

17:2-10

LEGISLATIVE HISTORY CHECKLIST

NJSA 17:2-10 (Permit investment in foreign development bonds.)

LAWS OF 1977 CHAPTER 45

Bill No. S98

Sponsor(s) Feldman and others

Date Introduced Pre-filed

Committee: Assembly Commerce, Banking and Insurance

Senate Labor, Industry and Professions

Amended during passage Yes ~~xxxx~~ Amendments during passage denoted by asterisks

Date of Passage: Assembly November 22, 1976

Senate March 29, 1976

Date of approval March 23, 1977

Following statements are attached if available:

Sponsor statement	Yes	No
Committee Statement: Assembly	Yes	xxxx
Senate	Yes	xxxx
Fiscal Note	Yes	No
Veto Message	Yes	No
Message on signing	Yes	xxxx

Following were printed:

Reports	Yes	No
Hearings	Yes	No

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9/1/78

SENATE No. 98

STATE OF NEW JERSEY

PRE-FILED FOR INTRODUCTION IN THE 1976 SESSION

By Senators FELDMAN, GREENBERG, SCARDINO
and GARRAMONE

AN ACT to permit investment by savings banks, savings and loan associations, and credit unions in certain obligations of foreign governments and international development banks, and supplementing chapter 2 of Title 17 of the Revised Statutes.

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

1 1. In addition to investments in obligations of foreign govern-
2 ments permitted by Title 17 of the Revised Statutes or by regula-
3 tion of the Commissioner of Banking, any savings bank, savings
4 and loan association or credit union organized under the laws of
5 this State may invest in such development bonds issued by foreign
6 governments or in such obligations of international development
7 banks as are approved by the ****[***Commissioner of Banking after*
8 *consideration by the commissioner of similar investments approved*
9 *by the***]****** Comptroller of the Currency for investment by national
10 banks; provided, however, that the principal and interest payable
11 thereon shall be payable in United States dollars^{**}; *and provided*
12 *further that such investments are approved by the Commissioner*
13 *of Banking*^{**}. **[***In the case of savings banks, such***]** **Such** in-
14 vestments may not exceed in the aggregate 5% of the **[***bank's***]**
15 **institution's** capital deposits, surplus, and reserves.

1 2. 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.

ASSEMBLY COMMERCE, BANKING AND INSURANCE
COMMITTEE

STATEMENT TO

SENATE, No. 98

with Assembly committee amendment

STATE OF NEW JERSEY

DATED: SEPTEMBER 27, 1976

This bill would permit savings banks, savings and loan associations, or credit unions chartered by this State to invest in any development bonds of foreign governments or in obligations of international development banks which are approved by the Comptroller of the Currency for investment by national banks. The obligations which are currently approved by the Comptroller are obligations of the Export-Import Bank, the Asia Development Bank, the Inter-American Development Bank, and Development Bonds of the State of Israel. All such obligations are payable in United States currency. Certain issues of Israel Development bonds are redeemable at full value by the State of Israel if the bond has not been transferred from its original owner. Such investments would be limited to no more than 5% of the institution's capital deposits, surplus, and reserves.

The bill would broaden the investment powers presently granted to savings banks, savings and loan associations, and credit unions. At present Israel Development Bonds are permitted as an investment for commercial banks by the Department of Banking. Other foreign obligations, namely Canadian bonds, are statutorily-approved investments for savings banks.

This bill was amended in the Senate committee to provide that ultimate approval of these investments would rest with the Commissioner of Banking. However, the amendments were made in such a manner as to change the legislation substantially. The Assembly Commerce, Banking, and Insurance Committee has excised the Senate committee amendment, which would have potentially increased the number of eligible investments, and replaced it with an amendment which, while giving the Commissioner of Banking the authority to approve such investments, limits those investments to the ones contemplated by the original bill.

SENATE LABOR, INDUSTRY AND
PROFESSIONS COMMITTEE

STATEMENT TO
SENATE, No. 98

STATE OF NEW JERSEY

DATED: FEBRUARY 19, 1976

The purpose of Senate Bill No. 98 is to permit savings banks, savings and loan associations, and credit unions to invest in development bonds issued by foreign governments and obligations of international development banks approved by the Comptroller of the Currency for investment by national banks. Present provisions of chapter 2 of Title 17 makes no such authorization.

The specific intent of the bill is to authorize such institutions to invest in Israel Bonds.

The committee amended the bill to provide that these institutions may invest in such obligations as are approved by the Commissioner of Banking after the commissioner's consideration of similar investments approved by the Comptroller of the Currency for investment by national banks. It further amended the bill to provide that all such institutions, not just savings banks, could not make such investments in the aggregate more than 5% of their capital deposits, surplus and reserves.

FROM THE OFFICE OF THE GOVERNOR

FOR IMMEDIATE RELEASE

FOR FURTHER INFORMATION

MARCH 23, 1977

KATHY FORSYTH

Governor Brendan Byrne signed a bill Wednesday which permits State-chartered savings banks, savings and loan associations and credit unions to invest in Israel Bonds and other foreign development bonds and obligations of international development banks approved by the Comptroller of the Currency for investment by national banks.

The bill, S-98, was sponsored by Senator Matthew Feldman D-Bergen.

Under the bill, investments will be subject to three conditions;

--that the investments also be approved by the Commissioner of Banking;

--that investments of this type do not exceed, in the aggregate, 5% of the institution's capital deposits, surplus and reserves; and

--that principle and interest on these investments be payable in United States dollars.

The Governor also signed a bill which makes graduates of "equivalent accelerated courses" in approved colleges of podiatric medicine and surgery eligible for licensure in New Jersey.

Under the bill, the student of podiatry, rather than being required to complete four school years in four separate calendar years, can complete the same total number of courses in a three year period.

However, the Board of Medical Examiners will determine what constitutes an "equivalent" accelerated course in order to maintain the quality of the educational program.

The bill, S-722, was sponsored by State Senator Joseph Hirkala (D-Passaic).
