:

23 171. Every State association shall, within 60 days after the close
24 of each fiscal year, file in the department, on blanks to be provided
25 by the commissioner, a report of its transactions, affairs and
26 financial condition as of the end of its fiscal year. The report shall
27 state the names and addresses of its directors, officers, attorneys,
28 agents and other employees, and the compensation, if any, paid to
29 each, and shall be verified by the oaths or affirmations of such
30 officers as the commissioner shall designate. The commissioner
31 may call for additional reports when he deems it expedient, but not
32 ~~【oftener】~~ more often than once in every 3 months.

33 If any State association fails to file its annual report within the
34 time herein specified, or any additional report within such
35 reasonable period as the commissioner fixes, the ~~【officers whose~~
36 ~~duty it is to file the reports shall each be liable individually to a~~
37 ~~penalty of \$50.00, to be recovered by the commissioner, in the~~
38 ~~name of the State, in a court of competent jurisdiction, and when~~
39 ~~collected to be paid into the State treasury and applied to the~~
40 ~~expenses of the department】~~ association shall be subject to a
41 penalty of not more than \$100 for each day's failure, and the
42 commissioner may revoke or suspend its authority to do business in
43 this State. The commissioner may, for sufficient cause, extend the
44 time for filing any reports for not more than 10 days. The penalty
45 may be collected in a summary proceeding pursuant to the "Penalty
46 Enforcement Law of 1999," P.L.1999, c.274 (C.2A:58-10 et seq.).
47 A warrant may issue in lieu of a summons.
48 (cf: P.L.1963, c.144, s.171)

1 ¹ ~~11.~~ 12. Section 172 of P.L.1963, c.144 (C.17:12B-172) is
2 amended to read as follows:

3 172. Every State association and every out-of-State association
4 with a branch office in this State shall be subject to the
5 examination, inspection and supervision of the department. ~~【The~~
6 commissioner shall, either personally or by a person appointed by
7 the commissioner, visit and examine every State association at least
8 once every two years, or more often if deemed expedient.~~】~~ When
9 deemed advisable, the examiner shall verify the liabilities of the
10 State association to its members by an inspection and verification of
11 their accounts. The commissioner shall promptly communicate the
12 result of every examination to the president of the State association
13 examined, who shall present the same to the board at the next
14 regular meeting, or a special meeting, if deemed advisable, or if so
15 directed by the commissioner. The action taken thereon by the
16 board shall thereupon be promptly communicated by the president
17 to the commissioner.

18 Every report and copy of a report of examination of a State
19 association and out-of-State association made by or under the
20 supervision of the commissioner, shall be confidential, and shall not
21 be made public by any officer, director or employee of a State
22 association or out-of-State association, and shall not be subject to
23 subpoena or to admission into evidence in any action or proceeding
24 in any court, except pursuant to an order of the court made upon
25 notice to the commissioner an opportunity to advise the court of
26 reasons for excluding from evidence such report or any portion
27 thereof. The court shall order the issuance of a subpoena for the
28 production or admission into evidence of any such report or portion
29 thereof, only if it is satisfied that (1) it is material and relevant to
30 the issues in the proceedings, and (2) the ends of justice and public
31 advantage will be subserved thereby. This section shall not apply to
32 any action or proceeding instituted by the commissioner or Attorney
33 General pursuant to any law of this State.

34 For State associations or out-of-State associations with branch
35 offices in this State and also in one or more other states, the
36 commissioner may contract with the state regulator in the other
37 state or states where branch offices are located to conduct
38 cooperative examinations. Pursuant to those agreements, examiners
39 of the department may examine branch offices of State associations
40 and out-of-State associations in New Jersey and in other states, and
41 examiners of other state regulators may examine branch offices of
42 State associations and out-of-State associations in New Jersey and
43 other states. The fees for these examinations may be shared
44 pursuant to a contract or agreement among the regulators.

45 (cf: P.L.1996, c.17, s.95)

46

47 ¹ ~~12.~~ 13. Section 33 of P.L.1984, c.171 (C.17:13-111) is
48 amended to read as follows:

1 33. Every credit union shall submit a report in writing to the
2 commissioner **[**, on a form prescribed by the commissioner,**]** of its
3 condition at the close of business on the 31st day of December. The
4 report shall be submitted to the commissioner **[**on or before January
5 31 of each year**]** in a form and within the time specified by the
6 commissioner by regulation. The report shall be verified by the
7 oath of the president and the treasurer of the credit union, and the
8 statement of assets and liabilities shall be verified by the oath of the
9 examining committee that the statement is a true and correct
10 statement of the condition of the credit union based on the audit or
11 examination made by the examining committee as of the December
12 31 preceding the report. The credit union shall furnish the
13 commissioner with any other reports as he may deem advisable.
14 Any false statement or oath shall be deemed to be perjury.

15 A credit union that fails to make and file its annual report in the
16 form and within the time provided in this section shall be subject to
17 a penalty of not more than \$100 for each day's failure, and the
18 commissioner may revoke or suspend its authority to do business in
19 this State. The penalty may be collected in a summary proceeding
20 pursuant to the "Penalty Enforcement Law of 1999," P.L.1999,
21 c.274 (C.2A:58-10 et seq.). A warrant may issue in lieu of a
22 summons.

23 (cf: P.L.1984, c.171, s.33)

24
25 ¹~~13.~~ ¹14. Section 11 of P.L.1993, c.383 (C.17:15A-40) is
26 amended to read as follows:

27 11. a. A license shall be valid until surrendered by the licensee,
28 or unless revoked or suspended pursuant to this act.

29 b. **[**Each licensee shall pay to the department a biennial license
30 fee of not more than \$2,000 for each office and mobile office it
31 maintains. There shall not be a biennial license fee for a limited
32 branch office. The fee shall be due on January 1 of each alternate
33 calendar year following the effective date of this act. When the
34 initial license or certificate is issued in the second year of the
35 biennial period, the fee shall be an amount equal to one-half the fee
36 for the biennial period. The initial license fee for a limited branch
37 office shall not exceed \$100.**]** The license shall be for a term of not
38 less than two years as set by the commissioner by regulation.

39 c. A licensee may bring a civil action in Superior Court against
40 another licensee, or against a depository institution subject to
41 subsection b. of section 21 of P.L.1993, c.383 (C.17:15A-50), as
42 amended, or subsection c. of section 21 of P.L.1993, c.383
43 (C.17:15A-50), as amended, for violating any of the following
44 provisions, if that violation has an impact on the check cashing
45 business of the licensee bringing the action: (1) section 3 of
46 P.L.1993, c.383 (C.17:15A-32); (2) the requirements set forth in
47 paragraph (6) of subsection d. of section 12 of P.L.1993, c. 383
48 (C.17:15A-41); (3) subsection e. of section 12 of P.L.1993, c. 383

1 (C.17:15A-41); (4) subsection f. of section 18 of P.L.1993, c.383
2 (C.17:15A-47); (5) subsection b. of section 21 of P.L.1993, c.383
3 (C.17:15A-50); or (6) subsection c. of section 21 of P.L.1993, c.383
4 (C.17:15A-50). Nothing contained in this subsection shall be
5 construed to restrict, limit or alter in any way the commissioner's
6 authority to enforce the provisions of "The Check Cashers
7 Regulatory Act of 1993," P.L.1993, c.383 (C.17:15A-30 et seq.) or
8 any other law.

9 d. If a licensee has not provided check cashing services during
10 normal business hours at the location specified in the license for a
11 period of 180 consecutive days or more, and if no application for
12 renewal of the license or relocation of the licensed check casher is
13 or shall have been filed prior to expiration of that 180-day period,
14 the department may, after notice to the licensee and opportunity to
15 be heard, revoke the license or for good cause shown, the
16 department may extend the 180 day period.

17 (cf: P.L.2003, c.252, s.4)

18

19 ¹[14.] 15. Section 16 of P.L.1993, c.383 (C.17:15A-45) is
20 amended to read as follows:

21 16. Each licensee shall annually, **[on or before March 1,]** file a
22 report with the commissioner giving the information the
23 commissioner may require concerning its check cashing business
24 and operations during the preceding calendar year. In addition to
25 the annual report the commissioner may require additional regular
26 or special reports as the commissioner deems necessary to
27 effectuate the purposes of this act. These reports shall be made
28 under oath or affirmation and shall be in the form and within the
29 time prescribed by the commissioner by regulation.

30 A licensee that fails to make and file its annual report in the form
31 and within the time provided in this section shall be subject to a
32 penalty of not more than \$100 for each day's failure, and the
33 commissioner may revoke or suspend its authority to do business in
34 this State. The penalty may be collected in a summary proceeding
35 pursuant to the "Penalty Enforcement Law of 1999," P.L.1999,
36 c.274 (C.2A:58-10 et seq.). A warrant may issue in lieu of a
37 summons.

38 (cf: P.L.1993, c.383, s.16)

39

40 ¹[15.] 16. Section 9 of P.L.1998, c.14 (C.17:15C-9) is
41 amended to read as follows:

42 9. a. Upon the filing of a complete application, in the case of an
43 initial application, or the filing of a complete **[biennial]** renewal
44 application, the commissioner shall investigate the financial
45 condition and responsibility, financial and business experience,
46 character and general fitness of the applicant for an initial license or
47 a renewal license. The commissioner may conduct an on-site
48 investigation of the applicant for an initial license, the reasonable

1 cost of which shall be borne by the applicant. If the commissioner
2 finds that the applicant's business will be conducted honestly, fairly
3 and in a manner commanding the confidence and trust of the
4 community and that the applicant has fulfilled the requirements
5 imposed by this act and has paid the required license fee, the
6 commissioner shall issue a license to the applicant authorizing the
7 applicant to engage in the licensed activities in this State. If these
8 requirements have not been met, the commissioner shall deny the
9 application in writing, setting forth the reasons for the denial.

10 b. The commissioner shall approve or deny every application
11 for an initial license within 120 days from the date that the
12 applicant has satisfied all requirements for licensure.

13 c. **【The license fee for each two-year period, or any part**
14 **thereof, shall be in an amount prescribed by the commissioner by**
15 **rule or regulation, not to exceed \$4,000.】** The **【two-year】** license
16 **period of not less than two years shall be set by the commissioner**
17 **by rule or regulation. A license shall run from the date of issuance**
18 **to the end of the **【biennial】** licensing period. **【If the initial license**
19 **is issued in the second year of the biennial licensing period, the**
20 **license fee shall be in an amount not to exceed \$2,000.】****

21 d. **【Each license issued pursuant to this act shall expire at the**
22 **end of the biennial licensing period.】** Licenses shall not be
23 transferable or assignable.

24 e. The licensee shall **【submit a biennial fee to】** register
25 locations in the State. **【The fee shall be established by the**
26 **commissioner by regulation in an amount which is not less than**
27 **\$25 per location in the State but which shall not to exceed a**
28 **maximum amount of \$5,000 for all locations.】**

29 f. Within 45 days after the end of each calendar quarter, each
30 licensee shall file with the commissioner in writing a list of all
31 locations within the State that have been added or terminated by the
32 licensee, if any. The list shall include the name and business
33 address of each location.

34 g. If the licensed name or licensed business address is changed,
35 the licensee shall notify the commissioner in writing of the change
36 within 10 days.

37 (cf: P.L.1998, c.14, s.9)

38
39 **‘【16.】 17.’** Section 12 of P.L.1998, c.14 (C.17:15C-12) is
40 amended to read as follows:

41 12. a. Each licensee shall file with the commissioner **【on or**
42 **before April 1 of each year】** an annual report containing the
43 information required by the commissioner by regulation**【, along**
44 **with a fee in an amount set by the commissioner by regulation not**
45 **to exceed \$200】.**

46 b. The commissioner may require reports of any licensee or
47 authorized delegate, under penalty of perjury or otherwise,

1 concerning the licensee's or authorized delegate's business
2 conducted pursuant to the license issued under this act, as the
3 commissioner requires for the enforcement of this act.

4 c. A licensee who fails to file any report required by this
5 section on or before the day designated for making the report, or
6 fails to include any prescribed matter in the report, shall pay a
7 penalty of not more than \$100 for each day that the report is
8 delayed or incomplete, unless the commissioner, for good cause
9 shown, reduces the amount to be paid, or unless the time to file the
10 report is extended in writing by the commissioner. **【The penalty**
11 **may be recovered in a summary proceeding under "the penalty**
12 **enforcement law," N.J.S.2A:58-1 et seq.】 In addition, the**
13 **commissioner may revoke or suspend the authority of a licensee to**
14 **do business in this State. The penalty may be collected in a**
15 **summary proceeding pursuant to the "Penalty Enforcement Law of**
16 **1999," P.L.1999, c.274 (C.2A:58-10 et seq.). A warrant may issue**
17 **in lieu of a summons.**

18 d. The licensee shall include in its annual report:

19 (1) (a) except as provided pursuant to subparagraph (b) of this
20 paragraph (1), for a person licensed to engage only in the business
21 of a foreign money transmitter, a copy of its most recent audited
22 consolidated annual financial statement, including balance sheet,
23 statement of income or loss, statement of changes in shareholder's
24 equity and statement of changes in financial position, or, in the case
25 of a licensee that is a wholly owned subsidiary of another
26 corporation, the consolidated audited annual financial statement of
27 the parent corporation may be filed in lieu of the licensee's audited
28 annual financial statement;

29 (b) for a person licensed to engage only in the business of a
30 foreign money transmitter, a copy of its most recent compiled
31 annual financial statement, including balance sheet, statement of
32 income or loss, statement of changes in shareholder's equity and
33 statement of changes in financial position, except that the
34 commissioner may, for good cause, request a foreign money
35 transmitter to submit an audited financial statement;

36 (2) for the most recent quarter for which data is available prior
37 to the date of the filing of the annual report, but in no event more
38 than 120 days prior to the annual report filing date, the licensee
39 shall provide the number of payment instruments sold by the
40 licensee in the State, the dollar amount of those instruments and the
41 dollar amount of those instruments currently outstanding;

42 (3) any material changes to any of the information submitted by
43 the licensee on its original application which have not previously
44 been reported to the commissioner on any other report required to
45 be filed under this act;

46 (4) a list of the licensee's permissible investments;

47 (5) a list of the locations within this State at which business
48 regulated by this act is being conducted by either the licensee or its
49 authorized delegate; and

1 (6) such other information as the commissioner may require by
2 regulation.

3 (cf: P.L.1998, c.14, s.12)

4

5 '17.1 18.1 Section 7 of P.L.1960, c.40 (C.17:16C-7) is
6 amended to read as follows:

7 7. Every application for a new license shall be accompanied by
8 [an] a nonrefundable application fee [of not more than \$500, as
9 established by the commissioner by regulation. Every sales finance
10 company shall pay to the commissioner at the time of making the
11 application and biennially thereafter upon renewal a license fee for
12 its principal place of business and for each additional place of
13 business conducted in this State. The commissioner shall charge for
14 a license such fee as he shall prescribe by rule or regulation. The
15 license fee, as prescribed by the commissioner by regulation, shall
16 be based on the number of the following activities in which the
17 person is licensed to act: as a mortgage banker, correspondent
18 mortgage banker or mortgage broker, as a secondary mortgage
19 lender, as a consumer lender, or as a sales finance company. The
20 fee shall be set according to the following schedule:

21 a. If the person is licensed to engage in one activity, the fee
22 shall not be more than \$3,000;

23 b. If the person is licensed to engage in two activities, the fee
24 shall not be more than \$4,000;

25 c. If the person is licensed to engage in three activities, the fee
26 shall not be more than \$5,000; and

27 d. If the person is licensed to engage in all four activities, the
28 fee shall not be more than \$6,000] as provided in subsection d. of
29 section 8 of P.L. 1996, c. 157 (C. 17:11C-8).

30 The license shall run from the date of issuance to the end of [the
31 biennial period. When the initial license is issued in the second
32 year of the biennial licensing period, the license fee shall be an
33 amount equal to one-half of the fee for the biennial licensing period.

34 For the purpose of coordination with licensing under the "New
35 Jersey Licensed Lenders Act," P.L.1996, c.157 (C.17:11C-1 et al.),
36 each sales finance company license issued pursuant to the "Retail
37 Installment Sales Act of 1960," P.L.1960, c.40 (C.17:16C-1 et seq.),
38 shall expire at the end of the biennial period. The first biennial
39 period shall begin on July 1, 1997, and shall end on June 30, 1999]
40 a term of not less than two years as set by the commissioner by
41 regulation.

42 (cf: P.L.1999, c.250, s.5)

43

44 '18.1 19.1 Section 8 of P.L.1960, c.40 (C.17:16C-8) is
45 amended to read as follows:

46 8. With respect to a license fee imposed prior to the
47 implementation of the assessment pursuant to P.L.2005, c.199
48 (C.17:1C-33 et al.), every motor vehicle installment seller shall pay

1 to the commissioner at the time of making the application and
2 biennially thereafter upon renewal a license fee for its principal
3 office and for each additional place of business conducted in this
4 State. The commissioner shall charge for a license such fee as he
5 shall prescribe by rule or regulation. Each fee shall not exceed
6 ~~[\$300.00]~~ \$300. The license shall run from the date of issuance to
7 the end of the ~~[biennial]~~ licensing period ~~].~~ When the initial license
8 is issued in the second year of the biennial licensing period, the fee
9 shall be an amount equal to one-half of the license fee for the
10 biennial licensing period] of not less than two years as set by the
11 commissioner by regulation. Upon implementation of the
12 assessment pursuant to P.L.2005, c.199 (C.17:1C-33 et al.), a
13 license fee shall no longer be imposed or collected by the
14 commissioner pursuant to this section, however a motor vehicle
15 installment seller shall pay to the commissioner at the time of
16 application ~~[an]~~ a nonrefundable application fee not to exceed
17 ~~[\$300.00]~~ \$300.

18 (cf: P.L.2005, c.199, s.18)

19

20 ¹~~[19.]~~ 20. Section 19 of P.L.1960, c.40 (C.17:16C-19) is
21 amended to read as follows:

22 19. All books, accounts and records of the licensee shall be
23 preserved and kept available as provided herein for such period of
24 time as the commissioner may by regulation require. The
25 commissioner may require a licensee to file an annual report
26 containing that information required by the commissioner by
27 regulation concerning business conducted as a licensee in the
28 preceding calendar year. The report shall be submitted under oath
29 and in the form specified by the commissioner by regulation.

30 A licensee that fails to make and file its annual report in the form
31 and within the time provided in this section shall be subject to a
32 penalty of not more than \$100 for each day's failure, and the
33 commissioner may revoke or suspend its authority to do business in
34 this State. The penalty may be collected in a summary proceeding
35 pursuant to the "Penalty Enforcement Law of 1999," P.L.1999,
36 c.274 (C.2A:58-10 et seq.). A warrant may issue in lieu of a
37 summons.

38 (cf: P.L.2005, c.199, s.20)

39

40 ¹~~[20.]~~ 21. Section 21 of P.L.1960, c.41 (C.17:16C-82) is
41 amended to read as follows:

42 21. (a) With respect to a license fee imposed prior to the
43 implementation of the assessment pursuant to P.L.2005, c.199
44 (C.17:1C-33 et al.), every home financing agency shall pay to the
45 commissioner at the time of making the application and biennially
46 thereafter upon renewal a license fee for its principal place of
47 business and for each additional place of business conducted in this
48 State. The commissioner shall charge for a license such fee as he

1 shall prescribe by rule or regulation. Each fee shall not exceed
2 ~~【\$600.00】~~ \$600. The license shall run from the date of issuance to
3 the end of the ~~【biennial】~~ licensing period ~~【.When the initial license~~
4 ~~is issued in the second year of the biennial licensing period, the~~
5 ~~license fee shall be an amount equal to one-half of the fee for the~~
6 ~~biennial licensing period】~~ of not less than two years as set by the
7 commissioner by regulation. Upon implementation of the
8 assessment pursuant to P.L.2005, c.199 (C.17:1C-33 et al.), a
9 license fee shall no longer be imposed or collected by the
10 commissioner pursuant to this section, however a home financing
11 agency shall pay to the commissioner at the time of application
12 ~~【an】~~ a nonrefundable application fee not to exceed ~~【\$600.00】~~
13 \$600.

14 (b) With respect to a license fee imposed prior to the
15 implementation of the assessment pursuant to P.L.2005, c.199
16 (C.17:1C-33 et al.), every home repair contractor shall pay to the
17 commissioner at the time of making the application and biennially
18 thereafter upon renewal a license fee for its principal place of
19 business and for each additional place of business conducted in this
20 State. The commissioner shall charge for a license such fee as he
21 shall prescribe by rule or regulation. Each fee shall not exceed
22 ~~【\$300.00】~~ \$300. The license shall run from the date of issuance to
23 the end of the ~~【biennial】~~ licensing period ~~【.When the initial license~~
24 ~~is issued in the second year of the biennial licensing period, the~~
25 ~~license fee shall be an amount equal to one-half of the fee for the~~
26 ~~biennial licensing period.】~~ of not less than two years as set by the
27 commissioner by regulation. Upon implementation of the
28 assessment pursuant to P.L.2005, c.199 (C.17:1C-33 et al.), a
29 license fee shall no longer be imposed or collected by the
30 commissioner pursuant to this section, however a home repair
31 contractor shall pay to the commissioner at the time of application
32 ~~【an】~~ a nonrefundable application fee not to exceed ~~【\$300.00】~~
33 \$300.

34 (c) With respect to a license fee imposed prior to the
35 implementation of the assessment pursuant to P.L.2005, c.199
36 (C.17:1C-33 et al.), every home repair salesman shall pay to the
37 commissioner at the time of making the application and biennially
38 thereafter upon renewal a license fee. The commissioner shall
39 charge for a license such fee as he shall prescribe by rule or
40 regulation, not to exceed ~~【\$60.00】~~ \$60. The license shall run from
41 the date of issuance to the end of the ~~【biennial】~~ licensing period of
42 not less than two years as set by the commissioner by regulation.
43 ~~【When the initial license is issued in the second year of the biennial~~
44 ~~licensing period, the license fee shall be an amount equal to one-~~
45 ~~half of the fee for the biennial licensing period.】~~ Upon
46 implementation of the assessment pursuant to P.L.2005, c.199
47 (C.17:1C-33 et al.), a license fee shall no longer be imposed or
48 collected by the commissioner pursuant to this section, however a

1 home repair salesman shall pay to the commissioner at the time of
2 application ~~【an】 a nonrefundable~~ application fee not to exceed
3 ~~【\$60.00】 \$60.~~

4 (cf: P.L.2005, c.199, s.21)

5
6 ¹~~【21.】 22.~~ Section 26 of P.L.1960, c.41 (C.17:16C-87) is
7 amended to read as follows:

8 26. a. Every home repair contractor, home financing agency and
9 holder of a home repair contract shall maintain at its place or places
10 of business such books, accounts and records relating to all
11 transactions under this act as will enable the commissioner to
12 enforce full compliance with the provisions hereof. All such books,
13 accounts and records shall be preserved and kept available for such
14 period of time as the commissioner may by regulation require. The
15 commissioner may prescribe the minimum information to be shown
16 in such books, accounts and records of the licensee so that such
17 records will enable the commissioner to determine compliance with
18 the provisions of this act.

19 b. The commissioner may require a licensee to file an annual
20 report containing that information required by the commissioner by
21 regulation concerning business conducted as a licensee in the
22 preceding calendar year. The report shall be submitted under oath
23 and in the form and within the time specified by the commissioner
24 by regulation.

25 c. A licensee that fails to make and file its annual report in the
26 form and within the time provided in this section shall be subject to
27 a penalty of not more than \$100 for each day's failure, and the
28 commissioner may revoke or suspend its authority to do business in
29 this State. The penalty may be collected in a summary proceeding
30 pursuant to the "Penalty Enforcement Law of 1999," P.L.1999,
31 c.274 (C.2A:58-10 et seq.). A warrant may issue in lieu of a
32 summons.

33 (cf: P.L. 2005, c.199, s.22)

34
35 ¹~~【22.】 23.~~ Section 4 of P.L.1968, 221 (C.17:16D-4) is amended
36 to read as follows:

37 4. Licenses. No person shall engage in the business of
38 financing insurance premiums in this State without first having
39 obtained a license as a premium finance company from the
40 Commissioner of Banking and Insurance, except that any State or
41 national bank authorized to do business in this State shall be
42 authorized to transact business as a premium finance company,
43 subject to all of the provisions of this act, except that it shall not be
44 required to obtain a license or pay a license fee hereunder. Any
45 person who shall engage in the business of financing insurance
46 premiums in this State without a valid license as provided
47 hereunder shall, upon conviction as provided in R.S. 17:33-2, be
48 subject to a fine of not more than ~~【\$300.00】 \$300.~~ With respect to
49 a license fee imposed prior to the implementation of the assessment

1 pursuant to P.L.2005, c.199 (C.17:1C-33 et al.), the commissioner
2 shall charge for a license such fee as he shall prescribe by rule or
3 regulation, not to exceed ~~[\$1,000.00]~~ \$1,000. Upon
4 implementation of the assessment pursuant to P.L.2005, c.199
5 (C.17:1C-33 et al.), a license fee shall no longer be imposed or
6 collected by the commissioner pursuant to this section, however an
7 insurance premium finance agency shall pay to the commissioner at
8 the time of application ~~[an]~~ a nonrefundable application fee not to
9 exceed ~~[\$1,000.00]~~ \$1,000. The license shall run from the date of
10 issuance to the end of the ~~[biennial]~~ licensing period ~~[.With~~
11 respect to a license fee imposed prior to implementation of the
12 assessment pursuant to P.L.2005, c.199 (C.17:1C-33 et al.), when
13 the initial license is issued in the second year of the biennial
14 licensing period, the license fee shall be an amount equal to one-
15 half of the fee for the biennial licensing period.

16 Licenses may be renewed from year to year as of January 1 of
17 each year upon payment of the fee established by the commissioner
18 with respect to a license fee imposed prior to implementation of the
19 assessment pursuant to P.L.2005, c.199 (C.17:1C-33 et al.) ~~]~~ of not
20 less than two years as set by the commissioner by regulation. The
21 fee imposed prior to implementation of the assessment pursuant to
22 P.L.2005, c.199 (C.17:1C-33 et al.), for said license shall be paid to
23 the commissioner for the use of the State. No portion of the license
24 fee imposed prior to implementation of the assessment pursuant to
25 P.L.2005, c.199 (C.17:1C-33 et al.), shall be refunded if the license
26 is surrendered by the licensee or suspended or revoked by the
27 commissioner.

28 Before any licensee changes his address he shall return his
29 license to the commissioner who shall indorse the license indicating
30 the change.

31 The person to whom the license or the renewal thereof may be
32 issued shall file sworn answers, subject to the penalties of perjury,
33 to such interrogatories as the commissioner may require. The
34 commissioner shall have authority, at any time, to require the
35 applicant fully to disclose the identity of all stockholders, partners,
36 officers and employees, and he may, in his discretion, refuse to
37 issue or renew a license in the name of any firm, partnership, or
38 corporation if he is not satisfied that any officer, employee,
39 stockholder, or partner thereof who may materially influence the
40 applicant's conduct meets the standards of this act.

41 (cf: P.L.2005, c.199, s.23)

42

43 ¹~~[23.]~~ 24.¹ Section 7 of P.L.1968, c.221 (C.17:16D-7) is
44 amended to read as follows:

45 7. Every licensee shall maintain records of its premium finance
46 transactions which will enable the commissioner to enforce full
47 compliance with this act and the said records shall be open to
48 examination and investigation by the commissioner. The

1 commissioner shall have the power to make such examination of the
2 books, records and accounts of any licensee as he shall deem
3 necessary. The expenses incurred in making any such examination
4 shall be assessed against and paid by the licensee so examined. The
5 commissioner may, at any time, require any licensee to bring such
6 records as he may direct to the commissioner's office for
7 examination.

8 Every licensee shall preserve its records of such premium
9 finance transactions, including cards used in a card system for at
10 least 3 years after making final entry in respect to any premium
11 finance agreement. The preservation of records in photographic
12 form shall constitute compliance with this requirement.

13 Each licensee shall [on or before February 1 of each year] file a
14 report with the commissioner giving such information in the form
15 and within the time as the commissioner may require by regulation
16 concerning the licensee's business and operation during the
17 preceding calendar year.

18 A licensee that fails to make and file its annual report in the form
19 and within the time provided in this section shall be subject to a
20 penalty of not more than \$100 for each day's failure, and the
21 commissioner may revoke or suspend its authority to do business in
22 this State. The penalty may be collected in a summary proceeding
23 pursuant to the "Penalty Enforcement Law of 1999," P.L.1999,
24 c.274 (C.2A:58-10 et seq.). A warrant may issue in lieu of a
25 summons.

26 (cf: P.L.1968, c.221, s.7)

27

28 ¹[24.] 25.¹ Section 5 of P.L.1979, c.16 (C.17:16G-5) is
29 amended to read as follows:

30 5. a. Any nonprofit social service agency or nonprofit consumer
31 credit counseling agency licensed under this act shall be bonded to
32 the satisfaction of the commissioner for each location pursuant to
33 regulation. In setting the bonding requirements for each location,
34 the commissioner shall consider the number of debtors provided
35 credit counseling and debt adjustment services at that location, and
36 the balance of funds in the trust account required to be maintained
37 pursuant to section 3 of P.L.2005, c.287 (C.17:16G-9).

38 b. The commissioner may require a licensee to file an annual
39 report containing that information required by the commissioner by
40 regulation concerning activities conducted as a licensee in the
41 preceding calendar year. The report shall be submitted under oath
42 and in the form and within the time specified by the commissioner
43 by regulation.

44 c. The commissioner may require a high cost home loan
45 counselor to file an annual report containing that information
46 required by the commissioner by regulation concerning activities
47 conducted pursuant to subsection g. of section 5 of P.L.2003, c.64
48 (C.46:10B-26) as a registrant in the preceding calendar year. The

1 report shall be submitted under oath and in the form and within the
2 time specified by the commissioner by regulation.

3 d. Each licensee shall file with the commissioner on or before
4 April 1 of each year a copy of its annual report, containing the
5 information required by the commissioner by regulation pursuant to
6 P.L.1979, c.16 (C.17:16G-1 et seq.) and section 3 of P.L.2005,
7 c.287 (C.17:16G-9) **[**accompanied by a fee in an amount set by the
8 commissioner by regulation**]**. A licensee or high cost home loan
9 counselor that fails to make and file its annual report in the form
10 and within the time provided in this section shall be subject to a
11 penalty of not more than \$100 for each day's failure, and the
12 commissioner may revoke or suspend its authority to do business in
13 this State. The penalty may be collected in a summary proceeding
14 pursuant to the "Penalty Enforcement Law of 1999," P.L.1999,
15 c.274 (C.2A:58-10 et seq.). A warrant may issue in lieu of a
16 summons.

17 e. Each licensee shall have its financial records relating to debt
18 adjustment audited annually by a certified public accountant or a
19 public accountant, which audit shall be filed with the commissioner.
20 Such an audit shall certify that the salaries and expenses paid by the
21 licensee are reasonable compared to those incurred by comparable
22 organizations providing similar services.

23 f. After reviewing the annual report and audit, the
24 Commissioner of Banking and Insurance may cause an examination
25 of the licensee to be made, the actual expenses of such an
26 examination shall be paid by the licensee, and the commissioner
27 may maintain any action against any licensee to recover the fees
28 and expenses herein provided for.

29 g. The licensee shall make a copy of the annual report and
30 audit available for public inspection at each of the licensee's
31 locations.

32 (cf: P.L.2005, c.287, s.1)

33

34 ¹**[**25.**]** 26.¹ R.S.45:22-4 is amended to read as follows:

35 45:22-4 Upon application to the Commissioner of Banking and
36 Insurance, such official may in his discretion issue to the applicant
37 upon **[**payment of the license fee **and]** the filing of a bond as
38 hereinafter provided, a license to do business in this State. The
39 license shall not be assignable **[**and shall be renewed biennially.
40 The commissioner shall charge for a license such fee as he shall
41 prescribe by rule or regulation, not to exceed \$800.00**]**. The license
42 shall run from the date of issuance to the end of the **[**biennial**]**
43 licensing period **[**.When the initial license is issued in the second
44 year of the biennial licensing period, the license fee shall be an
45 amount equal to one-half of the fee for the biennial licensing
46 period**]** of not less than two years as set by the commissioner by
47 regulation. The Commissioner of Banking and Insurance may

1 require proof to his satisfaction of the financial ability of the
2 applicant to carry on such business.
3 (cf: P.L.1981, c.321, s.10)

4
5 '26.] 27.' R.S.45:22-10 is amended to read as follows:

6 45:22-10. The Commissioner of Banking and Insurance may at
7 any time [, and shall at least once each year,] investigate the
8 business of all licensees, either personally or by any person
9 designated by him, and for the purpose of effectuating this article
10 the Commissioner of Banking and Insurance or the person so
11 designated shall have free access, during the usual business hours,
12 to the licensee's place of business, to the books, papers, records,
13 safes and vaults of the licensee wherever located, and shall also
14 have the authority to examine, under oath, any person whose
15 testimony he may require relative to such business. The cost and
16 charges of any such examination or investigation shall be borne by
17 the licensee. Absent a determination by the commissioner that good
18 cause exists, the cost of the examination shall not exceed \$2,500.
19 The examination shall be conducted in accordance with generally
20 accepted examination procedures and pursuant to established and
21 objective criteria developed by the commissioner. The department
22 shall issue to the licensee an itemized invoice setting forth the
23 number of hours and the work performed in connection with the
24 examination.

25 (cf: P.L.2001, c.388, s.1)

26
27 '[27.] 28.' R.S.45:22-12 is amended to read as follows:

28 45:22-12 Every pawnbroker shall annually, [on or before
29 February first,] submit to the [commissioner of banking and
30 insurance] Commissioner of Banking and Insurance, on such forms
31 and within the time as may be prescribed by him, a report under
32 oath, giving the number and amount of loans made during the
33 preceding calendar year, and the balance of all loans outstanding at
34 the close of the year, the rates of interest charged and such other
35 information as the commissioner may require.

36 A pawnbroker that fails to make and file its annual report in the
37 form and within the time provided in this section shall be subject to
38 a penalty of not more than \$100 for each day's failure, and the
39 commissioner may revoke or suspend its authority to do business in
40 this State. The penalty may be collected in a summary proceeding
41 pursuant to the "Penalty Enforcement Law of 1999," P.L.1999,
42 c.274 (C.2A:58-10 et seq.). A warrant may issue in lieu of a
43 summons.

44 (cf: R.S.45:22-12)

45
46 '[28.] 29.' This act shall take effect immediately, but remain
47 inoperative until July 1, 2006, and if enacted after that date, shall be
48 retroactive to July 1, 2006; except that provisions of this act which

1 amend the term of a license shall remain inoperative until the
2 Commissioner of Banking and Insurance adopts regulations
3 establishing the new license terms authorized by this act. The
4 Commissioner of Banking and Insurance may immediately
5 undertake action to promulgate any regulation necessary to
6 implement the provisions of this act.

7

8

9

10

11 _____
12 Revises and clarifies assessment funding mechanism for Division
13 of Banking; provides certain uniform reporting and licensing
requirements for regulated entities.

SENATE, No. 2044

STATE OF NEW JERSEY 212th LEGISLATURE

INTRODUCED JUNE 15, 2006

Sponsored by:
Senator RAYMOND J. LESNIAK
District 20 (Union)

SYNOPSIS

Revises and clarifies assessment funding mechanism for Division of Banking; provides certain uniform reporting and licensing requirements for regulated entities.

CURRENT VERSION OF TEXT

As introduced.



S2044 LESNIAK

2

1 AN ACT concerning the assessment funding mechanism for the
2 support of the Division of Banking in the Department of Banking
3 and Insurance, revising certain regulatory and fee requirements
4 and amending various parts of statutory law.

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

8
9 1. Section 4 of P.L.2005, c.199 (C.17:1C-36) is amended to read
10 as follows:

11 4. Within 15 days after the date of mailing a statement of the
12 assessment as provided in this act, a regulated entity may file its
13 objections to its assessment with the commissioner. The filing of
14 an objection shall not relieve a regulated entity from its obligation
15 to pay its assessment in full within 30 days after receipt of the
16 original statement of the assessment. Upon receiving those
17 objections, the commissioner shall either: amend the statement as
18 warranted, consistent with sections 5 and 6 of this act; or schedule
19 and send a notice of a hearing on the objections, which hearing
20 shall be held not less than 30 nor more than 60 days after the date of
21 the notice.

22 (cf: P.L.2005, c.199, s.4)

23

24 2. Section 6 of P.L.2005, c.199 (C.17:1C-38) is amended to read
25 as follows:

26 6. If a statement of the assessment against which objections are
27 filed is not paid in full within 30 days after the date of mailing **to**
28 **the objector of notice of a finding that the objections have been**
29 **disallowed** of the original statement of the assessment; or if an
30 amended statement of the assessment is not paid within 30 days of
31 the date a copy thereof is mailed by registered mail to the objector,
32 the commissioner shall give notice of the delinquency to the State
33 Treasurer and to the objector, and the State Treasurer shall proceed
34 to make the collection.

35 (cf: P.L.2005, c.199, s.6)

36

37 3. Section 15 of P.L.2005, c.199 (C.17:1C-47) is amended to
38 read as follows:

39 15. a. The total amount assessable to regulated entities in any
40 fiscal year for the assessment established by this act shall not
41 exceed the lesser of:

42 (1) the total amount of expenses incurred by the State in
43 connection with the administration of the special functions of the
44 division pursuant to section 3 of this act during the preceding fiscal
45 year as ascertained by the Director of the Division of Budget and

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.

1 Accounting in the Department of the Treasury, on or before August
2 15 in each year, and certified to the commissioner by category; or

3 (2) **【.00015】** .0001084 times the sum of (a) the average total
4 assets for State-chartered banks, savings banks, and savings and
5 loan associations for the preceding five calendar years' data,
6 excluding the two most recent calendar **【year】** years plus (b) the
7 average total loan volume for residential mortgage loans closed by
8 licensed lenders pursuant to the "New Jersey Licensed Lenders
9 Act," P.L.1996, c.157 (C.17:11C-1 et seq.) for the preceding five
10 calendar years' data, excluding the two most recent calendar years.

11 b. In calculating the assessments:

12 (1) Banks, savings banks and savings and loan associations shall
13 be given prorated credit for unused portions of assessment periods;
14 and

15 (2) Licensees shall be given prorated credit for unused portions
16 of licensing periods.

17 c. The department shall not issue an examination bill for an
18 examination that has not been completed by the date that the
19 regulated entity becomes subject to the assessment pursuant to the
20 provisions of this act. For the purposes of this act, the completion
21 of the examination shall not include the time to process and review
22 the examination report.

23 (cf: P.L.2005, c.199, s.15)

24

25 4. Section 256 of P.L.1948, c.67 (C.17:9A-256) is amended to
26 read as follows:

27 256. A. Every bank and out-of-State bank with a branch office
28 in this State shall make and file in the department, not less than two
29 reports during each year, in the form prescribed by the
30 commissioner.

31 B. Every report filed pursuant to subsection A of this section
32 shall state in detail and under appropriate heads the assets and
33 liabilities of the bank or out-of-State bank at the close of business
34 on any day specified by the commissioner, and shall be filed in the
35 department within ten days after the receipt by the bank or out-of-
36 State bank of a request therefor. The report shall be attested by the
37 signatures of at least three directors who are not officers of the bank
38 or out-of-State bank, and shall be verified by the oaths of at least
39 two officers of the bank or out-of-State bank. The commissioner
40 may extend for not more than ten days the time within which such
41 report shall be filed.

42 C. The commissioner shall have power to call for special
43 reports from a bank or out-of-State bank when, in the
44 commissioner's judgment, such special reports are necessary in
45 order to obtain a full and complete knowledge of its condition.

46 D. A bank or out-of-State bank which fails to make and
47 transmit a report required by this section shall be subject to a
48 penalty of not more than \$100 for each day during which such
49 failure continues, **【**to be recovered with costs by the State in any

1 court of competent jurisdiction in a civil action prosecuted by the
2 Attorney General] and the commissioner may revoke or suspend its
3 authority to do business in this State.

4 The penalty may be collected in a summary proceeding pursuant
5 to the "Penalty Enforcement Law of 1999," P.L.1999, c.274
6 (C.2A:58-10 et seq.). A warrant may issue in lieu of a summons.

7 E. The commissioner may waive the requirements of this
8 section if the bank or out-of-State bank files a similar report with
9 federal regulators and adequate provision is made for the
10 commissioner to have access to that filing.

11 (cf: P.L.1996, c.17, s.18)

12
13 5. Section 334 of P.L.1948, c.67 (C.17:9A-334) is amended to
14 read as follows:

15 334. A foreign bank shall pay to the commissioner for the use of
16 the State a fee, to be prescribed by the commissioner by regulation,
17 in an amount not less than or not more than, the following minimum
18 and maximum amounts:

	Minimum	Maximum
(1) For filing a copy of its certificate of incorporation or amendment thereof or other change therein	\$50.00	\$250.00
(2) For filing a statement of its financial condition	50.00	250.00
(3) For filing a power of attorney	25.00	75.00
(4) [For each substitution of securities pursuant to sub- section B. of section 320 of P.L.1948, c.67 (C.17:9A-320)	25.00	100.00]
(5) For registering a back office		500.00

32 (Deleted by amendment, P.L. __, c. __.)

33
34 The commissioner shall charge for the issuance of a certificate of
35 authority or a certificate of renewal of a certificate of authority such
36 fee as the commissioner shall prescribe by rule or regulation, not to
37 exceed \$1,500.00. The certificate shall run from the date of
38 issuance [to the end of the biennial period. When the initial
39 certificate is issued in the second year of the biennial certification
40 period, the certificate fee shall be an amount equal to one-half of
41 the fee for the biennial certification period] for a term of not less
42 than two years as set by the commissioner by regulation.

43 The commissioner may by rule or regulation adopted pursuant to
44 the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et
45 seq.) impose other fees and charges, including assessments and
46 nonrefundable fees for application and examinations, on out-of-

1 State banks establishing branch offices or agency offices in this
2 State.

3 (cf: P.L.1996, c.17, s.25)

4

5 6. Section 34 of P.L.1996, c.17 (C.17:9A-415) is amended to
6 read as follows:

7 34. a. To the extent specified by the commissioner by regulation,
8 order or written request:

9 (1) each bank holding company or person that controls a New
10 Jersey bank or a New Jersey bank holding company shall submit to
11 the commissioner one or more copies of each report filed with any
12 bank supervisory agency, except for any report the disclosure of
13 which would be prohibited by applicable federal or state law, within
14 15 days after the filing thereof with that agency; and

15 (2) each person that controls a New Jersey bank or a New Jersey
16 bank holding company that does not file a report with any other
17 bank supervisory agency shall file an annual report with the
18 commissioner.

19 b. At the request of the commissioner, to the extent permitted
20 by applicable state and federal law, each bank holding company or
21 person that controls a New Jersey bank or a New Jersey bank
22 holding company shall provide to the commissioner copies of the
23 reports of examination of any New Jersey bank or New Jersey bank
24 holding company.

25 c. A bank holding company or person that controls a New Jersey
26 bank or a New Jersey bank holding company that fails to make and
27 file a report in the form and within the time provided in this section
28 shall be subject to a penalty of not more than \$100 for each day's
29 failure, and, to the extent permitted by applicable state or federal
30 law, the commissioner may revoke or suspend its authority to do
31 business in this State. The penalty may be collected in a summary
32 proceeding pursuant to the "Penalty Enforcement Law of 1999,"
33 P.L.1999, c.274 (C.2A:58-10 et seq.). A warrant may issue in lieu
34 of a summons.

35 (cf: P.L.1996, c.17, s.34)

36

37 7. Section 8 of P.L.1996, c.157 (C.17:11C-8) is amended to read
38 as follows:

39 8. a. Every application for an initial license shall be accompanied
40 by **an** a nonrefundable application fee as set forth in subsection d.
41 of this section. When the applicant at the same time seeks a license
42 to engage in more than one activity, only one application fee may
43 be charged. With respect to a license fee imposed prior to the
44 implementation of the assessment pursuant to P.L.2005, c.199
45 (C.17:1C-33 et al.), the license fee, as prescribed by the
46 commissioner by regulation, shall be based on the number of the
47 following activities in which the person is licensed to engage under
48 this act or the "Retail Installment Sales Act of 1960," P.L.1960,
49 c.40 (C.17:16C-1 et seq.): a mortgage banker or mortgage broker; a

1 secondary lender; a consumer lender; or a sales finance company.
2 The fee for a biennial license or a renewal thereof shall be set
3 according to the following schedule:

4 (1) If the person is licensed to engage in one activity, the fee
5 shall not be more than \$3,000;

6 (2) If the person is licensed to engage in two activities, the fee
7 shall not be more than \$4,000;

8 (3) If the person is licensed to engage in three activities, the fee
9 shall not be more than \$5,000; and

10 (4) If the person is licensed to engage in all four activities, the
11 fee shall not be more than \$6,000.

12 Upon implementation of the assessment pursuant to P.L.2005,
13 c.199 (C.17:1C-33 et al.), a license fee shall no longer be imposed
14 or collected by the commissioner pursuant to this section. A license
15 shall run from the date of issuance to the end of a term of not less
16 than two years as set by the commissioner by regulation.

17 b. **【When the initial license is issued in the second year of the**
18 **biennial licensing period, the license fee shall equal one-half of the**
19 **license fee for the biennial period set forth above. In lieu of, or in**
20 **addition to, the fees set forth above, the department may impose**
21 **other fees and charges as provided by regulation.】** (Deleted by
22 amendment, P.L. , c. .)

23 c. An applicant for a mortgage solicitor registration pursuant to
24 subsection c. of section 3 of P.L.1996, c.157 (C.17:11C-3) shall be
25 subject to a nonrefundable mortgage solicitor registration
26 application fee, not to exceed \$100 as established by the
27 commissioner by regulation. A solicitor who changes his
28 registration to a different licensee shall be required to submit a new
29 registration application and to pay **【an】** another nonrefundable
30 application fee.

31 d. An applicant shall pay to the commissioner at the time of the
32 initial application for a license **【an】** a nonrefundable application fee
33 not to exceed the amounts specified in this subsection:

34 (1) For an application for one activity, an application fee not to
35 exceed \$700;

36 (2) For an application for two activities, an application fee not
37 to exceed \$1,000;

38 (3) For an application for three activities, an application fee not
39 to exceed \$1,300; and

40 (4) For an application for four activities, an application fee not
41 to exceed \$1,600.

42 e. A licensee that seeks to add an additional activity to an
43 existing license shall pay a fee not to exceed \$300 per activity.

44 f. Fee amounts shall be prescribed by the commissioner by
45 regulation.

46 (cf: P.L.2005, c.199, s.17)

1 8. Section 11 of P.L.1996, c.157 (C.17:11C-11) is amended to
2 read as follows:

3 11. a. Each license issued pursuant to this act shall expire at the
4 end of the **【biennial】** license period of not less than two years as set
5 by the commissioner by regulation. **【The first biennial period shall**
6 **begin on July 1, 1997, and shall end on June 30, 1999. Every**
7 **licensee shall on or before June 30 of every other year pay to the**
8 **commissioner a biennial license fee for the next biennial period.**
9 **The license fee shall be determined by the provisions of sections 8**
10 **and 9 of this act.】**

11 b. **【Licenses issued to persons under the "Secondary Mortgage**
12 **Loan Act," P.L.1970, c.205 (C.17:11A-34 et seq.) or the "Consumer**
13 **Loan Act," R.S.17:10-1 et seq. or under the "Retail Installment**
14 **Sales Act of 1960," P.L.1960, c.40 (C.17:16C-1 et seq.) as a sales**
15 **finance company, and in effect prior to the operative date of this**
16 **act shall expire on July 1, 1997. All such persons shall receive a**
17 **credit of \$250 to renew any authority to engage in the secondary**
18 **mortgage loan business, the consumer loan business or the sales**
19 **finance company business.】** (Deleted by amendment, P.L. , c. .)

20 c. The commissioner may by regulation provide for individual
21 mortgage banker, mortgage broker and secondary lender licenses to
22 continue in existence in an inactive status for a specified period of
23 time.

24 (cf: P.L.1996, c.157, s.11)

25
26 9. Section 43 of P.L.1996, c.157 (C.17:11C-43) is amended to
27 read as follows:

28 43. A licensee shall annually file a report **【before April 1】** with
29 the commissioner which shall set forth such information as the
30 commissioner shall require concerning the business conducted as a
31 licensee during the preceding calendar year. The report shall be **【in**
32 **writing】** under oath and **【on】** in a form **【provided】** and within the
33 time specified by the commissioner by regulation. **【The**
34 **commissioner shall charge a fee for the filing of the report to defer**
35 **the department's administrative expense.】**

36 A licensee that fails to make and file its annual report in the form
37 and within the time provided in this section shall be subject to a
38 penalty of not more than \$100 for each day's failure, and the
39 commissioner may revoke or suspend its authority to do business in
40 this State. The penalty may be collected in a summary proceeding
41 pursuant to the "Penalty Enforcement Law of 1999," P.L.1999,
42 c.274 (C.2A:58-10 et seq.). A warrant may issue in lieu of a
43 summons.

44 (cf: P.L.1996, c.157, s.43)

45
46 10. Section 171 of P.L.1963, c.144 (C.17:12B-171) is amended
47 to read as follows:

1 171. Every State association shall, within 60 days after the close
2 of each fiscal year, file in the department, on blanks to be provided
3 by the commissioner, a report of its transactions, affairs and
4 financial condition as of the end of its fiscal year. The report shall
5 state the names and addresses of its directors, officers, attorneys,
6 agents and other employees, and the compensation, if any, paid to
7 each, and shall be verified by the oaths or affirmations of such
8 officers as the commissioner shall designate. The commissioner
9 may call for additional reports when he deems it expedient, but not
10 **【oftener】** more often than once in every 3 months.

11 If any State association fails to file its annual report within the
12 time herein specified, or any additional report within such
13 reasonable period as the commissioner fixes, the **【officers whose**
14 **duty it is to file the reports shall each be liable individually to a**
15 **penalty of \$50.00, to be recovered by the commissioner, in the**
16 **name of the State, in a court of competent jurisdiction, and when**
17 **collected to be paid into the State treasury and applied to the**
18 **expenses of the department】** association shall be subject to a
19 penalty of not more than \$100 for each day's failure, and the
20 commissioner may revoke or suspend its authority to do business in
21 this State. The commissioner may, for sufficient cause, extend the
22 time for filing any reports for not more than 10 days. The penalty
23 may be collected in a summary proceeding pursuant to the "Penalty
24 Enforcement Law of 1999," P.L.1999, c.274 (C.2A:58-10 et seq.).
25 A warrant may issue in lieu of a summons.

26 (cf: P.L.1963, c.144, s.171)

27

28 11. Section 172 of P.L.1963, c.144 (C.17:12B-172) is amended
29 to read as follows:

30 172. Every State association and every out-of-State association
31 with a branch office in this State shall be subject to the
32 examination, inspection and supervision of the department. **【The**
33 **commissioner shall, either personally or by a person appointed by**
34 **the commissioner, visit and examine every State association at least**
35 **once every two years, or more often if deemed expedient.】** When
36 deemed advisable, the examiner shall verify the liabilities of the
37 State association to its members by an inspection and verification of
38 their accounts. The commissioner shall promptly communicate the
39 result of every examination to the president of the State association
40 examined, who shall present the same to the board at the next
41 regular meeting, or a special meeting, if deemed advisable, or if so
42 directed by the commissioner. The action taken thereon by the
43 board shall thereupon be promptly communicated by the president
44 to the commissioner.

45 Every report and copy of a report of examination of a State
46 association and out-of-State association made by or under the
47 supervision of the commissioner, shall be confidential, and shall not
48 be made public by any officer, director or employee of a State

1 association or out-of-State association, and shall not be subject to
2 subpoena or to admission into evidence in any action or proceeding
3 in any court, except pursuant to an order of the court made upon
4 notice to the commissioner an opportunity to advise the court of
5 reasons for excluding from evidence such report or any portion
6 thereof. The court shall order the issuance of a subpoena for the
7 production or admission into evidence of any such report or portion
8 thereof, only if it is satisfied that (1) it is material and relevant to
9 the issues in the proceedings, and (2) the ends of justice and public
10 advantage will be subserved thereby. This section shall not apply to
11 any action or proceeding instituted by the commissioner or Attorney
12 General pursuant to any law of this State.

13 For State associations or out-of-State associations with branch
14 offices in this State and also in one or more other states, the
15 commissioner may contract with the state regulator in the other
16 state or states where branch offices are located to conduct
17 cooperative examinations. Pursuant to those agreements, examiners
18 of the department may examine branch offices of State associations
19 and out-of-State associations in New Jersey and in other states, and
20 examiners of other state regulators may examine branch offices of
21 State associations and out-of-State associations in New Jersey and
22 other states. The fees for these examinations may be shared
23 pursuant to a contract or agreement among the regulators.
24 (cf: P.L.1996, c.17, s.95)

25
26 12. Section 33 of P.L.1984, c.171 (C.17:13-111) is amended to
27 read as follows:

28 33. Every credit union shall submit a report in writing to the
29 commissioner [, on a form prescribed by the commissioner,] of its
30 condition at the close of business on the 31st day of December. The
31 report shall be submitted to the commissioner [on or before January
32 31 of each year] in a form and within the time specified by the
33 commissioner by regulation. The report shall be verified by the
34 oath of the president and the treasurer of the credit union, and the
35 statement of assets and liabilities shall be verified by the oath of the
36 examining committee that the statement is a true and correct
37 statement of the condition of the credit union based on the audit or
38 examination made by the examining committee as of the December
39 31 preceding the report. The credit union shall furnish the
40 commissioner with any other reports as he may deem advisable.
41 Any false statement or oath shall be deemed to be perjury.

42 A credit union that fails to make and file its annual report in the
43 form and within the time provided in this section shall be subject to
44 a penalty of not more than \$100 for each day's failure, and the
45 commissioner may revoke or suspend its authority to do business in
46 this State. The penalty may be collected in a summary proceeding
47 pursuant to the "Penalty Enforcement Law of 1999," P.L.1999,

1 c.274 (C.2A:58-10 et seq.). A warrant may issue in lieu of a
2 summons.

3 (cf: P.L.1984, c.171, s.33)

4

5 13. Section 11 of P.L.1993, c.383 (C.17:15A-40) is amended to
6 read as follows:

7 11. a. A license shall be valid until surrendered by the licensee,
8 or unless revoked or suspended pursuant to this act.

9 b. **【**Each licensee shall pay to the department a biennial license
10 fee of not more than \$2,000 for each office and mobile office it
11 maintains. There shall not be a biennial license fee for a limited
12 branch office. The fee shall be due on January 1 of each alternate
13 calendar year following the effective date of this act. When the
14 initial license or certificate is issued in the second year of the
15 biennial period, the fee shall be an amount equal to one-half the fee
16 for the biennial period. The initial license fee for a limited branch
17 office shall not exceed \$100.**】** The license shall be for a term of not
18 less than two years as set by the commissioner by regulation.

19 c. A licensee may bring a civil action in Superior Court against
20 another licensee, or against a depository institution subject to
21 subsection b. of section 21 of P.L.1993, c.383 (C.17:15A-50), as
22 amended, or subsection c. of section 21 of P.L.1993, c.383
23 (C.17:15A-50), as amended, for violating any of the following
24 provisions, if that violation has an impact on the check cashing
25 business of the licensee bringing the action: (1) section 3 of
26 P.L.1993, c.383 (C.17:15A-32); (2) the requirements set forth in
27 paragraph (6) of subsection d. of section 12 of P.L.1993, c. 383
28 (C.17:15A-41); (3) subsection e. of section 12 of P.L.1993, c. 383
29 (C.17:15A-41); (4) subsection f. of section 18 of P.L.1993, c.383
30 (C.17:15A-47); (5) subsection b. of section 21 of P.L.1993, c.383
31 (C.17:15A-50); or (6) subsection c. of section 21 of P.L.1993, c.383
32 (C.17:15A-50). Nothing contained in this subsection shall be
33 construed to restrict, limit or alter in any way the commissioner's
34 authority to enforce the provisions of "The Check Cashers
35 Regulatory Act of 1993," P.L.1993, c.383 (C.17:15A-30 et seq.) or
36 any other law.

37 d. If a licensee has not provided check cashing services during
38 normal business hours at the location specified in the license for a
39 period of 180 consecutive days or more, and if no application for
40 renewal of the license or relocation of the licensed check cashier is
41 or shall have been filed prior to expiration of that 180-day period,
42 the department may, after notice to the licensee and opportunity to
43 be heard, revoke the license or for good cause shown, the
44 department may extend the 180 day period.

45 (cf: P.L.2003, c.252, s.4)

46

47 14. Section 16 of P.L.1993, c.383 (C. 17:15A-45) is amended to
48 read as follows:

1 16. Each licensee shall annually, **[on or before March 1,]** file a
2 report with the commissioner giving the information the
3 commissioner may require concerning its check cashing business
4 and operations during the preceding calendar year. In addition to
5 the annual report the commissioner may require additional regular
6 or special reports as the commissioner deems necessary to
7 effectuate the purposes of this act. These reports shall be made
8 under oath or affirmation and shall be in the form and within the
9 time prescribed by the commissioner by regulation.

10 A licensee that fails to make and file its annual report in the form
11 and within the time provided in this section shall be subject to a
12 penalty of not more than \$100 for each day's failure, and the
13 commissioner may revoke or suspend its authority to do business in
14 this State. The penalty may be collected in a summary proceeding
15 pursuant to the "Penalty Enforcement Law of 1999," P.L.1999,
16 c.274 (C.2A:58-10 et seq.). A warrant may issue in lieu of a
17 summons.

18 (cf: P.L.1993, c.383, s.16)

19
20 15. Section 9 of P.L.1998, c.14 (C.17:15C-9) is amended to read
21 as follows:

22 9. a. Upon the filing of a complete application, in the case of an
23 initial application, or the filing of a complete **[biennial]** renewal
24 application, the commissioner shall investigate the financial
25 condition and responsibility, financial and business experience,
26 character and general fitness of the applicant for an initial license or
27 a renewal license. The commissioner may conduct an on-site
28 investigation of the applicant for an initial license, the reasonable
29 cost of which shall be borne by the applicant. If the commissioner
30 finds that the applicant's business will be conducted honestly, fairly
31 and in a manner commanding the confidence and trust of the
32 community and that the applicant has fulfilled the requirements
33 imposed by this act and has paid the required license fee, the
34 commissioner shall issue a license to the applicant authorizing the
35 applicant to engage in the licensed activities in this State. If these
36 requirements have not been met, the commissioner shall deny the
37 application in writing, setting forth the reasons for the denial.

38 b. The commissioner shall approve or deny every application
39 for an initial license within 120 days from the date that the
40 applicant has satisfied all requirements for licensure.

41 c. **[The license fee for each two-year period, or any part**
42 **thereof, shall be in an amount prescribed by the commissioner by**
43 **rule or regulation, not to exceed \$4,000.]** The **[two-year]** license
44 period of not less than two years shall be set by the commissioner
45 by rule or regulation. A license shall run from the date of issuance
46 to the end of the **[biennial]** licensing period. **[If the initial license**
47 **is issued in the second year of the biennial licensing period, the**
48 **license fee shall be in an amount not to exceed \$2,000.]**

1 d. **【Each license issued pursuant to this act shall expire at the**
2 **end of the biennial licensing period.】** Licenses shall not be
3 transferable or assignable.

4 e. The licensee shall **【submit a biennial fee to】** register
5 locations in the State. **【The fee shall be established by the**
6 **commissioner by regulation in an amount which is not less than**
7 **\$25 per location in the State but which shall not to exceed a**
8 **maximum amount of \$5,000 for all locations.】**

9 f. Within 45 days after the end of each calendar quarter, each
10 licensee shall file with the commissioner in writing a list of all
11 locations within the State that have been added or terminated by the
12 licensee, if any. The list shall include the name and business
13 address of each location.

14 g. If the licensed name or licensed business address is changed,
15 the licensee shall notify the commissioner in writing of the change
16 within 10 days.

17 (cf: P.L.1998, c.14, s.9)

18
19 16. Section 12 of P.L.1998, c.14 (C.17:15C-12) is amended to
20 read as follows:

21 12. a. Each licensee shall file with the commissioner **【on or**
22 **before April 1 of each year】** an annual report containing the
23 information required by the commissioner by regulation**【,** along
24 with a fee in an amount set by the commissioner by regulation not
25 to exceed \$200**】**.

26 b. The commissioner may require reports of any licensee or
27 authorized delegate, under penalty of perjury or otherwise,
28 concerning the licensee's or authorized delegate's business
29 conducted pursuant to the license issued under this act, as the
30 commissioner requires for the enforcement of this act.

31 c. A licensee who fails to file any report required by this
32 section on or before the day designated for making the report, or
33 fails to include any prescribed matter in the report, shall pay a
34 penalty of not more than \$100 for each day that the report is
35 delayed or incomplete, unless the commissioner, for good cause
36 shown, reduces the amount to be paid, or unless the time to file the
37 report is extended in writing by the commissioner. **【The penalty**
38 **may be recovered in a summary proceeding under "the penalty**
39 **enforcement law," N.J.S.2A:58-1 et seq.】** In addition, the
40 commissioner may revoke or suspend the authority of a licensee to
41 do business in this State. The penalty may be collected in a
42 summary proceeding pursuant to the "Penalty Enforcement Law of
43 1999," P.L.1999, c.274 (C.2A:58-10 et seq.). A warrant may issue
44 in lieu of a summons.

45 d. The licensee shall include in its annual report:

46 (1) (a) except as provided pursuant to subparagraph (b) of this
47 paragraph (1), for a person licensed to engage only in the business
48 of a foreign money transmitter, a copy of its most recent audited

1 consolidated annual financial statement, including balance sheet,
2 statement of income or loss, statement of changes in shareholder's
3 equity and statement of changes in financial position, or, in the case
4 of a licensee that is a wholly owned subsidiary of another
5 corporation, the consolidated audited annual financial statement of
6 the parent corporation may be filed in lieu of the licensee's audited
7 annual financial statement;

8 (b) for a person licensed to engage only in the business of a
9 foreign money transmitter, a copy of its most recent compiled
10 annual financial statement, including balance sheet, statement of
11 income or loss, statement of changes in shareholder's equity and
12 statement of changes in financial position, except that the
13 commissioner may, for good cause, request a foreign money
14 transmitter to submit an audited financial statement;

15 (2) for the most recent quarter for which data is available prior
16 to the date of the filing of the annual report, but in no event more
17 than 120 days prior to the annual report filing date, the licensee
18 shall provide the number of payment instruments sold by the
19 licensee in the State, the dollar amount of those instruments and the
20 dollar amount of those instruments currently outstanding;

21 (3) any material changes to any of the information submitted by
22 the licensee on its original application which have not previously
23 been reported to the commissioner on any other report required to
24 be filed under this act;

25 (4) a list of the licensee's permissible investments;

26 (5) a list of the locations within this State at which business
27 regulated by this act is being conducted by either the licensee or its
28 authorized delegate; and

29 (6) such other information as the commissioner may require by
30 regulation.

31 (cf: P.L.1998, c.14, s.12)

32
33 17. Section 7 of P.L.1960, c.40 (C.17:16C-7) is amended to read
34 as follows:

35 7. Every application for a new license shall be accompanied by
36 **[an] a nonrefundable** application fee **[of not more than \$500,** as
37 established by the commissioner by regulation. Every sales finance
38 company shall pay to the commissioner at the time of making the
39 application and biennially thereafter upon renewal a license fee for
40 its principal place of business and for each additional place of
41 business conducted in this State. The commissioner shall charge for
42 a license such fee as he shall prescribe by rule or regulation. The
43 license fee, as prescribed by the commissioner by regulation, shall
44 be based on the number of the following activities in which the
45 person is licensed to act: as a mortgage banker, correspondent
46 mortgage banker or mortgage broker, as a secondary mortgage
47 lender, as a consumer lender, or as a sales finance company. The
48 fee shall be set according to the following schedule:

- 1 a. If the person is licensed to engage in one activity, the fee
2 shall not be more than \$3,000;
- 3 b. If the person is licensed to engage in two activities, the fee
4 shall not be more than \$4,000;
- 5 c. If the person is licensed to engage in three activities, the fee
6 shall not be more than \$5,000; and
- 7 d. If the person is licensed to engage in all four activities, the
8 fee shall not be more than \$6,000] as provided in subsection d. of
9 section 8 of P.L. 1996, c. 157 (C. 17:11C-8).

10 The license shall run from the date of issuance to the end of [the
11 biennial period. When the initial license is issued in the second
12 year of the biennial licensing period, the license fee shall be an
13 amount equal to one-half of the fee for the biennial licensing period.

14 For the purpose of coordination with licensing under the "New
15 Jersey Licensed Lenders Act," P.L.1996, c.157 (C.17:11C-1 et al.),
16 each sales finance company license issued pursuant to the "Retail
17 Installment Sales Act of 1960," P.L.1960, c.40 (C.17:16C-1 et seq.),
18 shall expire at the end of the biennial period. The first biennial
19 period shall begin on July 1, 1997, and shall end on June 30, 1999]
20 a term of not less than two years as set by the commissioner by
21 regulation.

22 (cf: P.L.1999, c.250, s.5)

23

24 18. Section 8 of P.L.1960, c.40 (C.17:16C-8) is amended to read
25 as follows:

26 8. With respect to a license fee imposed prior to the
27 implementation of the assessment pursuant to P.L.2005, c.199
28 (C.17:1C-33 et al.), every motor vehicle installment seller shall pay
29 to the commissioner at the time of making the application and
30 biennially thereafter upon renewal a license fee for its principal
31 office and for each additional place of business conducted in this
32 State. The commissioner shall charge for a license such fee as he
33 shall prescribe by rule or regulation. Each fee shall not exceed
34 **[\$300.00] \$300.** The license shall run from the date of issuance to
35 the end of the **[biennial] licensing** period **[.When the initial license**
36 **is issued in the second year of the biennial licensing period, the fee**
37 **shall be an amount equal to one-half of the license fee for the**
38 **biennial licensing period] of not less than two years as set by the**
39 **commissioner by regulation.** Upon implementation of the
40 assessment pursuant to P.L.2005, c.199 (C.17:1C-33 et al.), a
41 license fee shall no longer be imposed or collected by the
42 commissioner pursuant to this section, however a motor vehicle
43 installment seller shall pay to the commissioner at the time of
44 application **[an] a nonrefundable** application fee not to exceed
45 **[\$300.00] \$300.**

46 (cf: P.L.2005, c.199, s.18)

1 19. Section 19 of P.L.1960, c.40 (C.17:16C-19) is amended to
2 read as follows:

3 19. All books, accounts and records of the licensee shall be
4 preserved and kept available as provided herein for such period of
5 time as the commissioner may by regulation require. The
6 commissioner may require a licensee to file an annual report
7 containing that information required by the commissioner by
8 regulation concerning business conducted as a licensee in the
9 preceding calendar year. The report shall be submitted under oath
10 and in the form specified by the commissioner by regulation.

11 A licensee that fails to make and file its annual report in the form
12 and within the time provided in this section shall be subject to a
13 penalty of not more than \$100 for each day's failure, and the
14 commissioner may revoke or suspend its authority to do business in
15 this State. The penalty may be collected in a summary proceeding
16 pursuant to the "Penalty Enforcement Law of 1999," P.L.1999,
17 c.274 (C.2A:58-10 et seq.). A warrant may issue in lieu of a
18 summons.

19 (cf: P.L.2005, c.199, s.20)

20

21 20. Section 21 of P.L.1960, c.41 (C.17:16C-82) is amended to
22 read as follows:

23 21. (a) With respect to a license fee imposed prior to the
24 implementation of the assessment pursuant to P.L.2005, c.199
25 (C.17:1C-33 et al.), every home financing agency shall pay to the
26 commissioner at the time of making the application and biennially
27 thereafter upon renewal a license fee for its principal place of
28 business and for each additional place of business conducted in this
29 State. The commissioner shall charge for a license such fee as he
30 shall prescribe by rule or regulation. Each fee shall not exceed
31 **[\$600.00]** \$600. The license shall run from the date of issuance to
32 the end of the **[biennial]** licensing period **[.When the initial license**
33 **is issued in the second year of the biennial licensing period, the**
34 **license fee shall be an amount equal to one-half of the fee for the**
35 **biennial licensing period]** of not less than two years as set by the
36 commissioner by regulation. Upon implementation of the
37 assessment pursuant to P.L.2005, c.199 (C.17:1C-33 et al.), a
38 license fee shall no longer be imposed or collected by the
39 commissioner pursuant to this section, however a home financing
40 agency shall pay to the commissioner at the time of application
41 **[an]** a nonrefundable application fee not to exceed **[\$600.00]**
42 \$600.

43 (b) With respect to a license fee imposed prior to the
44 implementation of the assessment pursuant to P.L.2005, c.199
45 (C.17:1C-33 et al.), every home repair contractor shall pay to the
46 commissioner at the time of making the application and biennially
47 thereafter upon renewal a license fee for its principal place of
48 business and for each additional place of business conducted in this

1 State. The commissioner shall charge for a license such fee as he
2 shall prescribe by rule or regulation. Each fee shall not exceed
3 ~~【\$300.00】~~ \$300. The license shall run from the date of issuance to
4 the end of the ~~【biennial】~~ licensing period ~~【.When the initial license~~
5 ~~is issued in the second year of the biennial licensing period, the~~
6 ~~license fee shall be an amount equal to one-half of the fee for the~~
7 ~~biennial licensing period.】~~ of not less than two years as set by the
8 commissioner by regulation. Upon implementation of the
9 assessment pursuant to P.L.2005, c.199 (C.17:1C-33 et al.), a
10 license fee shall no longer be imposed or collected by the
11 commissioner pursuant to this section, however a home repair
12 contractor shall pay to the commissioner at the time of application
13 ~~【an】~~ a nonrefundable application fee not to exceed ~~【\$300.00】~~
14 \$300.

15 (c) With respect to a license fee imposed prior to the
16 implementation of the assessment pursuant to P.L.2005, c.199
17 (C.17:1C-33 et al.), every home repair salesman shall pay to the
18 commissioner at the time of making the application and biennially
19 thereafter upon renewal a license fee. The commissioner shall
20 charge for a license such fee as he shall prescribe by rule or
21 regulation, not to exceed ~~【\$60.00】~~ \$60. The license shall run from
22 the date of issuance to the end of the ~~【biennial】~~ licensing period of
23 not less than two years as set by the commissioner by regulation.
24 ~~【When the initial license is issued in the second year of the biennial~~
25 ~~licensing period, the license fee shall be an amount equal to one-~~
26 ~~half of the fee for the biennial licensing period.】~~ Upon
27 implementation of the assessment pursuant to P.L.2005, c.199
28 (C.17:1C-33 et al.), a license fee shall no longer be imposed or
29 collected by the commissioner pursuant to this section, however a
30 home repair salesman shall pay to the commissioner at the time of
31 application ~~【an】~~ a nonrefundable application fee not to exceed
32 ~~【\$60.00】~~ \$60.

33 (cf: P.L.2005, c.199, s.21)

34

35 21. Section 26 of P.L.1960, c.41 (C.17:16C-87) is amended to
36 read as follows:

37 26. a. Every home repair contractor, home financing agency and
38 holder of a home repair contract shall maintain at its place or places
39 of business such books, accounts and records relating to all
40 transactions under this act as will enable the commissioner to
41 enforce full compliance with the provisions hereof. All such books,
42 accounts and records shall be preserved and kept available for such
43 period of time as the commissioner may by regulation require. The
44 commissioner may prescribe the minimum information to be shown
45 in such books, accounts and records of the licensee so that such
46 records will enable the commissioner to determine compliance with
47 the provisions of this act.

1 b. The commissioner may require a licensee to file an annual
2 report containing that information required by the commissioner by
3 regulation concerning business conducted as a licensee in the
4 preceding calendar year. The report shall be submitted under oath
5 and in the form and within the time specified by the commissioner
6 by regulation.

7 c. A licensee that fails to make and file its annual report in the
8 form and within the time provided in this section shall be subject to
9 a penalty of not more than \$100 for each day's failure, and the
10 commissioner may revoke or suspend its authority to do business in
11 this State. The penalty may be collected in a summary proceeding
12 pursuant to the "Penalty Enforcement Law of 1999," P.L.1999,
13 c.274 (C.2A:58-10 et seq.). A warrant may issue in lieu of a
14 summons.

15 (cf: P.L. 2005, c.199, s.22)

16
17 22. Section 4 of P.L.1968, 221 (C.17:16D-4) is amended to read
18 as follows:

19 4. Licenses. No person shall engage in the business of
20 financing insurance premiums in this State without first having
21 obtained a license as a premium finance company from the
22 Commissioner of Banking and Insurance, except that any State or
23 national bank authorized to do business in this State shall be
24 authorized to transact business as a premium finance company,
25 subject to all of the provisions of this act, except that it shall not be
26 required to obtain a license or pay a license fee hereunder. Any
27 person who shall engage in the business of financing insurance
28 premiums in this State without a valid license as provided
29 hereunder shall, upon conviction as provided in R.S. 17:33-2, be
30 subject to a fine of not more than **[\$300.00]** \$300. With respect to
31 a license fee imposed prior to the implementation of the assessment
32 pursuant to P.L.2005, c.199 (C.17:1C-33 et al.), the commissioner
33 shall charge for a license such fee as he shall prescribe by rule or
34 regulation, not to exceed **[\$1,000.00]** \$1,000. Upon
35 implementation of the assessment pursuant to P.L.2005, c.199
36 (C.17:1C-33 et al.), a license fee shall no longer be imposed or
37 collected by the commissioner pursuant to this section, however an
38 insurance premium finance agency shall pay to the commissioner at
39 the time of application **[an]** a nonrefundable application fee not to
40 exceed **[\$1,000.00]** \$1,000. The license shall run from the date of
41 issuance to the end of the **[biennial]** licensing period **[.With**
42 **respect to a license fee imposed prior to implementation of the**
43 **assessment pursuant to P.L.2005, c.199 (C.17:1C-33 et al.), when**
44 **the initial license is issued in the second year of the biennial**
45 **licensing period, the license fee shall be an amount equal to one-**
46 **half of the fee for the biennial licensing period.**

47 Licenses may be renewed from year to year as of January 1 of
48 each year upon payment of the fee established by the commissioner

1 with respect to a license fee imposed prior to implementation of the
2 assessment pursuant to P.L.2005, c.199 (C.17:1C-33 et al.) **】** of not
3 less than two years as set by the commissioner by regulation. The
4 fee imposed prior to implementation of the assessment pursuant to
5 P.L.2005, c.199 (C.17:1C-33 et al.), for said license shall be paid to
6 the commissioner for the use of the State. No portion of the license
7 fee imposed prior to implementation of the assessment pursuant to
8 P.L.2005, c.199 (C.17:1C-33 et al.), shall be refunded if the license
9 is surrendered by the licensee or suspended or revoked by the
10 commissioner.

11 Before any licensee changes his address he shall return his
12 license to the commissioner who shall indorse the license indicating
13 the change.

14 The person to whom the license or the renewal thereof may be
15 issued shall file sworn answers, subject to the penalties of perjury,
16 to such interrogatories as the commissioner may require. The
17 commissioner shall have authority, at any time, to require the
18 applicant fully to disclose the identity of all stockholders, partners,
19 officers and employees, and he may, in his discretion, refuse to
20 issue or renew a license in the name of any firm, partnership, or
21 corporation if he is not satisfied that any officer, employee,
22 stockholder, or partner thereof who may materially influence the
23 applicant's conduct meets the standards of this act.

24 (cf: P.L.2005, c.199, s.23)

25

26 23. Section 7 of P.L.1968, c.221 (C.17:16D-7) is amended to
27 read as follows:

28 7. Every licensee shall maintain records of its premium finance
29 transactions which will enable the commissioner to enforce full
30 compliance with this act and the said records shall be open to
31 examination and investigation by the commissioner. The
32 commissioner shall have the power to make such examination of the
33 books, records and accounts of any licensee as he shall deem
34 necessary. The expenses incurred in making any such examination
35 shall be assessed against and paid by the licensee so examined. The
36 commissioner may, at any time, require any licensee to bring such
37 records as he may direct to the commissioner's office for
38 examination.

39 Every licensee shall preserve its records of such premium
40 finance transactions, including cards used in a card system for at
41 least 3 years after making final entry in respect to any premium
42 finance agreement. The preservation of records in photographic
43 form shall constitute compliance with this requirement.

44 Each licensee shall **【**on or before February 1 of each year**】** file a
45 report with the commissioner giving such information in the form
46 and within the time as the commissioner may require by regulation
47 concerning the licensee's business and operation during the
48 preceding calendar year.

1 A licensee that fails to make and file its annual report in the form
2 and within the time provided in this section shall be subject to a
3 penalty of not more than \$100 for each day's failure, and the
4 commissioner may revoke or suspend its authority to do business in
5 this State. The penalty may be collected in a summary proceeding
6 pursuant to the "Penalty Enforcement Law of 1999," P.L.1999,
7 c.274 (C.2A:58-10 et seq.). A warrant may issue in lieu of a
8 summons.

9 (cf: P.L.1968, c.221, s.7)

10
11 24. Section 5 of P.L.1979, c.16 (C.17:16G-5) is amended to read
12 as follows:

13 5. a. Any nonprofit social service agency or nonprofit consumer
14 credit counseling agency licensed under this act shall be bonded to
15 the satisfaction of the commissioner for each location pursuant to
16 regulation. In setting the bonding requirements for each location,
17 the commissioner shall consider the number of debtors provided
18 credit counseling and debt adjustment services at that location, and
19 the balance of funds in the trust account required to be maintained
20 pursuant to section 3 of P.L.2005, c.287 (C.17:16G-9).

21 b. The commissioner may require a licensee to file an annual
22 report containing that information required by the commissioner by
23 regulation concerning activities conducted as a licensee in the
24 preceding calendar year. The report shall be submitted under oath
25 and in the form and within the time specified by the commissioner
26 by regulation.

27 c. The commissioner may require a high cost home loan
28 counselor to file an annual report containing that information
29 required by the commissioner by regulation concerning activities
30 conducted pursuant to subsection g. of section 5 of P.L.2003, c.64
31 (C.46:10B-26) as a registrant in the preceding calendar year. The
32 report shall be submitted under oath and in the form and within the
33 time specified by the commissioner by regulation.

34 d. Each licensee shall file with the commissioner on or before
35 April 1 of each year a copy of its annual report, containing the
36 information required by the commissioner by regulation pursuant to
37 P.L.1979, c.16 (C.17:16G-1 et seq.) and section 3 of P.L.2005,
38 c.287 (C.17:16G-9) **【accompanied by a fee in an amount set by the**
39 **commissioner by regulation】**. A licensee or high cost home loan
40 counselor that fails to make and file its annual report in the form
41 and within the time provided in this section shall be subject to a
42 penalty of not more than \$100 for each day's failure, and the
43 commissioner may revoke or suspend its authority to do business in
44 this State. The penalty may be collected in a summary proceeding
45 pursuant to the "Penalty Enforcement Law of 1999," P.L.1999,
46 c.274 (C.2A:58-10 et seq.). A warrant may issue in lieu of a
47 summons.

48 e. Each licensee shall have its financial records relating to debt
49 adjustment audited annually by a certified public accountant or a

1 public accountant, which audit shall be filed with the commissioner.
2 Such an audit shall certify that the salaries and expenses paid by the
3 licensee are reasonable compared to those incurred by comparable
4 organizations providing similar services.

5 f. After reviewing the annual report and audit, the
6 Commissioner of Banking and Insurance may cause an examination
7 of the licensee to be made, the actual expenses of such an
8 examination shall be paid by the licensee, and the commissioner
9 may maintain any action against any licensee to recover the fees
10 and expenses herein provided for.

11 g. The licensee shall make a copy of the annual report and
12 audit available for public inspection at each of the licensee's
13 locations.

14 (cf: P.L.2005, c.287, s.1)

15

16 25. R.S.45:22-4 is amended to read as follows:

17 45:22-4 Upon application to the Commissioner of Banking and
18 Insurance, such official may in his discretion issue to the applicant
19 upon **【payment of the license fee and】** the filing of a bond as
20 hereinafter provided, a license to do business in this State. The
21 license shall not be assignable **【and shall be renewed biennially.**
22 The commissioner shall charge for a license such fee as he shall
23 prescribe by rule or regulation, not to exceed \$800.00**】**. The license
24 shall run from the date of issuance to the end of the **【biennial】**
25 licensing period **【.When the initial license is issued in the second**
26 year of the biennial licensing period, the license fee shall be an
27 amount equal to one-half of the fee for the biennial licensing
28 period】 of not less than two years as set by the commissioner by
29 regulation. The Commissioner of Banking and Insurance may
30 require proof to his satisfaction of the financial ability of the
31 applicant to carry on such business.

32 (cf: P.L.1981, c.321, s.10)

33

34 26. R.S.45:22-10 is amended to read as follows:

35 45:22-10. The Commissioner of Banking and Insurance may at
36 any time **【, and shall at least once each year,】** investigate the
37 business of all licensees, either personally or by any person
38 designated by him, and for the purpose of effectuating this article
39 the Commissioner of Banking and Insurance or the person so
40 designated shall have free access, during the usual business hours,
41 to the licensee's place of business, to the books, papers, records,
42 safes and vaults of the licensee wherever located, and shall also
43 have the authority to examine, under oath, any person whose
44 testimony he may require relative to such business. The cost and
45 charges of any such examination or investigation shall be borne by
46 the licensee. Absent a determination by the commissioner that good
47 cause exists, the cost of the examination shall not exceed \$2,500.
48 The examination shall be conducted in accordance with generally

1 accepted examination procedures and pursuant to established and
2 objective criteria developed by the commissioner. The department
3 shall issue to the licensee an itemized invoice setting forth the
4 number of hours and the work performed in connection with the
5 examination.

6 (cf: P.L.2001, c.388, s.1)

7

8 27. R.S.45:22-12 is amended to read as follows:

9 45:22-12 Every pawnbroker shall annually, [on or before
10 February first,] submit to the [commissioner of banking and
11 insurance] Commissioner of Banking and Insurance, on such forms
12 and within the time as may be prescribed by him, a report under
13 oath, giving the number and amount of loans made during the
14 preceding calendar year, and the balance of all loans outstanding at
15 the close of the year, the rates of interest charged and such other
16 information as the commissioner may require.

17 A pawnbroker that fails to make and file its annual report in the
18 form and within the time provided in this section shall be subject to
19 a penalty of not more than \$100 for each day's failure, and the
20 commissioner may revoke or suspend its authority to do business in
21 this State. The penalty may be collected in a summary proceeding
22 pursuant to the "Penalty Enforcement Law of 1999," P.L.1999,
23 c.274 (C.2A:58-10 et seq.). A warrant may issue in lieu of a
24 summons.

25 (cf: R.S. 45:22-12)

26

27 28. This act shall take effect immediately, but remain inoperative
28 until July 1, 2006, and if enacted after that date, shall be retroactive
29 to July 1, 2006; except that provisions of this act which amend the
30 term of a license shall remain inoperative until the Commissioner of
31 Banking and Insurance adopts regulations establishing the new
32 license terms authorized by this act. The Commissioner of Banking
33 and Insurance may immediately undertake action to promulgate any
34 regulation necessary to implement the provisions of this act.

35

36

37

STATEMENT

38

39 On August 18, 2005, P.L.2005, c.199 (C.17:1C-33 et seq.) was
40 enacted establishing a dedicated assessment funding mechanism for
41 the special needs of the Division of Banking within the Department
42 of Banking and Insurance. These needs are associated with the
43 financial regulation, supervision and monitoring of the depository
44 institutions and other financial entities that the division charters and
45 licenses and individuals that it licenses and registers – collectively
46 defined in the act as “regulated entities.”

47 Under the act, the actual incurred expenses of the division for all
48 services related to the financial regulation, supervision and
49 monitoring of regulated entities is assessed amongst all those

1 entities through the assessment funding mechanism. However,
2 implementation of this assessment has revealed some areas where
3 revisions and further clarifications are needed. Accordingly, this
4 bill makes several changes to the assessment funding mechanism
5 and revises other statutes to provide more uniform reporting and
6 licensing requirements for regulated entities.

7 The bill clarifies that a regulated entity must pay the assessment
8 within 30 days of receipt of the original statement of the assessment
9 and that the filing of an objection to the assessment does not excuse
10 timely payment of the assessment.

11 The bill also adjusts the existing statutory cap on the total
12 amount assessable to regulated entities in any fiscal year. The
13 statute currently provides, as one option for determining the
14 assessment cap, for a calculation using certain financial data from
15 the preceding calendar year. This current method, by relying on
16 one-year data from the preceding calendar year, presents problems
17 in obtaining accurate and timely data for use in calculating
18 assessments that will adequately cover the division's operating
19 costs for the division's fiscal year. Accordingly, the bill adjusts the
20 assessment cap by providing a calculation from a rolling three-year
21 average of the data. Using a rolling three-year average will facilitate
22 the collection of timely and accurate data and avoid inaccurate
23 assessments that could result if the one-year data actually represents
24 an unreliable, aberrant fluctuation in the market. In addition, the bill
25 adjusts the multiplier used in this calculation to reflect the intention
26 of P.L.2005, c.199 to maintain a cap on total assessments for all
27 regulated entities of about \$20 million annually.

28 The bill also provides uniformity as to reporting and licensing
29 requirements for regulated entities by: (1) authorizing the
30 commissioner to establish a uniform date for the submission of
31 reports by regulation; (2) allowing the commissioner to set the form
32 and content of reports by regulation; (3) establishing a uniform
33 penalty of not more than \$100 per day for late filing of reports; and
34 (4) removing references to biennial and annual licenses and
35 authorizing the commissioner to set a license term of not less than
36 two years. The current license terms would remain operative until
37 new license terms are established by the commissioner.

38 The bill also makes other technical and conforming amendments.

SENATE COMMERCE COMMITTEE

STATEMENT TO

SENATE, No. 2044

with committee amendments

STATE OF NEW JERSEY

DATED: FEBRUARY 8, 2007

The Senate Commerce Committee reports favorably and with committee amendments Senate Bill No. 2044.

This bill, as amended, revises and clarifies the dedicated assessment funding mechanism for the Division of Banking within the Department of Banking and Insurance, enacted on August 18, 2005 as P.L.2005, c.199 (C.17:1C-33 et seq.), which funding assists with the costs associated with certain functions of the division. These functions are associated with the financial regulation, supervision and monitoring of the depository institutions and other financial entities that the division charters and licenses, and the individuals that it licenses and registers – collectively defined in the act as “regulated entities.”

Under this 2005 act, the actual incurred expenses of the division for all services related to the financial regulation, supervision and monitoring of regulated entities is assessed amongst all those entities through the assessment funding mechanism. However, implementation of this assessment has revealed some areas where revisions and further clarifications are needed. Accordingly, this bill makes several changes to the assessment funding mechanism and revises other statutes to provide more uniform reporting and licensing requirements for all regulated entities.

The bill clarifies that a regulated entity must pay an assessment within 30 days of receipt of the original statement of the assessment and that the filing of an objection to the assessment does not excuse timely payment of the assessment.

The bill also adjusts the existing statutory cap on the total amount assessable to regulated entities in any fiscal year. The statute currently provides, as one option for determining the assessment cap, for a calculation using certain financial data from the preceding calendar year. This current method, by relying only on one-year data from the preceding calendar year, presents problems in obtaining accurate and timely data for use in calculating assessments that will adequately cover the division’s operating costs for the division’s fiscal year. Accordingly, the bill adjusts the assessment cap by providing a calculation from a rolling three-year average of the data. Using a

rolling three-year average will facilitate the collection of timely and accurate data and avoid inaccurate assessments that could result if the one-year data actually represents an unreliable, aberrant fluctuation in the market. In addition, the bill adjusts the multiplier used in this calculation to reflect the intention of P.L.2005, c.199 (C.17:1C-33 et seq.) to maintain a cap on total assessments for all regulated entities of about \$20 million annually.

The bill further provides uniformity as to reporting and licensing requirements for all regulated entities by: (1) authorizing the commissioner to establish a uniform date for the submission of reports by regulation; (2) allowing the commissioner to set the form and content of reports by regulation; (3) establishing a uniform penalty of not more than \$100 per day for late filing of reports; and (4) removing references to biennial and annual licenses and authorizing the commissioner to set a license term of not less than two years. The current license terms would remain operative until new license terms are established by the commissioner.

Finally, the bill also makes other technical and conforming amendments.

The committee amendments to the bill:

- provide, with respect to the dedicated assessment funding mechanism, that a licensed lender's application fee for a branch office be charged in accordance with the schedule of charges that the "New Jersey Licensed Lenders Act," P.L.1996, c.157 (C.17:11C-1 et seq.), currently applies to licensed lender's application fees. See subsection d. of Section 8 of P.L.1996, c.157 (C.17:11C-8).

As reported, this bill is identical to Assembly Bill No. 3375 (1R).

ASSEMBLY, No. 3375

STATE OF NEW JERSEY 212th LEGISLATURE

INTRODUCED JUNE 26, 2006

Sponsored by:
Assemblyman JOSEPH CRYAN
District 20 (Union)

SYNOPSIS

Revises and clarifies assessment funding mechanism for Division of Banking; provides certain uniform reporting and licensing requirements for regulated entities.

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT concerning the assessment funding mechanism for the
2 support of the Division of Banking in the Department of Banking
3 and Insurance, revising certain regulatory and fee requirements
4 and amending various parts of statutory law.

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

8
9 1. Section 4 of P.L.2005, c.199 (C.17:1C-36) is amended to read
10 as follows:

11 4. Within 15 days after the date of mailing a statement of the
12 assessment as provided in this act, a regulated entity may file its
13 objections to its assessment with the commissioner. The filing of
14 an objection shall not relieve a regulated entity from its obligation
15 to pay its assessment in full within 30 days after receipt of the
16 original statement of the assessment. Upon receiving those
17 objections, the commissioner shall either: amend the statement as
18 warranted, consistent with sections 5 and 6 of this act; or schedule
19 and send a notice of a hearing on the objections, which hearing
20 shall be held not less than 30 nor more than 60 days after the date of
21 the notice.

22 (cf: P.L.2005, c.199, s.4)

23

24 2. Section 6 of P.L.2005, c.199 (C.17:1C-38) is amended to read
25 as follows:

26 6. If a statement of the assessment against which objections are
27 filed is not paid in full within 30 days after the date of mailing **【to**
28 **the objector of notice of a finding that the objections have been**
29 **disallowed】** of the original statement of the assessment; or if an
30 amended statement of the assessment is not paid within 30 days of
31 the date a copy thereof is mailed by registered mail to the objector,
32 the commissioner shall give notice of the delinquency to the State
33 Treasurer and to the objector, and the State Treasurer shall proceed
34 to make the collection.

35 (cf: P.L.2005, c.199, s.6)

36

37 3. Section 15 of P.L.2005, c.199 (C.17:1C-47) is amended to
38 read as follows:

39 15. a. The total amount assessable to regulated entities in any
40 fiscal year for the assessment established by this act shall not
41 exceed the lesser of:

42 (1) the total amount of expenses incurred by the State in
43 connection with the administration of the special functions of the
44 division pursuant to section 3 of this act during the preceding fiscal

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.

1 year as ascertained by the Director of the Division of Budget and
2 Accounting in the Department of the Treasury, on or before August
3 15 in each year, and certified to the commissioner by category; or

4 (2) **【.00015】** .0001084 times the sum of (a) the average total
5 assets for State-chartered banks, savings banks, and savings and
6 loan associations for the preceding five calendar years' data,
7 excluding the two most recent calendar **【year】** years plus (b) the
8 average total loan volume for residential mortgage loans closed by
9 licensed lenders pursuant to the "New Jersey Licensed Lenders
10 Act," P.L.1996, c.157 (C.17:11C-1 et seq.) for the preceding five
11 calendar years' data, excluding the two most recent calendar years.

12 b. In calculating the assessments:

13 (1) Banks, savings banks and savings and loan associations shall
14 be given prorated credit for unused portions of assessment periods;
15 and

16 (2) Licensees shall be given prorated credit for unused portions
17 of licensing periods.

18 c. The department shall not issue an examination bill for an
19 examination that has not been completed by the date that the
20 regulated entity becomes subject to the assessment pursuant to the
21 provisions of this act. For the purposes of this act, the completion
22 of the examination shall not include the time to process and review
23 the examination report.

24 (cf: P.L.2005, c.199, s.15)

25

26 4. Section 256 of P.L.1948, c.67 (C.17:9A-256) is amended to
27 read as follows:

28 256. A. Every bank and out-of-State bank with a branch office
29 in this State shall make and file in the department, not less than two
30 reports during each year, in the form prescribed by the
31 commissioner.

32 B. Every report filed pursuant to subsection A of this section
33 shall state in detail and under appropriate heads the assets and
34 liabilities of the bank or out-of-State bank at the close of business
35 on any day specified by the commissioner, and shall be filed in the
36 department within ten days after the receipt by the bank or out-of-
37 State bank of a request therefor. The report shall be attested by the
38 signatures of at least three directors who are not officers of the bank
39 or out-of-State bank, and shall be verified by the oaths of at least
40 two officers of the bank or out-of-State bank. The commissioner
41 may extend for not more than ten days the time within which such
42 report shall be filed.

43 C. The commissioner shall have power to call for special
44 reports from a bank or out-of-State bank when, in the
45 commissioner's judgment, such special reports are necessary in
46 order to obtain a full and complete knowledge of its condition.

47 D. A bank or out-of-State bank which fails to make and
48 transmit a report required by this section shall be subject to a
49 penalty of not more than \$100 for each day during which such

1 failure continues, **【**to be recovered with costs by the State in any
 2 court of competent jurisdiction in a civil action prosecuted by the
 3 Attorney General**】** and the commissioner may revoke or suspend its
 4 authority to do business in this State.

5 The penalty may be collected in a summary proceeding pursuant
 6 to the “Penalty Enforcement Law of 1999,” P.L.1999, c.274
 7 (C.2A:58-10 et seq.). A warrant may issue in lieu of a summons.

8 E. The commissioner may waive the requirements of this
 9 section if the bank or out-of-State bank files a similar report with
 10 federal regulators and adequate provision is made for the
 11 commissioner to have access to that filing.

12 (cf: P.L.1996, c.17, s.18)

13
 14 5. Section 334 of P.L.1948, c.67 (C.17:9A-334) is amended to
 15 read as follows:

16 334. A foreign bank shall pay to the commissioner for the use of
 17 the State a fee, to be prescribed by the commissioner by regulation,
 18 in an amount not less than or not more than, the following minimum
 19 and maximum amounts:

	Minimum	Maximum
21 (1) For filing a copy of its 22 certificate of incorporation or 23 amendment thereof or other 24 change therein	\$50.00	\$250.00
25 (2) For filing a statement of 26 its financial condition	50.00	250.00
27 (3) For filing a power of 28 attorney	25.00	75.00
29 (4) 【 For each substitution of 30 securities pursuant to sub- 31 section B. of section 320 of 32 P.L.1948, c.67 (C.17:9A-320) 33 <u>(Deleted by amendment, P.L. , c.)</u>	25.00	100.00】
34 (5) For registering a back office		500.00

35 The commissioner shall charge for the issuance of a certificate of
 36 authority or a certificate of renewal of a certificate of authority such
 37 fee as the commissioner shall prescribe by rule or regulation, not to
 38 exceed \$1,500.00. The certificate shall run from the date of
 39 issuance **【**to the end of the biennial period. When the initial
 40 certificate is issued in the second year of the biennial certification
 41 period, the certificate fee shall be an amount equal to one-half of
 42 the fee for the biennial certification period**】** for a term of not less
 43 than two years as set by the commissioner by regulation.

44 The commissioner may by rule or regulation adopted pursuant to
 45 the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et
 46 seq.) impose other fees and charges, including assessments and
 47 nonrefundable fees for application and examinations, on out-of-

1 State banks establishing branch offices or agency offices in this
2 State.

3 (cf: P.L.1996, c.17, s.25)

4

5 6. Section 34 of P.L.1996, c.17 (C.17:9A-415) is amended to
6 read as follows:

7 34. a. To the extent specified by the commissioner by regulation,
8 order or written request:

9 (1) each bank holding company or person that controls a New
10 Jersey bank or a New Jersey bank holding company shall submit to
11 the commissioner one or more copies of each report filed with any
12 bank supervisory agency, except for any report the disclosure of
13 which would be prohibited by applicable federal or state law, within
14 15 days after the filing thereof with that agency; and

15 (2) each person that controls a New Jersey bank or a New Jersey
16 bank holding company that does not file a report with any other
17 bank supervisory agency shall file an annual report with the
18 commissioner.

19 b. At the request of the commissioner, to the extent permitted
20 by applicable state and federal law, each bank holding company or
21 person that controls a New Jersey bank or a New Jersey bank
22 holding company shall provide to the commissioner copies of the
23 reports of examination of any New Jersey bank or New Jersey bank
24 holding company.

25 c. A bank holding company or person that controls a New Jersey
26 bank or a New Jersey bank holding company that fails to make and
27 file a report in the form and within the time provided in this section
28 shall be subject to a penalty of not more than \$100 for each day's
29 failure, and, to the extent permitted by applicable state or federal
30 law, the commissioner may revoke or suspend its authority to do
31 business in this State. The penalty may be collected in a summary
32 proceeding pursuant to the "Penalty Enforcement Law of 1999,"
33 P.L.1999, c.274 (C.2A:58-10 et seq.). A warrant may issue in lieu
34 of a summons.

35 (cf: P.L.1996, c.17, s.34)

36

37 7. Section 8 of P.L.1996, c.157 (C.17:11C-8) is amended to read
38 as follows:

39 8. a. Every application for an initial license shall be accompanied
40 by **[an]** a nonrefundable application fee as set forth in subsection d.
41 of this section. When the applicant at the same time seeks a license
42 to engage in more than one activity, only one application fee may
43 be charged. With respect to a license fee imposed prior to the
44 implementation of the assessment pursuant to P.L.2005, c.199
45 (C.17:1C-33 et al.), the license fee, as prescribed by the
46 commissioner by regulation, shall be based on the number of the
47 following activities in which the person is licensed to engage under
48 this act or the "Retail Installment Sales Act of 1960," P.L.1960,
49 c.40 (C.17:16C-1 et seq.): a mortgage banker or mortgage broker; a

1 secondary lender; a consumer lender; or a sales finance company.
2 The fee for a biennial license or a renewal thereof shall be set
3 according to the following schedule:

4 (1) If the person is licensed to engage in one activity, the fee
5 shall not be more than \$3,000;

6 (2) If the person is licensed to engage in two activities, the fee
7 shall not be more than \$4,000;

8 (3) If the person is licensed to engage in three activities, the fee
9 shall not be more than \$5,000; and

10 (4) If the person is licensed to engage in all four activities, the
11 fee shall not be more than \$6,000.

12 Upon implementation of the assessment pursuant to P.L.2005,
13 c.199 (C.17:1C-33 et al.), a license fee shall no longer be imposed
14 or collected by the commissioner pursuant to this section. A license
15 shall run from the date of issuance to the end of a term of not less
16 than two years as set by the commissioner by regulation.

17 b. **【When the initial license is issued in the second year of the**
18 **biennial licensing period, the license fee shall equal one-half of the**
19 **license fee for the biennial period set forth above. In lieu of, or in**
20 **addition to, the fees set forth above, the department may impose**
21 **other fees and charges as provided by regulation.】** (Deleted by
22 amendment, P.L. , c. .)

23 c. An applicant for a mortgage solicitor registration pursuant to
24 subsection c. of section 3 of P.L.1996, c.157 (C.17:11C-3) shall be
25 subject to a nonrefundable mortgage solicitor registration
26 application fee, not to exceed \$100 as established by the
27 commissioner by regulation. A solicitor who changes his
28 registration to a different licensee shall be required to submit a new
29 registration application and to pay **【an】** another nonrefundable
30 application fee.

31 d. An applicant shall pay to the commissioner at the time of the
32 initial application for a license **【an】** a nonrefundable application fee
33 not to exceed the amounts specified in this subsection:

34 (1) For an application for one activity, an application fee not to
35 exceed \$700;

36 (2) For an application for two activities, an application fee not
37 to exceed \$1,000;

38 (3) For an application for three activities, an application fee not
39 to exceed \$1,300; and

40 (4) For an application for four activities, an application fee not
41 to exceed \$1,600.

42 e. A licensee that seeks to add an additional activity to an
43 existing license shall pay a fee not to exceed \$300 per activity.

44 f. Fee amounts shall be prescribed by the commissioner by
45 regulation.

46 (cf: P.L.2005, c.199, s.17)

1 8. Section 11 of P.L.1996, c.157 (C.17:11C-11) is amended to
2 read as follows:

3 11. a. Each license issued pursuant to this act shall expire at the
4 end of the **【biennial】** license period of not less than two years as set
5 by the commissioner by regulation. **【The first biennial period shall**
6 **begin on July 1, 1997, and shall end on June 30, 1999. Every**
7 **licensee shall on or before June 30 of every other year pay to the**
8 **commissioner a biennial license fee for the next biennial period.**
9 **The license fee shall be determined by the provisions of sections 8**
10 **and 9 of this act.】**

11 b. **【Licenses issued to persons under the "Secondary Mortgage**
12 **Loan Act," P.L.1970, c.205 (C.17:11A-34 et seq.) or the "Consumer**
13 **Loan Act," R.S.17:10-1 et seq. or under the "Retail Installment**
14 **Sales Act of 1960," P.L.1960, c.40 (C.17:16C-1 et seq.) as a sales**
15 **finance company, and in effect prior to the operative date of this**
16 **act shall expire on July 1, 1997. All such persons shall receive a**
17 **credit of \$250 to renew any authority to engage in the secondary**
18 **mortgage loan business, the consumer loan business or the sales**
19 **finance company business.】** (Deleted by amendment, P.L. , c. .)

20 c. The commissioner may by regulation provide for individual
21 mortgage banker, mortgage broker and secondary lender licenses to
22 continue in existence in an inactive status for a specified period of
23 time.

24 (cf: P.L.1996, c.157, s.11)

25
26 9. Section 43 of P.L.1996, c.157 (C.17:11C-43) is amended to
27 read as follows:

28 43. A licensee shall annually file a report **【before April 1】** with
29 the commissioner which shall set forth such information as the
30 commissioner shall require concerning the business conducted as a
31 licensee during the preceding calendar year. The report shall be **【in**
32 **writing】** under oath and **【on】** in a form **【provided】** and within the
33 time specified by the commissioner by regulation. **【The**
34 **commissioner shall charge a fee for the filing of the report to defer**
35 **the department's administrative expense.】**

36 A licensee that fails to make and file its annual report in the form
37 and within the time provided in this section shall be subject to a
38 penalty of not more than \$100 for each day's failure, and the
39 commissioner may revoke or suspend its authority to do business in
40 this State. The penalty may be collected in a summary proceeding
41 pursuant to the "Penalty Enforcement Law of 1999," P.L.1999,
42 c.274 (C.2A:58-10 et seq.). A warrant may issue in lieu of a
43 summons.

44 (cf: P.L.1996, c.157, s.43)

45
46 10. Section 171 of P.L.1963, c.144 (C.17:12B-171) is amended
47 to read as follows:

1 171. Every State association shall, within 60 days after the close
2 of each fiscal year, file in the department, on blanks to be provided
3 by the commissioner, a report of its transactions, affairs and
4 financial condition as of the end of its fiscal year. The report shall
5 state the names and addresses of its directors, officers, attorneys,
6 agents and other employees, and the compensation, if any, paid to
7 each, and shall be verified by the oaths or affirmations of such
8 officers as the commissioner shall designate. The commissioner
9 may call for additional reports when he deems it expedient, but not
10 **【oftener】** more often than once in every 3 months.

11 If any State association fails to file its annual report within the
12 time herein specified, or any additional report within such
13 reasonable period as the commissioner fixes, the **【officers whose**
14 **duty it is to file the reports shall each be liable individually to a**
15 **penalty of \$50.00, to be recovered by the commissioner, in the**
16 **name of the State, in a court of competent jurisdiction, and when**
17 **collected to be paid into the State treasury and applied to the**
18 **expenses of the department】** association shall be subject to a
19 penalty of not more than \$100 for each day's failure, and the
20 commissioner may revoke or suspend its authority to do business in
21 this State. The commissioner may, for sufficient cause, extend the
22 time for filing any reports for not more than 10 days. The penalty
23 may be collected in a summary proceeding pursuant to the "Penalty
24 Enforcement Law of 1999," P.L.1999, c.274 (C.2A:58-10 et seq.).
25 A warrant may issue in lieu of a summons.

26 (cf: P.L.1963, c.144, s.171)

27

28 11. Section 172 of P.L.1963, c.144 (C.17:12B-172) is amended
29 to read as follows:

30 172. Every State association and every out-of-State association
31 with a branch office in this State shall be subject to the
32 examination, inspection and supervision of the department. **【The**
33 **commissioner shall, either personally or by a person appointed by**
34 **the commissioner, visit and examine every State association at least**
35 **once every two years, or more often if deemed expedient.】** When
36 deemed advisable, the examiner shall verify the liabilities of the
37 State association to its members by an inspection and verification of
38 their accounts. The commissioner shall promptly communicate the
39 result of every examination to the president of the State association
40 examined, who shall present the same to the board at the next
41 regular meeting, or a special meeting, if deemed advisable, or if so
42 directed by the commissioner. The action taken thereon by the
43 board shall thereupon be promptly communicated by the president
44 to the commissioner.

45 Every report and copy of a report of examination of a State
46 association and out-of-State association made by or under the
47 supervision of the commissioner, shall be confidential, and shall not
48 be made public by any officer, director or employee of a State

1 association or out-of-State association, and shall not be subject to
2 subpoena or to admission into evidence in any action or proceeding
3 in any court, except pursuant to an order of the court made upon
4 notice to the commissioner an opportunity to advise the court of
5 reasons for excluding from evidence such report or any portion
6 thereof. The court shall order the issuance of a subpoena for the
7 production or admission into evidence of any such report or portion
8 thereof, only if it is satisfied that (1) it is material and relevant to
9 the issues in the proceedings, and (2) the ends of justice and public
10 advantage will be subserved thereby. This section shall not apply to
11 any action or proceeding instituted by the commissioner or Attorney
12 General pursuant to any law of this State.

13 For State associations or out-of-State associations with branch
14 offices in this State and also in one or more other states, the
15 commissioner may contract with the state regulator in the other
16 state or states where branch offices are located to conduct
17 cooperative examinations. Pursuant to those agreements, examiners
18 of the department may examine branch offices of State associations
19 and out-of-State associations in New Jersey and in other states, and
20 examiners of other state regulators may examine branch offices of
21 State associations and out-of-State associations in New Jersey and
22 other states. The fees for these examinations may be shared
23 pursuant to a contract or agreement among the regulators.
24 (cf: P.L.1996, c.17, s.95)

25
26 12. Section 33 of P.L.1984, c.171 (C.17:13-111) is amended to
27 read as follows:

28 33. Every credit union shall submit a report in writing to the
29 commissioner [, on a form prescribed by the commissioner,] of its
30 condition at the close of business on the 31st day of December. The
31 report shall be submitted to the commissioner [on or before January
32 31 of each year] in a form and within the time specified by the
33 commissioner by regulation. The report shall be verified by the
34 oath of the president and the treasurer of the credit union, and the
35 statement of assets and liabilities shall be verified by the oath of the
36 examining committee that the statement is a true and correct
37 statement of the condition of the credit union based on the audit or
38 examination made by the examining committee as of the December
39 31 preceding the report. The credit union shall furnish the
40 commissioner with any other reports as he may deem advisable.
41 Any false statement or oath shall be deemed to be perjury.

42 A credit union that fails to make and file its annual report in the
43 form and within the time provided in this section shall be subject to
44 a penalty of not more than \$100 for each day's failure, and the
45 commissioner may revoke or suspend its authority to do business in
46 this State. The penalty may be collected in a summary proceeding
47 pursuant to the "Penalty Enforcement Law of 1999," P.L.1999,

1 c.274 (C.2A:58-10 et seq.). A warrant may issue in lieu of a
2 summons.

3 (cf: P.L.1984, c.171, s.33)

4

5 13. Section 11 of P.L.1993, c.383 (C.17:15A-40) is amended to
6 read as follows:

7 11. a. A license shall be valid until surrendered by the licensee,
8 or unless revoked or suspended pursuant to this act.

9 b. **【**Each licensee shall pay to the department a biennial license
10 fee of not more than \$2,000 for each office and mobile office it
11 maintains. There shall not be a biennial license fee for a limited
12 branch office. The fee shall be due on January 1 of each alternate
13 calendar year following the effective date of this act. When the
14 initial license or certificate is issued in the second year of the
15 biennial period, the fee shall be an amount equal to one-half the fee
16 for the biennial period. The initial license fee for a limited branch
17 office shall not exceed \$100.**】** The license shall be for a term of not
18 less than two years as set by the commissioner by regulation.

19 c. A licensee may bring a civil action in Superior Court against
20 another licensee, or against a depository institution subject to
21 subsection b. of section 21 of P.L.1993, c.383 (C.17:15A-50), as
22 amended, or subsection c. of section 21 of P.L.1993, c.383
23 (C.17:15A-50), as amended, for violating any of the following
24 provisions, if that violation has an impact on the check cashing
25 business of the licensee bringing the action: (1) section 3 of
26 P.L.1993, c.383 (C.17:15A-32); (2) the requirements set forth in
27 paragraph (6) of subsection d. of section 12 of P.L.1993, c. 383
28 (C.17:15A-41); (3) subsection e. of section 12 of P.L.1993, c. 383
29 (C.17:15A-41); (4) subsection f. of section 18 of P.L.1993, c.383
30 (C.17:15A-47); (5) subsection b. of section 21 of P.L.1993, c.383
31 (C.17:15A-50); or (6) subsection c. of section 21 of P.L.1993, c.383
32 (C.17:15A-50). Nothing contained in this subsection shall be
33 construed to restrict, limit or alter in any way the commissioner's
34 authority to enforce the provisions of "The Check Cashers
35 Regulatory Act of 1993," P.L.1993, c.383 (C.17:15A-30 et seq.) or
36 any other law.

37 d. If a licensee has not provided check cashing services during
38 normal business hours at the location specified in the license for a
39 period of 180 consecutive days or more, and if no application for
40 renewal of the license or relocation of the licensed check casher is
41 or shall have been filed prior to expiration of that 180-day period,
42 the department may, after notice to the licensee and opportunity to
43 be heard, revoke the license or for good cause shown, the
44 department may extend the 180 day period.

45 (cf: P.L.2003, c.252, s.4)

46

47 14. Section 16 of P.L.1993, c.383 (C. 17:15A-45) is amended to
48 read as follows:

1 16. Each licensee shall annually, **[on or before March 1,]** file a
2 report with the commissioner giving the information the
3 commissioner may require concerning its check cashing business
4 and operations during the preceding calendar year. In addition to
5 the annual report the commissioner may require additional regular
6 or special reports as the commissioner deems necessary to
7 effectuate the purposes of this act. These reports shall be made
8 under oath or affirmation and shall be in the form and within the
9 time prescribed by the commissioner by regulation.

10 A licensee that fails to make and file its annual report in the form
11 and within the time provided in this section shall be subject to a
12 penalty of not more than \$100 for each day's failure, and the
13 commissioner may revoke or suspend its authority to do business in
14 this State. The penalty may be collected in a summary proceeding
15 pursuant to the "Penalty Enforcement Law of 1999," P.L.1999,
16 c.274 (C.2A:58-10 et seq.). A warrant may issue in lieu of a
17 summons.

18 (cf: P.L.1993, c.383, s.16)

19
20 15. Section 9 of P.L.1998, c.14 (C.17:15C-9) is amended to read
21 as follows:

22 9. a. Upon the filing of a complete application, in the case of an
23 initial application, or the filing of a complete **[biennial]** renewal
24 application, the commissioner shall investigate the financial
25 condition and responsibility, financial and business experience,
26 character and general fitness of the applicant for an initial license or
27 a renewal license. The commissioner may conduct an on-site
28 investigation of the applicant for an initial license, the reasonable
29 cost of which shall be borne by the applicant. If the commissioner
30 finds that the applicant's business will be conducted honestly, fairly
31 and in a manner commanding the confidence and trust of the
32 community and that the applicant has fulfilled the requirements
33 imposed by this act and has paid the required license fee, the
34 commissioner shall issue a license to the applicant authorizing the
35 applicant to engage in the licensed activities in this State. If these
36 requirements have not been met, the commissioner shall deny the
37 application in writing, setting forth the reasons for the denial.

38 b. The commissioner shall approve or deny every application
39 for an initial license within 120 days from the date that the
40 applicant has satisfied all requirements for licensure.

41 c. **[The license fee for each two-year period, or any part**
42 **thereof, shall be in an amount prescribed by the commissioner by**
43 **rule or regulation, not to exceed \$4,000.]** The **[two-year]** license
44 period of not less than two years shall be set by the commissioner
45 by rule or regulation. A license shall run from the date of issuance
46 to the end of the **[biennial]** licensing period. **[If the initial license**
47 **is issued in the second year of the biennial licensing period, the**
48 **license fee shall be in an amount not to exceed \$2,000.]**

1 d. **【Each license issued pursuant to this act shall expire at the**
2 **end of the biennial licensing period.】** Licenses shall not be
3 transferable or assignable.

4 e. The licensee shall **【submit a biennial fee to】** register
5 locations in the State. **【The fee shall be established by the**
6 **commissioner by regulation in an amount which is not less than**
7 **\$25 per location in the State but which shall not to exceed a**
8 **maximum amount of \$5,000 for all locations.】**

9 f. Within 45 days after the end of each calendar quarter, each
10 licensee shall file with the commissioner in writing a list of all
11 locations within the State that have been added or terminated by the
12 licensee, if any. The list shall include the name and business
13 address of each location.

14 g. If the licensed name or licensed business address is changed,
15 the licensee shall notify the commissioner in writing of the change
16 within 10 days.

17 (cf: P.L.1998, c.14, s.9)

18
19 16. Section 12 of P.L.1998, c.14 (C.17:15C-12) is amended to
20 read as follows:

21 12. a. Each licensee shall file with the commissioner **【on or**
22 **before April 1 of each year】** an annual report containing the
23 information required by the commissioner by regulation**【,** along
24 with a fee in an amount set by the commissioner by regulation not
25 to exceed \$200**】.**

26 b. The commissioner may require reports of any licensee or
27 authorized delegate, under penalty of perjury or otherwise,
28 concerning the licensee's or authorized delegate's business
29 conducted pursuant to the license issued under this act, as the
30 commissioner requires for the enforcement of this act.

31 c. A licensee who fails to file any report required by this
32 section on or before the day designated for making the report, or
33 fails to include any prescribed matter in the report, shall pay a
34 penalty of not more than \$100 for each day that the report is
35 delayed or incomplete, unless the commissioner, for good cause
36 shown, reduces the amount to be paid, or unless the time to file the
37 report is extended in writing by the commissioner. **【The penalty**
38 **may be recovered in a summary proceeding under "the penalty**
39 **enforcement law," N.J.S.2A:58-1 et seq.】** In addition, the
40 commissioner may revoke or suspend the authority of a licensee to
41 do business in this State. The penalty may be collected in a
42 summary proceeding pursuant to the "Penalty Enforcement Law of
43 1999," P.L.1999, c.274 (C.2A:58-10 et seq.). A warrant may issue
44 in lieu of a summons.

45 d. The licensee shall include in its annual report:

46 (1) (a) except as provided pursuant to subparagraph (b) of this
47 paragraph (1), for a person licensed to engage only in the business
48 of a foreign money transmitter, a copy of its most recent audited

1 consolidated annual financial statement, including balance sheet,
2 statement of income or loss, statement of changes in shareholder's
3 equity and statement of changes in financial position, or, in the case
4 of a licensee that is a wholly owned subsidiary of another
5 corporation, the consolidated audited annual financial statement of
6 the parent corporation may be filed in lieu of the licensee's audited
7 annual financial statement;

8 (b) for a person licensed to engage only in the business of a
9 foreign money transmitter, a copy of its most recent compiled
10 annual financial statement, including balance sheet, statement of
11 income or loss, statement of changes in shareholder's equity and
12 statement of changes in financial position, except that the
13 commissioner may, for good cause, request a foreign money
14 transmitter to submit an audited financial statement;

15 (2) for the most recent quarter for which data is available prior
16 to the date of the filing of the annual report, but in no event more
17 than 120 days prior to the annual report filing date, the licensee
18 shall provide the number of payment instruments sold by the
19 licensee in the State, the dollar amount of those instruments and the
20 dollar amount of those instruments currently outstanding;

21 (3) any material changes to any of the information submitted by
22 the licensee on its original application which have not previously
23 been reported to the commissioner on any other report required to
24 be filed under this act;

25 (4) a list of the licensee's permissible investments;

26 (5) a list of the locations within this State at which business
27 regulated by this act is being conducted by either the licensee or its
28 authorized delegate; and

29 (6) such other information as the commissioner may require by
30 regulation.

31 (cf: P.L.1998, c.14, s.12)

32

33 17. Section 7 of P.L.1960, c.40 (C.17:16C-7) is amended to read
34 as follows:

35 7. Every application for a new license shall be accompanied by
36 **[an] a nonrefundable** application fee **[of not more than \$500, as**
37 established by the commissioner by regulation. Every sales finance
38 company shall pay to the commissioner at the time of making the
39 application and biennially thereafter upon renewal a license fee for
40 its principal place of business and for each additional place of
41 business conducted in this State. The commissioner shall charge for
42 a license such fee as he shall prescribe by rule or regulation. The
43 license fee, as prescribed by the commissioner by regulation, shall
44 be based on the number of the following activities in which the
45 person is licensed to act: as a mortgage banker, correspondent
46 mortgage banker or mortgage broker, as a secondary mortgage
47 lender, as a consumer lender, or as a sales finance company. The
48 fee shall be set according to the following schedule:

- 1 a. If the person is licensed to engage in one activity, the fee
2 shall not be more than \$3,000;
- 3 b. If the person is licensed to engage in two activities, the fee
4 shall not be more than \$4,000;
- 5 c. If the person is licensed to engage in three activities, the fee
6 shall not be more than \$5,000; and
- 7 d. If the person is licensed to engage in all four activities, the
8 fee shall not be more than \$6,000] as provided in subsection d. of
9 section 8 of P.L. 1996, c. 157 (C. 17:11C-8).

10 The license shall run from the date of issuance to the end of [the
11 biennial period. When the initial license is issued in the second
12 year of the biennial licensing period, the license fee shall be an
13 amount equal to one-half of the fee for the biennial licensing period.

14 For the purpose of coordination with licensing under the "New
15 Jersey Licensed Lenders Act," P.L.1996, c.157 (C.17:11C-1 et al.),
16 each sales finance company license issued pursuant to the "Retail
17 Installment Sales Act of 1960," P.L.1960, c.40 (C.17:16C-1 et seq.),
18 shall expire at the end of the biennial period. The first biennial
19 period shall begin on July 1, 1997, and shall end on June 30, 1999]
20 a term of not less than two years as set by the commissioner by
21 regulation.

22 (cf: P.L.1999, c.250, s.5)

23

24 18. Section 8 of P.L.1960, c.40 (C.17:16C-8) is amended to read
25 as follows:

26 8. With respect to a license fee imposed prior to the
27 implementation of the assessment pursuant to P.L.2005, c.199
28 (C.17:1C-33 et al.), every motor vehicle installment seller shall pay
29 to the commissioner at the time of making the application and
30 biennially thereafter upon renewal a license fee for its principal
31 office and for each additional place of business conducted in this
32 State. The commissioner shall charge for a license such fee as he
33 shall prescribe by rule or regulation. Each fee shall not exceed
34 **[\$300.00] \$300.** The license shall run from the date of issuance to
35 the end of the **[biennial] licensing** period **[.When the initial license**
36 **is issued in the second year of the biennial licensing period, the fee**
37 **shall be an amount equal to one-half of the license fee for the**
38 **biennial licensing period] of not less than two years as set by the**
39 **commissioner by regulation.** Upon implementation of the
40 assessment pursuant to P.L.2005, c.199 (C.17:1C-33 et al.), a
41 license fee shall no longer be imposed or collected by the
42 commissioner pursuant to this section, however a motor vehicle
43 installment seller shall pay to the commissioner at the time of
44 application **[an] a nonrefundable** application fee not to exceed
45 **[\$300.00] \$300.**

46 (cf: P.L.2005, c.199, s.18)

1 19. Section 19 of P.L.1960, c.40 (C.17:16C-19) is amended to
2 read as follows:

3 19. All books, accounts and records of the licensee shall be
4 preserved and kept available as provided herein for such period of
5 time as the commissioner may by regulation require. The
6 commissioner may require a licensee to file an annual report
7 containing that information required by the commissioner by
8 regulation concerning business conducted as a licensee in the
9 preceding calendar year. The report shall be submitted under oath
10 and in the form specified by the commissioner by regulation.

11 A licensee that fails to make and file its annual report in the form
12 and within the time provided in this section shall be subject to a
13 penalty of not more than \$100 for each day's failure, and the
14 commissioner may revoke or suspend its authority to do business in
15 this State. The penalty may be collected in a summary proceeding
16 pursuant to the "Penalty Enforcement Law of 1999," P.L.1999,
17 c.274 (C.2A:58-10 et seq.). A warrant may issue in lieu of a
18 summons.

19 (cf: P.L.2005, c.199, s.20)

20

21 20. Section 21 of P.L.1960, c.41 (C.17:16C-82) is amended to
22 read as follows:

23 21. (a) With respect to a license fee imposed prior to the
24 implementation of the assessment pursuant to P.L.2005, c.199
25 (C.17:1C-33 et al.), every home financing agency shall pay to the
26 commissioner at the time of making the application and biennially
27 thereafter upon renewal a license fee for its principal place of
28 business and for each additional place of business conducted in this
29 State. The commissioner shall charge for a license such fee as he
30 shall prescribe by rule or regulation. Each fee shall not exceed
31 **[\$600.00]** \$600. The license shall run from the date of issuance to
32 the end of the **[biennial]** licensing period **[.When the initial license**
33 **is issued in the second year of the biennial licensing period, the**
34 **license fee shall be an amount equal to one-half of the fee for the**
35 **biennial licensing period]** of not less than two years as set by the
36 commissioner by regulation. Upon implementation of the
37 assessment pursuant to P.L.2005, c.199 (C.17:1C-33 et al.), a
38 license fee shall no longer be imposed or collected by the
39 commissioner pursuant to this section, however a home financing
40 agency shall pay to the commissioner at the time of application
41 **[an]** a nonrefundable application fee not to exceed **[\$600.00]**
42 \$600.

43 (b) With respect to a license fee imposed prior to the
44 implementation of the assessment pursuant to P.L.2005, c.199
45 (C.17:1C-33 et al.), every home repair contractor shall pay to the
46 commissioner at the time of making the application and biennially
47 thereafter upon renewal a license fee for its principal place of
48 business and for each additional place of business conducted in this

1 State. The commissioner shall charge for a license such fee as he
2 shall prescribe by rule or regulation. Each fee shall not exceed
3 ~~【\$300.00】~~ \$300. The license shall run from the date of issuance to
4 the end of the ~~【biennial】~~ licensing period ~~【.When the initial license~~
5 ~~is issued in the second year of the biennial licensing period, the~~
6 ~~license fee shall be an amount equal to one-half of the fee for the~~
7 ~~biennial licensing period.】~~ of not less than two years as set by the
8 commissioner by regulation. Upon implementation of the
9 assessment pursuant to P.L.2005, c.199 (C.17:1C-33 et al.), a
10 license fee shall no longer be imposed or collected by the
11 commissioner pursuant to this section, however a home repair
12 contractor shall pay to the commissioner at the time of application
13 ~~【an】~~ a nonrefundable application fee not to exceed ~~【\$300.00】~~
14 \$300.

15 (c) With respect to a license fee imposed prior to the
16 implementation of the assessment pursuant to P.L.2005, c.199
17 (C.17:1C-33 et al.), every home repair salesman shall pay to the
18 commissioner at the time of making the application and biennially
19 thereafter upon renewal a license fee. The commissioner shall
20 charge for a license such fee as he shall prescribe by rule or
21 regulation, not to exceed ~~【\$60.00】~~ \$60. The license shall run from
22 the date of issuance to the end of the ~~【biennial】~~ licensing period of
23 not less than two years as set by the commissioner by regulation.
24 ~~【When the initial license is issued in the second year of the biennial~~
25 ~~licensing period, the license fee shall be an amount equal to one-~~
26 ~~half of the fee for the biennial licensing period.】~~ Upon
27 implementation of the assessment pursuant to P.L.2005, c.199
28 (C.17:1C-33 et al.), a license fee shall no longer be imposed or
29 collected by the commissioner pursuant to this section, however a
30 home repair salesman shall pay to the commissioner at the time of
31 application ~~【an】~~ a nonrefundable application fee not to exceed
32 ~~【\$60.00】~~ \$60.

33 (cf: P.L.2005, c.199, s.21)

34

35 21. Section 26 of P.L.1960, c.41 (C.17:16C-87) is amended to
36 read as follows:

37 26. a. Every home repair contractor, home financing agency and
38 holder of a home repair contract shall maintain at its place or places
39 of business such books, accounts and records relating to all
40 transactions under this act as will enable the commissioner to
41 enforce full compliance with the provisions hereof. All such books,
42 accounts and records shall be preserved and kept available for such
43 period of time as the commissioner may by regulation require. The
44 commissioner may prescribe the minimum information to be shown
45 in such books, accounts and records of the licensee so that such
46 records will enable the commissioner to determine compliance with
47 the provisions of this act.

1 b. The commissioner may require a licensee to file an annual
2 report containing that information required by the commissioner by
3 regulation concerning business conducted as a licensee in the
4 preceding calendar year. The report shall be submitted under oath
5 and in the form and within the time specified by the commissioner
6 by regulation.

7 c. A licensee that fails to make and file its annual report in the
8 form and within the time provided in this section shall be subject to
9 a penalty of not more than \$100 for each day's failure, and the
10 commissioner may revoke or suspend its authority to do business in
11 this State. The penalty may be collected in a summary proceeding
12 pursuant to the "Penalty Enforcement Law of 1999," P.L.1999,
13 c.274 (C.2A:58-10 et seq.). A warrant may issue in lieu of a
14 summons.

15 (cf: P.L. 2005, c.199, s.22)

16
17 22. Section 4 of P.L.1968, 221 (C.17:16D-4) is amended to read
18 as follows:

19 4. Licenses. No person shall engage in the business of
20 financing insurance premiums in this State without first having
21 obtained a license as a premium finance company from the
22 Commissioner of Banking and Insurance, except that any State or
23 national bank authorized to do business in this State shall be
24 authorized to transact business as a premium finance company,
25 subject to all of the provisions of this act, except that it shall not be
26 required to obtain a license or pay a license fee hereunder. Any
27 person who shall engage in the business of financing insurance
28 premiums in this State without a valid license as provided
29 hereunder shall, upon conviction as provided in R.S. 17:33-2, be
30 subject to a fine of not more than **[\$300.00]** \$300. With respect to
31 a license fee imposed prior to the implementation of the assessment
32 pursuant to P.L.2005, c.199 (C.17:1C-33 et al.), the commissioner
33 shall charge for a license such fee as he shall prescribe by rule or
34 regulation, not to exceed **[\$1,000.00]** \$1,000. Upon
35 implementation of the assessment pursuant to P.L.2005, c.199
36 (C.17:1C-33 et al.), a license fee shall no longer be imposed or
37 collected by the commissioner pursuant to this section, however an
38 insurance premium finance agency shall pay to the commissioner at
39 the time of application **[an]** a nonrefundable application fee not to
40 exceed **[\$1,000.00]** \$1,000. The license shall run from the date of
41 issuance to the end of the **[biennial]** licensing period **[.With**
42 **respect to a license fee imposed prior to implementation of the**
43 **assessment pursuant to P.L.2005, c.199 (C.17:1C-33 et al.), when**
44 **the initial license is issued in the second year of the biennial**
45 **licensing period, the license fee shall be an amount equal to one-**
46 **half of the fee for the biennial licensing period.**

47 Licenses may be renewed from year to year as of January 1 of
48 each year upon payment of the fee established by the commissioner

1 with respect to a license fee imposed prior to implementation of the
2 assessment pursuant to P.L.2005, c.199 (C.17:1C-33 et al.) **】** of not
3 less than two years as set by the commissioner by regulation. The
4 fee imposed prior to implementation of the assessment pursuant to
5 P.L.2005, c.199 (C.17:1C-33 et al.), for said license shall be paid to
6 the commissioner for the use of the State. No portion of the license
7 fee imposed prior to implementation of the assessment pursuant to
8 P.L.2005, c.199 (C.17:1C-33 et al.), shall be refunded if the license
9 is surrendered by the licensee or suspended or revoked by the
10 commissioner.

11 Before any licensee changes his address he shall return his
12 license to the commissioner who shall indorse the license indicating
13 the change.

14 The person to whom the license or the renewal thereof may be
15 issued shall file sworn answers, subject to the penalties of perjury,
16 to such interrogatories as the commissioner may require. The
17 commissioner shall have authority, at any time, to require the
18 applicant fully to disclose the identity of all stockholders, partners,
19 officers and employees, and he may, in his discretion, refuse to
20 issue or renew a license in the name of any firm, partnership, or
21 corporation if he is not satisfied that any officer, employee,
22 stockholder, or partner thereof who may materially influence the
23 applicant's conduct meets the standards of this act.

24 (cf: P.L.2005, c.199, s.23)

25

26 23. Section 7 of P.L.1968, c.221 (C.17:16D-7) is amended to
27 read as follows:

28 7. Every licensee shall maintain records of its premium finance
29 transactions which will enable the commissioner to enforce full
30 compliance with this act and the said records shall be open to
31 examination and investigation by the commissioner. The
32 commissioner shall have the power to make such examination of the
33 books, records and accounts of any licensee as he shall deem
34 necessary. The expenses incurred in making any such examination
35 shall be assessed against and paid by the licensee so examined. The
36 commissioner may, at any time, require any licensee to bring such
37 records as he may direct to the commissioner's office for
38 examination.

39 Every licensee shall preserve its records of such premium
40 finance transactions, including cards used in a card system for at
41 least 3 years after making final entry in respect to any premium
42 finance agreement. The preservation of records in photographic
43 form shall constitute compliance with this requirement.

44 Each licensee shall **【**on or before February 1 of each year**】** file a
45 report with the commissioner giving such information in the form
46 and within the time as the commissioner may require by regulation
47 concerning the licensee's business and operation during the
48 preceding calendar year.

1 A licensee that fails to make and file its annual report in the form
2 and within the time provided in this section shall be subject to a
3 penalty of not more than \$100 for each day's failure, and the
4 commissioner may revoke or suspend its authority to do business in
5 this State. The penalty may be collected in a summary proceeding
6 pursuant to the "Penalty Enforcement Law of 1999," P.L.1999,
7 c.274 (C.2A:58-10 et seq.). A warrant may issue in lieu of a
8 summons.

9 (cf: P.L.1968, c.221, s.7)

10
11 24. Section 5 of P.L.1979, c.16 (C.17:16G-5) is amended to read
12 as follows:

13 5. a. Any nonprofit social service agency or nonprofit consumer
14 credit counseling agency licensed under this act shall be bonded to
15 the satisfaction of the commissioner for each location pursuant to
16 regulation. In setting the bonding requirements for each location,
17 the commissioner shall consider the number of debtors provided
18 credit counseling and debt adjustment services at that location, and
19 the balance of funds in the trust account required to be maintained
20 pursuant to section 3 of P.L.2005, c.287 (C.17:16G-9).

21 b. The commissioner may require a licensee to file an annual
22 report containing that information required by the commissioner by
23 regulation concerning activities conducted as a licensee in the
24 preceding calendar year. The report shall be submitted under oath
25 and in the form and within the time specified by the commissioner
26 by regulation.

27 c. The commissioner may require a high cost home loan
28 counselor to file an annual report containing that information
29 required by the commissioner by regulation concerning activities
30 conducted pursuant to subsection g. of section 5 of P.L.2003, c.64
31 (C.46:10B-26) as a registrant in the preceding calendar year. The
32 report shall be submitted under oath and in the form and within the
33 time specified by the commissioner by regulation.

34 d. Each licensee shall file with the commissioner on or before
35 April 1 of each year a copy of its annual report, containing the
36 information required by the commissioner by regulation pursuant to
37 P.L.1979, c.16 (C.17:16G-1 et seq.) and section 3 of P.L.2005,
38 c.287 (C.17:16G-9) **【accompanied by a fee in an amount set by the**
39 **commissioner by regulation】**. A licensee or high cost home loan
40 counselor that fails to make and file its annual report in the form
41 and within the time provided in this section shall be subject to a
42 penalty of not more than \$100 for each day's failure, and the
43 commissioner may revoke or suspend its authority to do business in
44 this State. The penalty may be collected in a summary proceeding
45 pursuant to the "Penalty Enforcement Law of 1999," P.L.1999,
46 c.274 (C.2A:58-10 et seq.). A warrant may issue in lieu of a
47 summons.

48 e. Each licensee shall have its financial records relating to debt
49 adjustment audited annually by a certified public accountant or a

1 public accountant, which audit shall be filed with the commissioner.
2 Such an audit shall certify that the salaries and expenses paid by the
3 licensee are reasonable compared to those incurred by comparable
4 organizations providing similar services.

5 f. After reviewing the annual report and audit, the
6 Commissioner of Banking and Insurance may cause an examination
7 of the licensee to be made, the actual expenses of such an
8 examination shall be paid by the licensee, and the commissioner
9 may maintain any action against any licensee to recover the fees
10 and expenses herein provided for.

11 g. The licensee shall make a copy of the annual report and
12 audit available for public inspection at each of the licensee's
13 locations.

14 (cf: P.L.2005, c.287, s.1)

15

16 25. R.S.45:22-4 is amended to read as follows:

17 45:22-4 Upon application to the Commissioner of Banking and
18 Insurance, such official may in his discretion issue to the applicant
19 upon **【payment of the license fee and】** the filing of a bond as
20 hereinafter provided, a license to do business in this State. The
21 license shall not be assignable **【and shall be renewed biennially.**
22 The commissioner shall charge for a license such fee as he shall
23 prescribe by rule or regulation, not to exceed \$800.00**】**. The license
24 shall run from the date of issuance to the end of the **【biennial】**
25 licensing period **【.When the initial license is issued in the second**
26 **year of the biennial licensing period, the license fee shall be an**
27 **amount equal to one-half of the fee for the biennial licensing**
28 **period】** of not less than two years as set by the commissioner by
29 regulation. The Commissioner of Banking and Insurance may
30 require proof to his satisfaction of the financial ability of the
31 applicant to carry on such business.

32 (cf: P.L.1981, c.321, s.10)

33

34 26. R.S.45:22-10 is amended to read as follows:

35 45:22-10. The Commissioner of Banking and Insurance may at
36 any time **【, and shall at least once each year,】** investigate the
37 business of all licensees, either personally or by any person
38 designated by him, and for the purpose of effectuating this article
39 the Commissioner of Banking and Insurance or the person so
40 designated shall have free access, during the usual business hours,
41 to the licensee's place of business, to the books, papers, records,
42 safes and vaults of the licensee wherever located, and shall also
43 have the authority to examine, under oath, any person whose
44 testimony he may require relative to such business. The cost and
45 charges of any such examination or investigation shall be borne by
46 the licensee. Absent a determination by the commissioner that good
47 cause exists, the cost of the examination shall not exceed \$2,500.
48 The examination shall be conducted in accordance with generally

1 accepted examination procedures and pursuant to established and
2 objective criteria developed by the commissioner. The department
3 shall issue to the licensee an itemized invoice setting forth the
4 number of hours and the work performed in connection with the
5 examination.

6 (cf: P.L.2001, c.388, s.1)

7

8 27. R.S.45:22-12 is amended to read as follows:

9 45:22-12 Every pawnbroker shall annually, **[on or before**
10 **February first,]** submit to the **[**commissioner of banking and
11 **insurance]** Commissioner of Banking and Insurance, on such forms
12 and within the time as may be prescribed by him, a report under
13 oath, giving the number and amount of loans made during the
14 preceding calendar year, and the balance of all loans outstanding at
15 the close of the year, the rates of interest charged and such other
16 information as the commissioner may require.

17 A pawnbroker that fails to make and file its annual report in the
18 form and within the time provided in this section shall be subject to
19 a penalty of not more than \$100 for each day's failure, and the
20 commissioner may revoke or suspend its authority to do business in
21 this State. The penalty may be collected in a summary proceeding
22 pursuant to the "Penalty Enforcement Law of 1999," P.L.1999,
23 c.274 (C.2A:58-10 et seq.). A warrant may issue in lieu of a
24 summons.

25 (cf: R.S. 45:22-12)

26

27 28. This act shall take effect immediately, but remain inoperative
28 until July 1, 2006, and if enacted after that date, shall be retroactive
29 to July 1, 2006; except that provisions of this act which amend the
30 term of a license shall remain inoperative until the Commissioner of
31 Banking and Insurance adopts regulations establishing the new
32 license terms authorized by this act. The Commissioner of Banking
33 and Insurance may immediately undertake action to promulgate any
34 regulation necessary to implement the provisions of this act.

35

36

37

STATEMENT

38

39 On August 18, 2005, P.L.2005, c.199 (C.17:1C-33 et seq.) was
40 enacted establishing a dedicated assessment funding mechanism for
41 the special needs of the Division of Banking within the Department
42 of Banking and Insurance. These needs are associated with the
43 financial regulation, supervision and monitoring of the depository
44 institutions and other financial entities that the division charters and
45 licenses and individuals that it licenses and registers – collectively
46 defined in the act as “regulated entities.”

47 Under the act, the actual incurred expenses of the division for all
48 services related to the financial regulation, supervision and
49 monitoring of regulated entities is assessed amongst all those

1 entities through the assessment funding mechanism. However,
2 implementation of this assessment has revealed some areas where
3 revisions and further clarifications are needed. Accordingly, this
4 bill makes several changes to the assessment funding mechanism
5 and revises other statutes to provide more uniform reporting and
6 licensing requirements for regulated entities.

7 The bill clarifies that a regulated entity must pay the assessment
8 within 30 days of receipt of the original statement of the assessment
9 and that the filing of an objection to the assessment does not excuse
10 timely payment of the assessment.

11 The bill also adjusts the existing statutory cap on the total
12 amount assessable to regulated entities in any fiscal year. The
13 statute currently provides, as one option for determining the
14 assessment cap, for a calculation using certain financial data from
15 the preceding calendar year. This current method, by relying on
16 one-year data from the preceding calendar year, presents problems
17 in obtaining accurate and timely data for use in calculating
18 assessments that will adequately cover the division's operating
19 costs for the division's fiscal year. Accordingly, the bill adjusts the
20 assessment cap by providing a calculation from a rolling three-year
21 average of the data. Using a rolling three-year average will facilitate
22 the collection of timely and accurate data and avoid inaccurate
23 assessments that could result if the one-year data actually represents
24 an unreliable, aberrant fluctuation in the market. In addition, the bill
25 adjusts the multiplier used in this calculation to reflect the intention
26 of P.L.2005, c.199 to maintain a cap on total assessments for all
27 regulated entities of about \$20 million annually.

28 The bill also provides uniformity as to reporting and licensing
29 requirements for regulated entities by: (1) authorizing the
30 commissioner to establish a uniform date for the submission of
31 reports by regulation; (2) allowing the commissioner to set the form
32 and content of reports by regulation; (3) establishing a uniform
33 penalty of not more than \$100 per day for late filing of reports; and
34 (4) removing references to biennial and annual licenses and
35 authorizing the commissioner to set a license term of not less than
36 two years. The current license terms would remain operative until
37 new license terms are established by the commissioner.

38 The bill also makes other technical and conforming amendments.

ASSEMBLY FINANCIAL INSTITUTIONS AND INSURANCE
COMMITTEE

STATEMENT TO

ASSEMBLY, No. 3375

with committee amendments

STATE OF NEW JERSEY

DATED: NOVEMBER 9, 2006

The Assembly Financial Institutions and Insurance Committee reports favorably and with committee amendments Assembly Bill No. 3375.

On August 18, 2005, P.L.2005, c.199 (C.17:1C-33 et seq.) was enacted establishing a dedicated assessment funding mechanism for the special needs of the Division of Banking within the Department of Banking and Insurance. These needs are associated with the financial regulation, supervision, and monitoring of the depository institutions and other financial entities that the division charters and licenses and individuals that it licenses and registers – collectively defined in the act as “regulated entities.”

Under the act, the actual incurred expenses of the division for all services related to the financial regulation, supervision, and monitoring of regulated entities is assessed amongst all those entities through the assessment funding mechanism. However, implementation of this assessment has revealed some areas where revisions and further clarifications are needed. Accordingly, this bill makes several changes to the assessment funding mechanism and revises other statutes to provide more uniform reporting and licensing requirements for regulated entities.

The bill clarifies that a regulated entity must pay the assessment within 30 days of receipt of the original statement of the assessment and that the filing of an objection to the assessment does not excuse timely payment of the assessment.

The bill also adjusts the existing statutory cap on the total amount assessable to regulated entities in any fiscal year. The statute currently provides, as one option for determining the assessment cap, for a calculation using certain financial data from the preceding calendar year. This current method, by relying on one-year data from the preceding calendar year, presents problems in obtaining accurate and timely data for use in calculating assessments that will adequately cover the division’s operating costs for the division’s fiscal year. Accordingly, the bill adjusts the assessment cap by providing a calculation from a rolling three-year average of the data. Using a

rolling three-year average will facilitate the collection of timely and accurate data and avoid inaccurate assessments that could result if the one-year data actually represents an unreliable, aberrant fluctuation in the market. In addition, the bill adjusts the multiplier used in this calculation to reflect the intention of P.L.2005, c.199 to maintain a cap on total assessments for all regulated entities of about \$20 million annually.

The bill also provides uniformity as to reporting and licensing requirements for regulated entities by: (1) authorizing the commissioner to establish a uniform date for the submission of reports by regulation; (2) allowing the commissioner to set the form and content of reports by regulation; (3) establishing a uniform penalty of not more than \$100 per day for late filing of reports; and (4) removing references to biennial and annual licenses and authorizing the commissioner to set a license term of not less than two years. The current license terms would remain operative until new license terms are established by the commissioner.

The bill also makes other technical and conforming amendments.

COMMITTEE AMENDMENTS:

The committee amended the bill to provide that a licensed lender's application fee for a branch office will be charged in accordance with a schedule of charges that the "New Jersey Licensed Lenders Act," P.L.1996, c.157 (C.17:11C-1 et seq.)," currently applies to licensed lender's application fees.