

17: 9A-182.4 and 17: 9A-182.5

LEGISLATIVE HISTORY CHECKLIST

NJSA 17:9A-182.4 and 17:9A-182.5

Laws of 1975 Chapter 112

Bill No. S 1134

Sponsor(s) Merlino

Date Introduced April 25, 1974

Committee: Assembly Banking & Insurance

Senate Labor, Industry & Professions

Amended during passage Yes

Amendments during passage denoted by asterisks

Date of passage: Assembly Feb. 13, 1975

Senate Nov. 25, 1974

Date of approval June 3, 1975

Following statements are attached if available:

Sponsor statement Yes

Committee Statement: Assembly  No

Senate Yes

Fiscal Note  No

Veto message  No

Message on signing  No

Following were printed:

Reports  No

Hearings  No

Report mentioned in sponsor's statement:

Pr37.8; Report of President's Commission on Financial  
F49/R29 Structure & Regulation. December 1971.

10/4/76

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## SENATE, No. 1134

## STATE OF NEW JERSEY

INTRODUCED APRIL 25, 1974

By Senator MERLINO

Referred to Committee on Labor, Industry and Professions

AN ACT concerning investments by savings banks and supplementing article 25 of "The Banking Act of 1948," approved April 29, 1948 (P. L. 1948, c. 67).

1 BE IT ENACTED by the Senate and General Assembly of the State  
2 of New Jersey:

1 1. In addition to investments otherwise authorized by law, a  
2 savings bank may invest in any assets, except equity securities of  
3 any bank or national banking association or bank holding company,  
4 in amounts not to aggregate more than 3%\*[1]\* of the total assets  
5 of such savings bank\*\*[\*]; provided that no such investment shall be  
6 made outside of the State of New Jersey and the amount invested  
7 in any such single investment shall not exceed 1% of the total assets  
8 of such savings bank\*\*[\*]\*\* or 50% of the total surplus, reserves  
9 and undivided profits of such savings bank, whichever is the lesser;  
10 provided, no such investment shall be made outside of the State of  
11 New Jersey, and the aggregate amount invested in any one person  
12 (as "persons" is defined in section 60 (1) of the act to which this is  
13 a supplement) shall not exceed 1% of the total assets of such savings  
14 bank.\*\*

1 \*\*2. The commissioner may make, amend and repeal regulations  
2 prescribing the amount, location, required collateralization or  
3 purpose of any investment made in accordance with this act as the  
4 commissioner may from time to time deem advisable to foster safe  
5 and sound banking practices in this State and to promote the public  
6 interest. No such regulation shall be deemed to expand the powers  
7 granted to savings banks in this act.\*\*

1 \*\*[2.]\*\* \*\*3.\*\* This act shall take effect immediately.

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

LAW OFFICE  
OF THE SENATE

SENATE, No. 1134

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3 any bank or national banking association or bank holding company,  
4 in amounts not to aggregate more than 3%, of the total assets of  
5 such savings bank.

1 2. This act shall take effect immediately.

STATEMENT

This bill is a so-called "leeway" investment authorization for New Jersey's mutual savings banks. This law would allow savings banks to make discretionary investments in an aggregate amount not to exceed 3% of their total assets in any investments except equity securities of commercial banks and holding companies. The reason for this exception is to void any conflict with commercial banking interests. This law would give greater flexibility to mutual savings banks in their operations and would allow them to participate in equity financing of housing and other related areas in which savings banks have expertise. The provisions of this act are adapted from recommendations contained in the report of the President's Commission on Financial Structure and Regulation (Hunt Commission) of 1971. The provisions closely parallel those given to mutual savings banks in New York, Connecticut, Massachusetts and other states providing leeway investment authority for mutual savings institutions.

SENATE LABOR, INDUSTRY AND  
PROFESSIONS COMMITTEE

STATEMENT TO

**SENATE, No. 1134**

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**STATE OF NEW JERSEY**

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DATED: OCTOBER 21, 1974

The bill was amended in committee to provide that no investment shall be made outside the State of New Jersey and that the amount invested in any such single investment shall not exceed 1% of the total assets of such savings banks.