

17: 9A-17.1 to 17: 9A-17.5

LEGISLATIVE HISTORY CHECKLIST
Compiled by the NJ State Law Library

(Banks & Savings Banks--
State chartered--conversion)

NJSA: 17:9A-17.1 to
17:9A-17.5

LAWS OF: 1992 CHAPTER: 184

BILL NO: A902

SPONSOR(S) Roberts and Penn

DATE INTRODUCED: February 13, 1992

COMMITTEE: ASSEMBLY: Financial Institutions

SENATE: Commerce

AMENDED DURING PASSAGE: No

DATE OF PASSAGE: ASSEMBLY: May 13, 1992

SENATE: November 30, 1992

DATE OF APPROVAL: December 16, 1992

FOLLOWING STATEMENTS ARE ATTACHED IF AVAILABLE:

SPONSOR STATEMENT: Yes

COMMITTEE STATEMENT: ASSEMBLY: Yes

SENATE: Yes

FISCAL NOTE: No

VETO MESSAGE: Yes

MESSAGE ON SIGNING: No

FOLLOWING WERE PRINTED:

REPORTS: No

HEARINGS: No

KBG: pp

P.L.1992, CHAPTER 184, approved December 16, 1992
1992 Assembly No. 902

1 **AN ACT** permitting, under certain circumstances, the conversion
2 of certain State chartered savings banks into State chartered
3 banks and State chartered banks into certain State chartered
4 savings banks, amending and supplementing P.L.1948, c.67.

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

8 1. (New section) As used in this act:
9 "Corporation" means either a capital stock savings bank or a
10 bank, as the case may be.

11 "Federal Deposit Insurance Corporation" means the
12 corporation so named, organized pursuant to an Act of Congress,
13 or any federal corporation, instrumentality or agency which
14 succeeds to the powers and functions of the Federal Deposit
15 Insurance Corporation or undertakes to discharge the purpose for
16 which that corporation was created.

17 2. (New section) A capital stock savings bank may apply to
18 the commissioner to convert itself to a bank by organizing and
19 transferring its assets and liabilities to a newly-chartered bank,
20 and a bank may apply to the commissioner to convert itself to a
21 capital stock savings bank by organizing and transferring its
22 assets and liabilities to a newly-chartered capital stock savings
23 bank, and the proceedings to effect either application for
24 conversion shall be as follows:

25 a. When, in the judgment of the board of directors of a State
26 chartered capital stock savings bank or bank which intends to
27 convert its charter, it shall be deemed advisable and in the best
28 interests of its stockholders that the same shall be converted into
29 a bank or capital stock savings bank of this State, as the case
30 may be, the board of directors shall adopt a resolution to that
31 effect.

32 b. After adoption of the resolution, a meeting of the
33 stockholders of the State capital stock savings bank or bank, as
34 the case may be, shall be held upon not less than 10 days written
35 notice to the stockholders by mail, postage prepaid, directed to
36 the addresses appearing on the books of the corporation, which
37 notice shall contain a statement of the time, place and purpose
38 for which the meeting is called.

39 c. At the meeting, stockholders may by the affirmative vote
40 of two-thirds of those present, or shares eligible to be voted
41 which are represented at the meeting, either in person or by
42 proxy, declare by resolution the determination to convert 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.

1 State capital stock savings bank into a State chartered bank or to
2 convert the State bank into a State chartered capital stock
3 savings bank, as the case may be.

4 d. If the authority for the proposed conversion has been
5 approved by the board of directors and by the stockholders as
6 required by this section, the board of directors of the corporation
7 may apply to the commissioner to convert the charter pursuant to
8 this act.

9 3. (New section) An application by a State bank or capital
10 stock savings bank to convert its charter pursuant to this act
11 shall contain the following:

12 a. Duplicate copies of the minutes of the proceedings of the
13 meeting of stockholders, verified by the affidavit of the president
14 or vice-president, and the secretary of the meeting;

15 b. A certified copy of the resolution of the board of directors
16 authorizing the conversion;

17 c. A certificate of incorporation meeting the requirements set
18 forth in section 3 of P.L.1948, c.67 (C.17:9A-3), for conversion to
19 a bank, or section 2 of P.L.1982, c.9 (17:9A-5.2) for conversion to
20 a capital stock savings bank;

21 d. Copies of all applications and approvals required from
22 federal regulators incident to the conversion; and

23 e. Such other information or materials as the commissioner
24 may require by regulation.

25 4. (New section) The commissioner shall not approve the
26 application of a State bank or capital stock savings bank to
27 convert pursuant to this act unless the commissioner finds, after
28 appropriate investigation, and a public hearing if deemed
29 necessary by the commissioner, that the following requirements
30 have been met:

31 a. The application is complete;

32 b. The converting corporation is insured by the Federal
33 Deposit Insurance Corporation, and the resulting corporation will
34 also be insured by that agency;

35 c. The converting corporation satisfies all capital maintenance
36 requirements for banks or capital stock savings banks, as the case
37 may be, set forth by the Federal Deposit Insurance Corporation,
38 by any other federal regulator and by the department;

39 d. The converting corporation is not subject to any outstanding
40 supervisory order, agreement or memorandum of understanding of
41 the Federal Deposit Insurance Corporation, any other federal
42 regulator or the department;

43 e. The proposed conversion will result in a bank or capital
44 stock savings bank, as the case may be, that will satisfy all
45 capital maintenance requirements for savings banks or banks, as
46 the case may be, set forth by the Federal Deposit Insurance
47 Corporation, any other federal regulator and the department;

48 f. Directors designated in the certificate of incorporation
49 possess the qualifications, experience and character required for
50 the duties and responsibilities with which they will be charged;
51 and

52 g. The interests of the converting corporation's depositors and
53 creditors, and the public generally, will not be jeopardized by the
54 proposed conversion.

55 5. (New section) The commissioner may approve the

1 conversion of a corporation which does not satisfy the capital
2 maintenance requirements set forth in subsection c. of section 4
3 of this act or which is subject to an outstanding supervisory
4 order, agreement or memorandum of understanding, as provided
5 by subsection d. of section 4 of this act, relating only to its
6 capital condition, or which fails to meet both requirements, when
7 the following requirements, in addition to the requirements set
8 forth in section 4 of this act other than the requirements set
9 forth in subsections c. and d. of section 4 relating to the capital
10 condition of the converting corporation have been met:

11 a. Simultaneous with the conversion to a capital stock savings
12 bank or bank the converting corporation shall merge with and into
13 or be acquired by, a bank, if the conversion is to a bank; or shall
14 merge with, into or be acquired by a capital stock savings bank if
15 the conversion is to a capital stock savings bank; and

16 b. The resulting capital stock savings bank or bank
17 immediately after the conversion and merger or acquisition will
18 satisfy all capital maintenance requirements for capital stock
19 savings banks or banks, as the case may be, set forth by the
20 Federal Deposit Insurance Corporation, any other federal
21 regulator and the department.

22 6. (New section) a. Within 60 days of receipt of the
23 information and documents specified in section 3 of this act, the
24 commissioner shall notify the applicant of his intent to approve
25 or deny the application. Approval may be conditional, requiring
26 the applicant to satisfy conditions set by the commissioner. If
27 the commissioner denies the application, the commissioner shall
28 notify the applicant in writing and shall state the basis for the
29 denial.

30 b. Upon finding that the applicant has met all of the
31 requirements of this act and all conditions imposed under a
32 conditional approval granted by the commissioner pursuant to
33 subsection a. of this section, the commissioner shall issue a
34 certificate of approval of the conversion which shall be endorsed
35 upon or annexed to the certificate of incorporation.

36 7. (New section) The certificate of incorporation with the
37 commissioner's approval endorsed thereon or annexed thereto
38 shall be filed in the department, and shall be recorded within 30
39 days after such approval in the same manner and places as
40 required by section 12 of P.L.1948, c.67 (C.17:9A-12). Upon the
41 approval by the commissioner, the filing of the certificate of
42 incorporation, and the transfer of assets and liabilities, the
43 converting corporation shall cease to be a capital stock savings
44 bank or bank, as the case may be, its legal existence as a
45 corporate entity shall terminate and the bank or capital stock
46 savings bank, as the case may be, shall succeed to all property of
47 the converted corporation, including the right, title and interest
48 in and to all property of whatsoever kind and nature, whether
49 real, personal or mixed and things, and choses in action, and
50 every right, privilege, interest and asset of every conceivable
51 value or benefit then existing or pertaining to it, or which would
52 inure to it, immediately by operation of law and without the
53 necessity for any conveyance or transfer and without any further
54 act or deed, shall vest in the bank or capital stock savings bank
55 which is the resulting entity. The resulting bank or capital stock

1	(7) For filing a copy of a plan		
2	of reorganization	250.00	1,000.00
3			
4	(8) For filing a report required		
5	by this act	100.00	250.00
6			
7	(9) For filing an affidavit		
8	required by this act	50.00	100.00
9			
10	(10) For filing proof of		
11	publication and mailing, or other		
12	proof required by this act	50.00	100.00
13			
14	(11) For filing application		
15	for approval of a change in		
16	location of principal office or		
17	full branch office	500.00	2,000.00
18			
19	(12) For filing an application		
20	for approval of the cost of the		
21	establishment of an auxiliary		
22	office	500.00	2,000.00
23			
24	(13) For the issuance of a		
25	certified copy of any certificate		
26	of incorporation or merger or		
27	plan of reorganization or any other		
28	certificate or affidavit filed in		
29	the department	25.00	100.00
30	plus \$2.00 per page		
31			
32	(14) For filing an application for		
33	approval of an interchange between		
34	principal office and full branch		
35	office	250.00	1,000.00
36			
37	(15) For the issuance of any other		
38	approval by the commissioner ..	100.00	250.00
39	plus per diem charges where applicable		
40			
41	(16) For the issuance of any		
42	extension by the commissioner .	50.00	150.00
43	plus per diem charges where applicable		
44			
45	(17) For filing a pension plan	250.00	500.00
46			
47	(18) For filing an amendment or		
48	alteration to a pension plan ..	100.00	250.00
49			
50	(19) For filing plans of		
51	acquisition, per company, per		
52	bank or savings bank	1,500.00	4,000.00
53			
54	(20) Conversion from mutual to		
55	stock savings bank	3,500.00	10,000.00

1	(21) Request to commissioner to		
2	require an institution to share		
3	access to its communication terminal		
4	branch office	100.00	250.00
5			
6	(22) Conversion from savings bank		
7	to State association	5,000.00	10,000.00
8			
9	(23) <u>Conversion from stock savings</u>		
10	<u>bank to bank or conversion from bank</u>		
11	<u>to stock savings bank</u>	<u>5,000.00</u>	<u>10,000.00</u>
12			
13	(24) In addition to above fees,		
14	a per diem charge may be assessed		
15	when a special investigation of		
16	a filing is required.		
17	(cf: P.L.1991, c.42, s.10)		
18	10. This act shall take effect immediately.		
19			
20			

21 STATEMENT

22
23 This bill permits State capital stock savings banks to convert
24 into State banks and State banks to convert into State capital
25 stock savings banks. The converting institution must meet
26 certain capital and other standards before the conversion and the
27 Commissioner of Banking must approve the conversion.
28

29
30
31
32 _____
33 Permits conversion of capital stock savings banks into banks and
vice versa.

1	(21) Request to commissioner to		
2	require an institution to share		
3	access to its communication terminal		
4	branch office	100.00	250.00
5			
6	(22) Conversion from savings bank		
7	to State association	5,000.00	10,000.00
8			
9	(23) <u>Conversion from stock savings</u>		
10	<u>bank to bank or conversion from bank</u>		
11	<u>to stock savings bank</u>	<u>5,000.00</u>	<u>10,000.00</u>
12			
13	(24) In addition to above fees,		
14	a per diem charge may be assessed		
15	when a special investigation of		
16	a filing is required.		
17	(cf: P.L.1991, c.42, s.10)		
18	10. This act shall take effect immediately.		
19			

STATEMENT

This bill permits State capital stock savings banks to convert into State banks and State banks to convert into State capital stock savings banks. The converting institution must meet certain capital and other standards before the conversion and the Commissioner of Banking must approve the conversion.

Permits conversion of capital stock savings banks into banks and vice versa.

ASSEMBLY FINANCIAL INSTITUTIONS COMMITTEE

STATEMENT TO

ASSEMBLY, No. 902

STATE OF NEW JERSEY

DATED: MARCH 2, 1992

The Assembly Financial Institutions Committee reports favorably Assembly Bill No. 902.

This bill permits State capital stock savings banks to convert into State banks and State banks to convert into State capital stock savings banks. In order to convert, the board of directors of a capital stock savings bank or bank, as the case may be, must adopt a resolution authorizing the conversion and the stockholders, at a meeting of the stockholders, must adopt a resolution to convert by an affirmative vote of 2/3 of the members present, or shares eligible to be voted which are represented at the meeting, either in person or by proxy.

The converting capital stock savings bank or bank must apply to the Commissioner of Banking to convert. The commissioner must not approve an application of a capital stock savings bank or bank to convert into a bank or capital stock savings bank unless the commissioner finds, after appropriate investigation and a hearing if deemed necessary by the commissioner, that:

- a. The application is complete;
- b. The converting corporation is insured by the Federal Deposit Insurance Corporation, and the resulting corporation will also be insured by that agency;
- c. The converting corporation satisfies all capital maintenance requirements for banks or capital stock savings banks, as the case may be, set forth by the Federal Deposit Insurance Corporation, any other federal regulator and the State Department of Banking;
- d. The converting corporation is not subject to any outstanding supervisory order, agreement or memorandum of understanding of the Federal Deposit Insurance Corporation, any other federal regulator or the State Department of Banking;
- e. The proposed corporation will result in a bank or capital stock savings bank, as the case may be, that will satisfy all capital maintenance requirements for savings banks or banks, as the case may be, set forth by the Federal Deposit Insurance Corporation, any other federal regulator and the State Department of Banking;
- f. Directors designated in the certificate of incorporation possess the qualifications, experience and character required for the duties and responsibilities with which they will be charged; and
- g. The interests of the converting corporation's depositors and creditors, and the public generally, will not be jeopardized by the proposed conversion.

The bill also provides for the conversion of a capital stock savings bank or bank, as the case may be, which does not satisfy the capital maintenance requirements or which is subject to an outstanding supervisory order, agreement or memorandum of understanding relating only to its capital condition, or which fails to meet both requirements, if the conversion of a capital stock savings bank or a bank to a bank or capital stock savings bank, as the case may be, occurs simultaneously with its merger with and into, or acquisition by, a bank or capital stock savings bank, and the resulting bank or capital stock savings bank, after merger or acquisition, meets all capital maintenance requirements for banks or capital stock savings banks set forth by its appropriate federal and State regulators.

Within 60 days of receiving the completed application for conversion and such other information as the commissioner may require, the commissioner must approve or deny the application. If the commissioner denies the application, he must state the basis for denial in writing; if he approves the application, he must issue a certificate of approval of the conversion.

SENATE COMMERCE COMMITTEE

STATEMENT TO

ASSEMBLY, No. 902

STATE OF NEW JERSEY

DATED: OCTOBER 22, 1992

The Senate Commerce Committee reports favorably Assembly, No. 902.

This bill permits State capital stock savings banks to convert into State banks and State banks to convert into State capital stock savings banks. In order to convert, the board of directors of a capital stock savings bank or bank, as the case may be, must adopt a resolution authorizing the conversion and the stockholders, at a meeting of the stockholders, must adopt a resolution to convert by an affirmative vote of 2/3 of the members present, or shares eligible to be voted which are represented at the meeting, either in person or by proxy.

The converting capital stock savings bank or bank must apply to the Commissioner of Banking to convert. The commissioner must not approve an application of a capital stock savings bank or bank to convert into a bank or capital stock savings bank unless the commissioner finds, after appropriate investigation and a hearing, if deemed necessary by the commissioner, that:

- a. The application is complete;
- b. The converting corporation is insured by the Federal Deposit Insurance Corporation, and the resulting corporation will also be insured by that agency;
- c. The converting corporation satisfies all capital maintenance requirements for banks or capital stock savings banks, as the case may be, set forth by the Federal Deposit Insurance Corporation, any other federal regulator and the State Department of Banking;
- d. The converting corporation is not subject to any outstanding supervisory order, agreement or memorandum of understanding of the Federal Deposit Insurance Corporation, any other federal regulator or the State Department of Banking;
- e. The proposed corporation will result in a bank or capital stock savings bank, as the case may be, that will satisfy all capital maintenance requirements for savings banks or banks, as the case may be, set forth by the Federal Deposit Insurance Corporation, any other federal regulator and the State Department of Banking;
- f. Directors designated in the certificate of incorporation possess the qualifications, experience and character required for the duties and responsibilities with which they will be charged; and
- g. The interests of the converting corporation's depositors and creditors, and the public generally, will not be jeopardized by the proposed conversion.

The bill also provides for the conversion of a capital stock savings bank or bank, as the case may be, which does not satisfy the capital maintenance requirements, or which is subject to an outstanding supervisory order, agreement or memorandum of understanding relating only to its capital condition, or which fails to meet both requirements, if the conversion occurs simultaneously with its merger with and into, or acquisition by, a bank or capital stock savings bank, and the resulting bank or capital stock savings bank, after merger or acquisition, meets all capital maintenance requirements for banks or capital stock savings banks set forth by its appropriate federal and State regulators.

Within 60 days of receiving the completed application for conversion and such other information as the commissioner may require, the commissioner must approve or deny the application. If the commissioner denies the application, he must state the basis for denial in writing; if he approves the application, he must issue a certificate of approval of the conversion.

LEGISLATIVE FISCAL ESTIMATE TO
ASSEMBLY, No. 902
STATE OF NEW JERSEY

DATED: June 2, 1992

Assembly Bill No. 902 of 1992 permits State capital stock savings banks to convert into State banks and State banks to convert into State capital stock savings banks. The converting capital stock savings bank or bank must apply to the Commissioner of Banking to convert. The bill authorizes the commissioner to charge a fee for the conversion of not less than \$5,000 or more than \$10,000.

The Department of Banking and the Office of Management and Budget have not provided cost estimates concerning the fiscal impact of this bill.

The Office of Legislative Services (OLS), however, notes that the bill has no fiscal impact on the State, because the fees authorized by the bill are comparable to fees already charged by the commissioner for similar certification services, and those fees have permitted the department to support its certification operations without the use of General Fund moneys.

This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67.

974 901
601



OFFICE OF THE GOVERNOR NEWS RELEASE

CN-001
Contact:

Jon Shure
Jo Astrid Glading
609-777-2600

TRENTON, N.J. 08625

Release:

Monday,
Dec. 14, 1992

GOVERNOR SIGNS REFINANCING BILL

Gov. Jim Florio today signed A-27 and issued the following statement:

"This bipartisan action will put people to work, and invest in New Jersey's future through physical improvements that will help our state stay a leader. By taking advantage of low interest rates and a favorable construction market, we are acting in a prudent way. At the same time, we will help build up reserves that, if we had them these past few years, would have made hard times easier to face.

I thank the Legislature for its willingness to act expeditiously, in what is another instance of all of us being able to put politics aside for the benefit of New Jersey."

#