

17:9A-131.29; 17:9A-131.31

LEGISLATIVE HISTORY CHECKLIST

H.R.S.A. 17:9A-131.29, 17:9A-131.31 (Banks may issue capital notes in connection with mergers)

LAWS OF 1977 CHAPTER 416

Bill No. S3228

Sponsor(s) Merlino

Date Introduced April 25, 1977

Committee: Assembly Banking & Insurance

Senate Labor, Industry & Professions

Amended during passage ~~Yes~~ No

Date of Passage: Assembly January 9, 1978

Senate September 29, 1977

Date of approval February 24, 1978

Following statements are attached if available:

| | | |
|-------------------------------|----------------|---------------------|
| Sponsor statement | Yes | No Below |
| Committee Statement: Assembly | Yes | No |
| Senate | Yes | No |
| Fiscal Note | Yes | No |
| Veto message | Yes | No |
| Message on signing | Yes | No |

Following were printed:

| | | |
|----------|----------------|----|
| Reports | Yes | No |
| Hearings | Yes | No |

Sponsor's Statement:

This bill is a companion bill to a bill presently pending which would enlarge the method pursuant to which banks may effect mergers. It amends the law applicable to the issuance of capital notes by banks, so that such notes may be issued in connection with mergers.

(Companion bill is S3229 which became P.L. 1977, c.417.)

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DO NOT WRITE IN THESE SPACES

SENATE, No. 3228

STATE OF NEW JERSEY

INTRODUCED APRIL 25, 1977

By Senator MERLINO

Referred to Committee on Labor, Industry and Professions

AN ACT to amend "An act to provide for the issuance by banks of convertible and nonconvertible capital notes and debentures, and supplementing 'An act concerning banking and banking institutions (Revision of 1948),' approved April 29, 1948 (P. L. 1948, c. 67)," approved September 6, 1966 (P. L. 1966, c. 272).

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

1 1. Section 10 of P. L. 1966, c. 272 (C. 17:9A-131.29) is amended
2 to read as follows:

3 10. The principal amount owing on all capital notes of a bank
4 at any time outstanding, whether issued by the bank pursuant
5 to this act, or issued as capital notes or debentures before the
6 effective date of this act with the approval of the commissioner,
7 *or issued as an incident of a merger effected pursuant to article 21*
8 *(C. 17:9A-132 to 17:9A-148) of The Banking Act of 1948, P. L.*
9 *1948, c. 67, shall be included with the amount of the bank's capital*
10 *funds for the purpose of determining the limitations on liability*
11 *to a bank pursuant to article 13 of the act to which this act is a*
12 *supplement.*

1 2. Section 12 of P. L. 1966, c. 272 (C. 17:9A-131.31) is amended
2 to read as follows:

3 12. This act shall not apply to any borrowing by a bank, however
4 evidenced, which is payable in 1 year or less from the date of such
5 borrowing nor shall the provisions of sections 4, 9 and 10 of this
6 act apply to any obligation issued by a bank to evidence a loan or
7 loans made to such bank by the New Jersey Mortgage Finance
8 Agency pursuant to the New Jersey Mortgage Finance Agency
9 Law, P. L. 1970, c. 38, *nor shall the following sections of this act*
10 *apply to capital notes issued as an incident of a merger effected*

11 *pursuant to article 21 (C. 17:9A-132 to 17:9A-148) of The Bank-*
12 *ing Act of 1948, P. L. 1948, c. 67:*

13 *a. Section 1 (C. 17:9A-131.20), insofar as it provides that capital*
14 *notes may be issued only to evidence obligations to repay money*
15 *borrowed by a bank;*

16 *b. Section 3 (C. 17:9A-131.32), insofar as it provides that capital*
17 *notes may be issued only for cash, and insofar as it provides that*
18 *such notes may be converted only into common stock;*

19 *c. Section 6 (C. 17:9A-131.25);*

20 *d. Section 7 (C. 17:9A-131.26); and*

21 *e. Section 11 (C. 17:9A-131.30).*

1 3. This act shall take effect immediately.

STATEMENT

This bill is a companion bill to a bill presently pending which would enlarge the method pursuant to which banks may effect mergers. It amends the law applicable to the issuance of capital notes by banks, so that such notes may be issued in connection with mergers.