

17:9A-370

LEGISLATIVE HISTORY CHECKLIST
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NJSA: 17:9A-370 (Interstate banking--permit
for certain savings & holding
companies)

LAWS OF: 1991 CHAPTER: 315

Bill No: A3679

Sponsor(s): Roberts and Penn

Date Introduced: June 18, 1990

Committee: Assembly: Financial Institutions

Senate: Labor

Amended during passage: No

Date of Passage: Assembly: April 25, 1991

Senate: September 26, 1991

Date of Approval: November 14, 1991

Following statements are attached if available:

Sponsor statement: Yes

Committee Statement: Assembly: Yes

Senate: Yes

Fiscal Note: No

Veto Message: No

Message on signing: No

Following were printed:

Reports: No

Hearings: No

KBG/dgw

1 AN ACT concerning certain savings banks and savings bank
2 holding companies and amending P.L.1986, c.5.

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

6 1. Section 1 of P.L.1986, c.5 (C.17:9A-370) is amended to read
7 as follows:

8 1. As used in this act:

9 a. "Bank," "bank holding company," and "control" shall have
10 the meanings set forth in the federal "Bank Holding Company Act
11 of 1956," 70 Stat. 133 (12 U.S.C. §1841 et seq.); provided,
12 however, the term "bank" shall not include [a state or federally
13 chartered mutual or capital stock savings bank and shall not
14 include] an institution which limits its activities to the conduct of
15 activities that may be performed by a trust company (including
16 activities of a fiduciary, agency or custodial nature) as those
17 activities are permitted by the Board of Governors of the Federal
18 Reserve System under section 4 of the federal "Bank Holding
19 Company Act of 1956," 70 Stat. 135 (12 U.S.C. §1843).

20 b. "Banking subsidiary" means a bank or bank holding
21 company, more than 50% of the stock of which is controlled by a
22 bank holding company.

23 c. "Central-Atlantic Region" means the states of New Jersey,
24 Delaware, Illinois, Indiana, Kentucky, Maryland, Michigan,
25 Missouri, Ohio, Pennsylvania, Tennessee, Virginia, West Virginia,
26 Wisconsin and the District of Columbia.

27 d. "Commercial bank deposits" means the total domestic
28 deposits in commercial banks in each state according to the most
29 recent statistics of the Federal Deposit Insurance Corporation or
30 the Federal Reserve System or, if those statistics are not
31 available, from sources designated by the commissioner.

32 e. "Commissioner" means the Commissioner of Banking of
33 New Jersey.

34 f. "Eligible state" means any state which meets either or both
35 of the following conditions:

36 (1) Any state in the Central-Atlantic Region, when at least
37 three of those states (in addition to this State), each of which has
38 at least \$20,000,000,000.00 in commercial bank deposits, have
39 reciprocal legislation in effect, 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 (2) Any state or territory of the United States, when at least
2 13 states in addition to this State (for this purpose the District of
3 Columbia is included as a state, but all other territories are
4 excluded), at least four (other than this State) of which are
5 among the 10 states (other than this State) with the largest
6 amount of commercial bank deposits, have reciprocal legislation
7 in effect.

8 g. "Eligible bank holding company" means a bank holding
9 company:

10 (1) Located in an eligible state which has reciprocal legislation
11 in effect, other than this State;

12 (2) Which is not directly or indirectly controlled by a bank
13 holding company which is not located in an eligible state; and

14 (3) Which has at least 75% of the total aggregate deposits of
15 its banking subsidiaries in banking subsidiaries located in an
16 eligible state or eligible states.

17 h. (1) "Location" or "located" when referring to a bank means
18 the state in which the amount of aggregate deposits of all of its
19 offices in that state is greater than the amount of aggregate
20 deposits of all its offices in any one other state or foreign
21 jurisdiction.

22 (2) "Location" or "located" when referring to a bank holding
23 company means the state in which the amount of aggregate
24 deposits of all of its banking subsidiaries in that state is greater
25 than the amount of aggregate deposits of all of its banking
26 subsidiaries in any one other state or foreign jurisdiction.

27 i. "Reciprocal legislation" means statutory law of a state of
28 the United States (including the District of Columbia) which
29 authorizes or permits a bank holding company located in this
30 State to acquire banks or bank holding companies located in that
31 state on terms and conditions substantially the same as the terms
32 and conditions pursuant to which a bank holding company located
33 in that state may acquire banks or bank holding companies
34 located in that state. The fact that the law of that other state
35 imposes limitations or restrictions on the acquisition of banks or
36 bank holding companies located in that state by a bank or bank
37 holding company located in this State shall not necessarily mean
38 that the law of that state is not reciprocal legislation; provided,
39 however, that if the law of the other state limits acquisitions by
40 a bank or bank holding company located in this State to banks or
41 bank holding companies which are not in competition with banks
42 or bank holding companies located in or chartered by that state
43 or to banks or bank holding companies which do not have
44 customary banking deposit and commercial loan powers, the law
45 of that other state shall not be reciprocal legislation. If the
46 reciprocal legislation of that other state imposes limitations or
47 restrictions on the acquisition or ownership of a bank or bank
48 holding company located in that state by a bank holding company

1 located in this State, substantially the same limitations and
2 restrictions shall be applicable to the eligible bank holding
3 company located in that other state with respect to its
4 acquisition of banks or bank holding companies located in this
5 State.

6 (cf: P.L.1986, c.5, s.1)

7 2. This act shall take effect immediately.

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STATEMENT

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BANKING AND FINANCE

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Permits interstate banking under certain circumstances for
certain savings banks and savings bank holding companies.

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2 restrictions shall be applicable to the eligible bank holding
3 company located in that other state with respect to its
4 acquisition of banks or bank holding companies located in this
5 State.

6 (cf: P.L.1986, c.5, s.1)

7 2. This act shall take effect immediately.

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STATEMENT

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12 This bill provides State chartered savings banks and savings
13 bank holding companies the same rights already granted to
14 commercial banks and bank holding companies to participate in
15 interstate banking on a reciprocal basis.

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BANKING AND FINANCE

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20 Permits interstate banking under certain circumstances for
21 certain savings banks and savings bank holding companies.

ASSEMBLY FINANCIAL INSTITUTIONS COMMITTEE

STATEMENT TO

ASSEMBLY, No. 3679

STATE OF NEW JERSEY

DATED: DECEMBER 6, 1990

The Assembly Financial Institutions Committee reports favorably Assembly Bill No. 3679.

This bill provides State chartered savings banks and savings bank holding companies the same rights already granted to commercial banks and bank holding companies to participate in interstate banking on a reciprocal basis.

Commercial banks and bank holding companies are permitted to participate in interstate banking on a reciprocal basis pursuant to P.L.1986, c.5 (C.17:9A-370 et seq.).

SENATE LABOR, INDUSTRY AND PROFESSIONS COMMITTEE

STATEMENT TO

ASSEMBLY, No. 3679

STATE OF NEW JERSEY

DATED: MAY 13, 1991

The Senate Labor, Industry and Professions Committee reports favorably Assembly, No. 3679.

This bill permits an out-of-state savings bank holding company to acquire a savings bank or savings bank holding company in this State so long as the state in which the out-of-state holding company is located has reciprocity with New Jersey. It would also permit a savings bank holding company from this State to acquire a savings bank or savings bank holding company located in a state with reciprocal legislation. In effect, this bill would also permit savings banks and savings bank holding companies in this State to be acquired by out-of-state commercial bank holding companies and New Jersey savings bank holding companies to acquire out-of-state commercial banks or bank holding companies in those reciprocal states.