

18A:64-18.5

LEGISLATIVE HISTORY CHECKLIST  
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(State Colleges--bank deposits)

NJSA: 18A:64-18.5

LAWS OF: 1995 CHAPTER: 93

BILL NO: A266

SPONSOR(S): Vandervalk

DATE INTRODUCED: Pre-filed

COMMITTEE: ASSEMBLY: Financial Institutions  
SENATE: State Management

AMENDED DURING PASSAGE: Yes Amendments during passage  
First reprint enacted denoted by superscript numbers

DATE OF PASSAGE: ASSEMBLY: January 27, 1994  
SENATE: February 9, 1995

DATE OF APPROVAL: April 25, 1995

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:pp

[FIRST REPRINT]  
ASSEMBLY, No. 266

STATE OF NEW JERSEY

PRE-FILED FOR INTRODUCTION IN THE 1994 SESSION

By Assemblywoman VANDERVALK

1 AN ACT concerning the security of bank deposits made by State  
2 colleges and supplementing chapter 64 of Title 18A of the New  
3 Jersey Statutes.

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

7 1. In all cases when a deposit is made by a State college in a  
8 State or federally chartered bank, savings bank or savings and  
9 loan association, the State Treasurer, in order to secure the  
10 deposit, shall require from the bank or institution a deposit of  
11 bonds, notes, certificates of indebtedness or bills or other  
12 obligations of or guaranteed by the United States; or bonds or  
13 other obligations of or guaranteed by the State of New Jersey;  
14 <sup>1</sup>or bonds or other obligations of any county, municipality or any  
15 other public body corporate and politic created by or established  
16 under any law of this State by or on behalf of any one or more  
17 counties or municipalities or any board, commission, department  
18 or agency of any of the foregoing;<sup>1</sup> or any other obligations now  
19 or hereafter authorized by law as security for public deposits.  
20 This requirement shall be deemed to be met if the Federal  
21 Reserve Bank of New York or the Federal Reserve Bank of  
22 Philadelphia or any other banking institution with total assets in  
23 excess of \$300,000,000 located within the Second or Third  
24 Federal Reserve Districts and approved for such purpose by the  
25 State Treasurer, certifies to the State Treasurer that, pursuant to  
26 authority given by the depository, it holds obligations, owned by  
27 the depository, of the kind and in the amount required by the  
28 State Treasurer to secure such deposit. No bank shall be  
29 permitted to hold securities, of the kind hereinbefore described,  
30 as security for public moneys on deposit in the same bank.

31 No State or federally chartered bank, savings bank or savings  
32 and loan association in which a State college makes deposits of  
33 public moneys shall be required to secure the deposits as required  
34 by this section to the extent that the deposits are insured by the  
35 Federal Deposit Insurance Corporation or by any other federal  
36 agency which insures deposits made in state or national banks or  
37 savings and loan associations.

38 2. This act shall take effect immediately.

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43 Provides security for bank deposits made by State colleges.

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:  
<sup>1</sup> Senate SSM committee amendments adopted September 26, 1994.

# ASSEMBLY, No. 266

## STATE OF NEW JERSEY

Introduced Pending Technical Review by Legislative Counsel

PRE-FILED FOR INTRODUCTION IN THE 1994 SESSION

By Assemblywoman VANDERVALK

1 AN ACT concerning the security of bank deposits made by State  
2 colleges and supplementing chapter 64 of Title 18A of the New  
3 Jersey Statutes.

4

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

7 1. In all cases when a deposit is made by a State college in a  
8 State or federally chartered bank, savings bank or savings and  
9 loan association, the State Treasurer, in order to secure the  
10 deposit, shall require from the bank or institution a deposit of  
11 bonds, notes, certificates of indebtedness or bills or other  
12 obligations of or guaranteed by the United States; or bonds or  
13 other obligations of or guaranteed by the State of New Jersey; or  
14 any other obligations now or hereafter authorized by law as  
15 security for public deposits. This requirement shall be deemed to  
16 be met if the Federal Reserve Bank of New York or the Federal  
17 Reserve Bank of Philadelphia or any other banking institution  
18 with total assets in excess of \$300,000,000 located within the  
19 Second or Third Federal Reserve Districts and approved for such  
20 purpose by the State Treasurer, certifies to the State Treasurer  
21 that, pursuant to authority given by the depository, it holds  
22 obligations, owned by the depository, of the kind and in the  
23 amount required by the State Treasurer to secure such deposit.  
24 No bank shall be permitted to hold securities, of the kind  
25 hereinbefore described, as security for public moneys on deposit  
26 in the same bank.

27 No State or federally chartered bank, savings bank or savings  
28 and loan association in which a State college makes deposits of  
29 public moneys shall be required to secure the deposits as required  
30 by this section to the extent that the deposits are insured by the  
31 Federal Deposit Insurance Corporation or by the Federal Savings  
32 and Loan Insurance Corporation or by any other federal agency  
33 which insures deposits made in state or national banks or savings  
34 and loan associations.

35 2. This act shall take effect immediately.

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### STATEMENT

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40 This bill provides security for deposits made in a banking  
41 institution by State colleges. When a deposit is made by a State  
42 college, the State Treasurer would require from the institution a  
43 deposit of bonds, notes, certificates or other obligations as  
44 security for the State college deposit. The requirement would be  
45 deemed to be met if the Federal Reserve bank of New York or

1 Philadelphia, or any other banking institution with total assets in  
2 excess of \$300 million which is located within the Second or Third  
3 Federal Reserve Districts, certifies that it holds obligations  
4 owned by the depository of the kind and in the amount required  
5 by the State Treasurer to secure the deposit.

6 Under the current statutes, State colleges are not covered  
7 under the "Governmental Unit Deposit Protection Act,"  
8 P.L.1970, c.236 (C.17:9-41 et seq.), which provides security for  
9 deposits of governmental units, including school districts.

10 The requirements in this bill are now applicable to deposits  
11 made by the State Treasurer of State moneys.

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16 Provides security for bank deposits made by State colleges.

ASSEMBLY FINANCIAL INSTITUTIONS COMMITTEE

STATEMENT TO

ASSEMBLY, No. 266

STATE OF NEW JERSEY

DATED: JANUARY 24, 1994

The Assembly Financial Institutions Committee reports favorably Assembly Bill No. 266.

This bill provides security for deposits made in a banking institution by State colleges. When a deposit is made by a State college, the State Treasurer would require from the institution a deposit of bonds, notes, certificates or other obligations as security for the State college deposit. The requirement would be deemed to be met if the Federal Reserve bank of New York or Philadelphia, or any other banking institution with total assets in excess of \$300 million which is located within the Second or Third Federal Reserve Districts, certifies that it holds obligations owned by the depository of the kind and in the amount required by the State Treasurer to secure the deposit.

Under the current statutes, State colleges are not covered under the "Governmental Unit Deposit Protection Act," P.L.1970, c.236 (C.17:9-41 et seq.), which provides security for deposits of governmental units, including school districts.

The requirements in this bill are now applicable to deposits made by the State Treasurer of State moneys.

This bill was pre-filed for introduction in the 1994 session pending technical review. As reported, the bill includes the changes required by technical review which has been performed.

SENATE STATE MANAGEMENT, INVESTMENTS  
AND FINANCIAL INSTITUTIONS COMMITTEE

STATEMENT TO

**ASSEMBLY, No. 266**

with committee amendments

**STATE OF NEW JERSEY**

DATED: SEPTEMBER 26, 1994

The Senate State Management, Investments and Financial Institutions Committee reports favorably and with committee amendments Assembly Bill No. 266.

This bill provides that when a deposit is made by a State college in a State or federally chartered banking institution, the State Treasurer shall require from the institution a deposit of bonds, notes, certificates or other obligations as security for the State college deposit. This requirement would be deemed to be met if the Federal Reserve Bank of New York or Philadelphia, or any other banking institution with total assets in excess of \$300 million which is located within the Second or Third Federal Reserve Districts, certifies that it holds obligations owned by the depository of the kind and in the amount required by the State Treasurer to secure the deposit.

At present, State colleges are not covered under the "Governmental Unit Deposit Protection Act," P.L.1970, c.236 (C.17:9-41 et seq.), which provides security for deposits of governmental units, including school districts. The requirements in this bill are similar to deposits of State moneys made by the State Treasurer.

COMMITTEE AMENDMENTS

The committee amended the bill to include bonds or other obligations of any county or municipality or any agency thereof as security for public deposits.