

# 17:16X-1 to 17:16X-8

## LEGISLATIVE HISTORY CHECKLIST

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**LAWS OF:** 2000                  **CHAPTER:** 70  
**NJSA:** 17:16X-1              (Mergers of subsidiaries into financial institutions)  
**BILL NO:** A2264 (Substituted for S1159)  
**SPONSOR(S):** Bateman and Cohen  
**DATE INTRODUCED:** March 20, 2000  
**COMMITTEE:**                 **ASSEMBLY:** Banking and Insurance  
   **SENATE:** ----  
**AMENDED DURING PASSAGE:** Yes  
**DATE OF PASSAGE:**                 **ASSEMBLY:** May 11, 2000  
   **SENATE:** May 18, 2000  
**DATE OF APPROVAL:** July 13, 2000

### FOLLOWING ARE ATTACHED IF AVAILABLE:

**FINAL TEXT OF BILL** (1st reprint enacted)  
(Amendments during passage denoted by superscript numbers)

#### A2264

**SPONSORS STATEMENT:** (Begins on page 4 of original bill) Yes

**COMMITTEE STATEMENT:**                         **ASSEMBLY:** Yes

**SENATE:** No

**FLOOR AMENDMENT STATEMENTS:** No

**LEGISLATIVE FISCAL ESTIMATE:** No

#### S1159

**SPONSORS STATEMENT:** (Begins on page 4 of original bill) Yes

Bill and Sponsors Statement identical to A2264

**COMMITTEE STATEMENT:**                         **ASSEMBLY:** No

**SENATE:** Yes

**FLOOR AMENDMENT STATEMENTS:** No

**LEGISLATIVE FISCAL ESTIMATE:** No

**VETO MESSAGE:** No

**GOVERNOR'S PRESS RELEASE ON SIGNING:** Yes

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# ASSEMBLY, No. 2264

## STATE OF NEW JERSEY 209th LEGISLATURE

INTRODUCED MARCH 20, 2000

**Sponsored by:**

**Assemblyman CHRISTOPHER "KIP" BATEMAN**

**District 16 (Morris and Somerset)**

**Assemblyman NEIL M. COHEN**

**District 20 (Union)**

**Co-Sponsored by:**

**Assemblymen Garcia and Augustine**

**SYNOPSIS**

Provides for the merger of subsidiaries into financial institutions.

**CURRENT VERSION OF TEXT**

As introduced.



1 AN ACT concerning mergers of a subsidiary into a financial institution.

2

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

5

6 1. For purposes of this act:

7 "Commissioner" means the Commissioner of Banking and  
8 Insurance.

9 "Financial institution" means a bank, savings bank or savings and  
10 loan association.

11 "Subsidiary" means a corporation, limited liability company,  
12 partnership or other entity in which a financial institution owns not less  
13 than 80% of that entity's equity.

14

15 2. A financial institution may merge with any one or more of its  
16 subsidiaries, so long as the financial institution is the entity that  
17 survives the merger as the continuing entity, subject to the terms and  
18 conditions set forth in this act.

19

20 3. Mergers of a financial institution and a subsidiary of a financial  
21 institution pursuant to this act shall comply with and require the  
22 commissioner's approval pursuant to the provisions of law applicable  
23 to a merger of the surviving financial institution.

24

25 4. The governing board of the financial institution shall adopt a  
26 plan of merger for a merger pursuant to this act between the financial  
27 institution and a subsidiary other than a financial institution setting  
28 forth:

29 a. The name of the financial institution and the name and type of  
30 business entity of each subsidiary which proposes to merge into the  
31 financial institution which is to be the surviving entity:

32 b. The terms and conditions of the proposed merger, including a  
33 statement of any amendments in the certificate of incorporation of the  
34 financial institution;

35 c. The manner and basis of converting the shares or other interests  
36 in the subsidiary or subsidiaries into shares of the financial institution,  
37 or the basis for payment of interests which are not to be so converted;  
38 and

39 d. Such other provisions with respect to the proposed merger as  
40 are deemed necessary or desirable by the commissioner.

41

42 5. The governing board of a subsidiary shall adopt a plan of merger  
43 pursuant to the provisions of the law under which the subsidiary was  
44 created.

45

46 6. A financial institution shall apply for the commissioner's

1 approval to merge with a subsidiary other than a financial institution,  
2 and shall provide the information as required by this act and by rules  
3 and regulations adopted by the commissioner. An applicant shall be  
4 notified by the commissioner within five days of receipt of the filing of  
5 the application as to whether the application is substantially complete.  
6 If an applicant is notified that a filing is not substantially complete, the  
7 commissioner shall respond in writing as to the substantial  
8 completeness of any subsequent filing within five days of receipt of the  
9 filing. An application shall be deemed approved on the 21st day after  
10 a determination by the commissioner that the application is  
11 substantially complete, unless approved or denied earlier by the  
12 commissioner in writing.

13

14 7. A merger between a financial institution and a subsidiary other  
15 than a financial institution shall be effective from the filing with the  
16 commissioner of a certification of the president or a vice president of  
17 the financial institution setting forth that all of the conditions and  
18 requirements of this act and the commissioner's approval, if applicable,  
19 have been satisfied. When the merger has become effective:

20 a. The parties to the merger shall be a single corporation, which  
21 shall be the financial institution.

22 b. The separate existence of the subsidiary or subsidiaries which  
23 are parties to the plan of merger shall cease.

24 c. The financial institution shall possess all the rights, privileges,  
25 powers, immunities, purposes and franchises of each merging  
26 subsidiary except for any power or authority of a subsidiary which is  
27 not permitted to the financial institution by law.

28 d. All the real property and personal properties, tangible and  
29 intangible, of every kind and description belonging to each of the  
30 parties merged, and any action existing or proceeding pending by or  
31 against any such party, may be enforced as if the merger had not taken  
32 place. Neither the rights of any creditors nor any liens upon, or  
33 security interest in, the property of any party to the merger shall be  
34 impaired by the merger.

35

36 8. Any holder of an interest in a subsidiary to be merged, including  
37 a shareholder, partner or member, shall have the right to dissent from  
38 the merger as set forth in this section.

39 a. A holder of an interest may not dissent as to less than all of the  
40 holder's interest owned beneficially by the holder. A nominee or  
41 fiduciary may not dissent on behalf of any beneficial owner as to less  
42 than all of the interest of each such owner with respect to which the  
43 right of dissent exists.

44 b. If a subsidiary party to a plan of merger is a corporation subject  
45 to the provisions of N.J.S.14A:1-1 et seq., except as now or hereafter  
46 may be provided therein, the shareholder of the subsidiary shall have

1 the rights of a dissenting shareholder, including the right to accept a  
2 fair value for the stock all as set forth in N.J.S.14A:11-1 et seq., and  
3 the procedure to obtain fair value as set forth therein shall be followed.  
4 Holders of interests in other entities which are subsidiaries shall have  
5 the same dissenter's rights, if any, as provided in the statutes governing  
6 those entities. If the applicable statutes do not provide a right to  
7 dissent and obtain fair value, nothing in this act shall be deemed to  
8 provide such a remedy.

9

10 9. This act shall take effect immediately.

11

12

13

#### STATEMENT

14

15 This bill provides the procedures under which a subsidiary of a  
16 financial institution may be merged into the financial institution.

# ASSEMBLY BANKING AND INSURANCE COMMITTEE

## STATEMENT TO

### **ASSEMBLY, No. 2264**

with committee amendments

# **STATE OF NEW JERSEY**

DATED: MAY 1, 2000

The Assembly Banking and Insurance Committee reports favorably and with committee amendments Assembly Bill No. 2264.

As amended by the committee, this bill provides the procedures under which a subsidiary of a financial institution may be merged into the financial institution.

Specifically, the bill provides for the merger of a financial institution, including a bank, savings bank or savings and loan association, with one or more of its subsidiaries, which are not financial institutions, so long as the financial institution is the surviving entity. The bill requires that in order to effectuate such a merger, the financial institution shall own at least 80 percent of the subsidiary. The bill also requires that the merger be approved by the Commissioner of Banking and Insurance.

Under the bill, the governing board of the financial institution shall adopt a plan of merger which includes the name of the involved parties, the terms and conditions of the proposed merger, and the manner and basis of converting the shares or other interests in the subsidiary or subsidiaries into shares of the financial institution or the basis for payment of the interests which are not to be so converted; and the governing board of the subsidiary shall adopt a plan of merger pursuant to the provisions of law under which the subsidiary was created.

The bill also provides that any holder of an interest in a subsidiary to be merged has the right to dissent from the merger pursuant to the applicable law under which it was formed.

As provided by the bill, a merger between a financial institution and a subsidiary would be effective upon the filing with the commissioner of a certification from the financial institution setting forth that all the conditions and requirements of the bill and the commissioner's approval, if applicable, have been satisfied.

The committee amended the bill to provide that an application for merger shall be deemed approved on the 30th day after receipt by the commissioner, unless approved or disapproved earlier by the commissioner in writing.

[First Reprint]

**ASSEMBLY, No. 2264**

**STATE OF NEW JERSEY**  
**209th LEGISLATURE**

INTRODUCED MARCH 20, 2000

**Sponsored by:**

**Assemblyman CHRISTOPHER "KIP" BATEMAN**

**District 16 (Morris and Somerset)**

**Assemblyman NEIL M. COHEN**

**District 20 (Union)**

**Co-Sponsored by:**

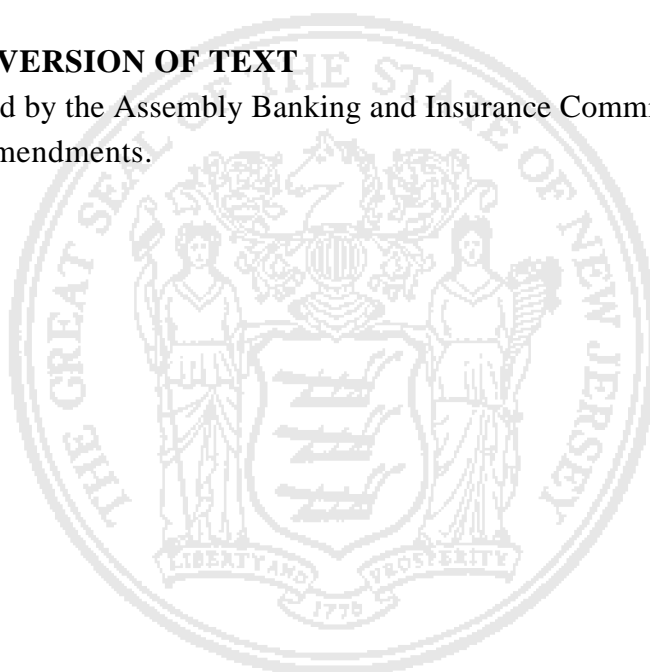
**Assemblymen Garcia, Augustine and Senator Cardinale**

**SYNOPSIS**

Provides for the merger of subsidiaries into financial institutions.

**CURRENT VERSION OF TEXT**

As reported by the Assembly Banking and Insurance Committee on May 1, 2000, with amendments.



**(Sponsorship Updated As Of: 5/19/2000)**



1 AN ACT concerning mergers of a subsidiary into a financial institution.

2

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

5

6 1. For purposes of this act:

7 "Commissioner" means the Commissioner of Banking and  
8 Insurance.

9 "Financial institution" means a bank, savings bank or savings and  
10 loan association.

11 "Subsidiary" means a corporation, limited liability company,  
12 partnership or other entity in which a financial institution owns not less  
13 than 80% of that entity's equity.

14

15 2. A financial institution may merge with any one or more of its  
16 subsidiaries, so long as the financial institution is the entity that  
17 survives the merger as the continuing entity, subject to the terms and  
18 conditions set forth in this act.

19

20 3. Mergers of a financial institution and a subsidiary of a financial  
21 institution pursuant to this act shall comply with and require the  
22 commissioner's approval pursuant to the provisions of law applicable  
23 to a merger of the surviving financial institution.

24

25 4. The governing board of the financial institution shall adopt a  
26 plan of merger for a merger pursuant to this act between the financial  
27 institution and a subsidiary other than a financial institution setting  
28 forth:

29 a. The name of the financial institution and the name and type of  
30 business entity of each subsidiary which proposes to merge into the  
31 financial institution which is to be the surviving entity;

32 b. The terms and conditions of the proposed merger, including a  
33 statement of any amendments in the certificate of incorporation of the  
34 financial institution;

35 c. The manner and basis of converting the shares or other interests  
36 in the subsidiary or subsidiaries into shares of the financial institution,  
37 or the basis for payment of interests which are not to be so converted;  
38 and

39 d. Such other provisions with respect to the proposed merger as  
40 are deemed necessary or desirable by the commissioner.

41

42 5. The governing board of a subsidiary shall adopt a plan of merger

**EXPLANATION - Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and 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> Assembly ABI committee amendments adopted May 1, 2000.**

1 pursuant to the provisions of the law under which the subsidiary was  
2 created.

3  
4 6. A financial institution shall apply for the commissioner's  
5 approval to merge with a subsidiary other than a financial institution,  
6 and shall provide the information as required by this act and by rules  
7 and regulations adopted by the commissioner. <sup>1</sup>[An applicant shall be  
8 notified by the commissioner within five days of receipt of the filing of  
9 the application as to whether the application is substantially complete.  
10 If an applicant is notified that a filing is not substantially complete, the  
11 commissioner shall respond in writing as to the substantial  
12 completeness of any subsequent filing within five days of receipt of the  
13 filing.]<sup>1</sup> An application shall be deemed approved on the <sup>1</sup>[21st]  
14 30th<sup>1</sup> day after <sup>1</sup>[a determination] receipt<sup>1</sup> by the commissioner <sup>1</sup>[that  
15 the application is substantially complete]<sup>1</sup>, unless approved or  
16 <sup>1</sup>[denied] disapproved<sup>1</sup> earlier by the commissioner in writing.

17  
18 7. A merger between a financial institution and a subsidiary other  
19 than a financial institution shall be effective from the filing with the  
20 commissioner of a certification of the president or a vice president of  
21 the financial institution setting forth that all of the conditions and  
22 requirements of this act and the commissioner's approval, if applicable,  
23 have been satisfied. When the merger has become effective:

24 a. The parties to the merger shall be a single corporation, which  
25 shall be the financial institution.

26 b. The separate existence of the subsidiary or subsidiaries which  
27 are parties to the plan of merger shall cease.

28 c. The financial institution shall possess all the rights, privileges,  
29 powers, immunities, purposes and franchises of each merging  
30 subsidiary except for any power or authority of a subsidiary which is  
31 not permitted to the financial institution by law.

32 d. All the real property and personal properties, tangible and  
33 intangible, of every kind and description belonging to each of the  
34 parties merged, and any action existing or proceeding pending by or  
35 against any such party, may be enforced as if the merger had not taken  
36 place. Neither the rights of any creditors nor any liens upon, or  
37 security interest in, the property of any party to the merger shall be  
38 impaired by the merger.

39  
40 8. Any holder of an interest in a subsidiary to be merged, including  
41 a shareholder, partner or member, shall have the right to dissent from  
42 the merger as set forth in this section.

43 a. A holder of an interest may not dissent as to less than all of the  
44 holder's interest owned beneficially by the holder. A nominee or  
45 fiduciary may not dissent on behalf of any beneficial owner as to less  
46 than all of the interest of each such owner with respect to which the

1 right of dissent exists.

2 b. If a subsidiary party to a plan of merger is a corporation subject  
3 to the provisions of N.J.S.14A:1-1 et seq., except as now or hereafter  
4 may be provided therein, the shareholder of the subsidiary shall have  
5 the rights of a dissenting shareholder, including the right to accept a  
6 fair value for the stock all as set forth in N.J.S.14A:11-1 et seq., and  
7 the procedure to obtain fair value as set forth therein shall be followed.  
8 Holders of interests in other entities which are subsidiaries shall have  
9 the same dissenter's rights, if any, as provided in the statutes governing  
10 those entities. If the applicable statutes do not provide a right to  
11 dissent and obtain fair value, nothing in this act shall be deemed to  
12 provide such a remedy.

13

14 9. This act shall take effect immediately.

P.L. 2000, CHAPTER 70, *approved July 13, 2000*  
Assembly, No. 2264 (*First Reprint*)

1 **AN ACT** concerning mergers of a subsidiary into a financial institution.

2

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

5

6 1. For purposes of this act:

7 "Commissioner" means the Commissioner of Banking and  
8 Insurance.

9 "Financial institution" means a bank, savings bank or savings and  
10 loan association.

11 "Subsidiary" means a corporation, limited liability company,  
12 partnership or other entity in which a financial institution owns not less  
13 than 80% of that entity's equity.

14

15 2. A financial institution may merge with any one or more of its  
16 subsidiaries, so long as the financial institution is the entity that  
17 survives the merger as the continuing entity, subject to the terms and  
18 conditions set forth in this act.

19

20 3. Mergers of a financial institution and a subsidiary of a financial  
21 institution pursuant to this act shall comply with and require the  
22 commissioner's approval pursuant to the provisions of law applicable  
23 to a merger of the surviving financial institution.

24

25 4. The governing board of the financial institution shall adopt a  
26 plan of merger for a merger pursuant to this act between the financial  
27 institution and a subsidiary other than a financial institution setting  
28 forth:

29 a. The name of the financial institution and the name and type of  
30 business entity of each subsidiary which proposes to merge into the  
31 financial institution which is to be the surviving entity;

32 b. The terms and conditions of the proposed merger, including a  
33 statement of any amendments in the certificate of incorporation of the  
34 financial institution;

35 c. The manner and basis of converting the shares or other interests

**EXPLANATION - Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and 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> Assembly ABI committee amendments adopted May 1, 2000.**

1 in the subsidiary or subsidiaries into shares of the financial institution,  
2 or the basis for payment of interests which are not to be so converted;  
3 and

4 d. Such other provisions with respect to the proposed merger as  
5 are deemed necessary or desirable by the commissioner.  
6

7 5. The governing board of a subsidiary shall adopt a plan of merger  
8 pursuant to the provisions of the law under which the subsidiary was  
9 created.  
10

11 6. A financial institution shall apply for the commissioner's  
12 approval to merge with a subsidiary other than a financial institution,  
13 and shall provide the information as required by this act and by rules  
14 and regulations adopted by the commissioner. <sup>1</sup>[An applicant shall be  
15 notified by the commissioner within five days of receipt of the filing of  
16 the application as to whether the application is substantially complete.  
17 If an applicant is notified that a filing is not substantially complete, the  
18 commissioner shall respond in writing as to the substantial  
19 completeness of any subsequent filing within five days of receipt of the  
20 filing.]<sup>1</sup> An application shall be deemed approved on the <sup>1</sup>[21st]  
21 30th<sup>1</sup> day after <sup>1</sup>[a determination] receipt<sup>1</sup> by the commissioner <sup>1</sup>[that  
22 the application is substantially complete]<sup>1</sup>, unless approved or  
23 <sup>1</sup>[denied] disapproved<sup>1</sup> earlier by the commissioner in writing.  
24

25 7. A merger between a financial institution and a subsidiary other  
26 than a financial institution shall be effective from the filing with the  
27 commissioner of a certification of the president or a vice president of  
28 the financial institution setting forth that all of the conditions and  
29 requirements of this act and the commissioner's approval, if applicable,  
30 have been satisfied. When the merger has become effective:

31 a. The parties to the merger shall be a single corporation, which  
32 shall be the financial institution.

33 b. The separate existence of the subsidiary or subsidiaries which  
34 are parties to the plan of merger shall cease.

35 c. The financial institution shall possess all the rights, privileges,  
36 powers, immunities, purposes and franchises of each merging  
37 subsidiary except for any power or authority of a subsidiary which is  
38 not permitted to the financial institution by law.

39 d. All the real property and personal properties, tangible and  
40 intangible, of every kind and description belonging to each of the  
41 parties merged, and any action existing or proceeding pending by or  
42 against any such party, may be enforced as if the merger had not taken  
43 place. Neither the rights of any creditors nor any liens upon, or  
44 security interest in, the property of any party to the merger shall be  
45 impaired by the merger.

1       8. Any holder of an interest in a subsidiary to be merged, including  
2 a shareholder, partner or member, shall have the right to dissent from  
3 the merger as set forth in this section.

4       a. A holder of an interest may not dissent as to less than all of the  
5 holder's interest owned beneficially by the holder. A nominee or  
6 fiduciary may not dissent on behalf of any beneficial owner as to less  
7 than all of the interest of each such owner with respect to which the  
8 right of dissent exists.

9       b. If a subsidiary party to a plan of merger is a corporation subject  
10 to the provisions of N.J.S.14A:1-1 et seq., except as now or hereafter  
11 may be provided therein, the shareholder of the subsidiary shall have  
12 the rights of a dissenting shareholder, including the right to accept a  
13 fair value for the stock all as set forth in N.J.S.14A:11-1 et seq., and  
14 the procedure to obtain fair value as set forth therein shall be followed.  
15 Holders of interests in other entities which are subsidiaries shall have  
16 the same dissenter's rights, if any, as provided in the statutes governing  
17 those entities. If the applicable statutes do not provide a right to  
18 dissent and obtain fair value, nothing in this act shall be deemed to  
19 provide such a remedy.

20

21       9. This act shall take effect immediately.

22

23

24

25

26       \_\_\_\_\_

Provides for the merger of subsidiaries into financial institutions.

## CHAPTER 70

AN ACT concerning mergers of a subsidiary into a financial institution.

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

C.17:16X-1 Definitions regarding subsidiary mergers.

1. For purposes of this act:

"Commissioner" means the Commissioner of Banking and Insurance.

"Financial institution" means a bank, savings bank or savings and loan association.

"Subsidiary" means a corporation, limited liability company, partnership or other entity in which a financial institution owns not less than 80% of that entity's equity.

C.17:16X-2 Conditions of merger.

2. A financial institution may merge with any one or more of its subsidiaries, so long as the financial institution is the entity that survives the merger as the continuing entity, subject to the terms and conditions set forth in this act.

C.17:16X-3 Merger's legal compliance.

3. Mergers of a financial institution and a subsidiary of a financial institution pursuant to this act shall comply with and require the commissioner's approval pursuant to the provisions of law applicable to a merger of the surviving financial institution.

C.17:16X-4 Merger plan contents.

4. The governing board of the financial institution shall adopt a plan of merger for a merger pursuant to this act between the financial institution and a subsidiary other than a financial institution setting forth:

a. The name of the financial institution and the name and type of business entity of each subsidiary which proposes to merge into the financial institution which is to be the surviving entity;

b. The terms and conditions of the proposed merger, including a statement of any amendments in the certificate of incorporation of the financial institution;

c. The manner and basis of converting the shares or other interests in the subsidiary or subsidiaries into shares of the financial institution, or the basis for payment of interests which are not to be so converted; and

d. Such other provisions with respect to the proposed merger as are deemed necessary or desirable by the commissioner.

C.17:16X-5 Adoption of merger plan.

5. The governing board of a subsidiary shall adopt a plan of merger pursuant to the provisions of the law under which the subsidiary was created.

C.17:16X-6 Application for commissioner's approval.

6. A financial institution shall apply for the commissioner's approval to merge with a subsidiary other than a financial institution, and shall provide the information as required by this act and by rules and regulations adopted by the commissioner. An application shall be deemed approved on the 30th day after receipt by the commissioner, unless approved or disapproved earlier by the commissioner in writing.

C.17:16X-7 Merger deemed effective from filing of certification.

7. A merger between a financial institution and a subsidiary other than a financial institution shall be effective from the filing with the commissioner of a certification of the president or a vice president of the financial institution setting forth that all of the conditions and requirements of this act and the commissioner's approval, if applicable, have been satisfied. When the merger has become effective:

a. The parties to the merger shall be a single corporation, which shall be the financial institution.

b. The separate existence of the subsidiary or subsidiaries which are parties to the plan of merger shall cease.

c. The financial institution shall possess all the rights, privileges, powers, immunities, purposes and franchises of each merging subsidiary except for any power or authority of a subsidiary which is not permitted to the financial institution by law.

d. All the real property and personal properties, tangible and intangible, of every kind and description belonging to each of the parties merged, and any action existing or proceeding pending by or against any such party, may be enforced as if the merger had not taken place. Neither the rights of any creditors nor any liens upon, or security interest in, the property of any party to the merger shall be impaired by the merger.

C.17:16X-8 Dissention from the merger.

8. Any holder of an interest in a subsidiary to be merged, including a shareholder, partner or member, shall have the right to dissent from the merger as set forth in this section.

a. A holder of an interest may not dissent as to less than all of the holder's interest owned beneficially by the holder. A nominee or fiduciary may not dissent on behalf of any beneficial owner as to less than all of the interest of each such owner with respect to which the right of dissent exists.

b. If a subsidiary party to a plan of merger is a corporation subject to the provisions of N.J.S.14A:1-1 et seq., except as now or hereafter may be provided therein, the shareholder of the subsidiary shall have the rights of a dissenting shareholder, including the right to accept a fair value for the stock all as set forth in N.J.S.14A:11-1 et seq., and the procedure to obtain fair value as set forth therein shall be followed. Holders of interests in other entities which are subsidiaries shall have the same dissenter's rights, if any, as provided in the statutes governing those entities. If the applicable statutes do not provide a right to dissent and obtain fair value, nothing in this act shall be deemed to provide such a remedy.

9. This act shall take effect immediately.

Approved July 13, 2000.



*Office of the Governor*  
**NEWS RELEASE**

PO BOX 004  
TRENTON, NJ 08625

CONTACT: Jayne O'Connor  
609-777-2600

RELEASE: July 13, 2000

**Gov. Christie Whitman signed the following legislation:**

**A-135**, sponsored by Assembly Members Arline M. Friscia (D-Middlesex) and Neil M. Cohen (D-Union), amends motor vehicle laws to require State and local law enforcement authorities to receive proof of valid automobile insurance before releasing a motor vehicle impounded pursuant to State law. Uninsured vehicles would, therefore, remain impounded until a valid insurance policy was obtained or proof of existing insurance was presented.

**A-316**, sponsored by Assemblywomen Charlotte Vandervalk (R-Bergen) and Joan M. Quigley (D-Bergen/Hudson) and Senator Peter A. Inverso (R-Mercer/Middlesex), directs the Department of Health and Senior Services to develop regulations to require licensed health care facilities to monitor pain in patients as a fifth vital sign. The four traditionally accepted medical vital signs include blood pressure, pulse, respiration and temperature. The bill is based on one of the recommendations issued by the New Jersey Legislative Commission for the Study of Pain Management Policy in its report to the Governor and the Legislature in March 1999. The purpose of this bill is to promote greater awareness of pain as a patient concern among physicians, physician assistants and nurses. Additionally, the bill is intended to facilitate communication between health care professionals and their patients about levels of pain intensity.

**A-317**, sponsored by Assemblywomen Charlotte Vandervalk (R-Bergen) and Rose Marie Heck (R-Bergen) and Senator Peter A. Inverso (R-Mercer/Middlesex), amends the "Cancer Research Act" and broadens the mandate of the statutorily created New Jersey State Commission on Cancer Research (Commission) to encourage the development of research projects on pain management and palliative care for cancer patients. The bill is based on one of the recommendations issued by the New Jersey Legislative Commission for the Study of Pain Management Policy in its report to the Governor and the Legislature in March 1999. The Commission currently receives \$1 million annually to fund research projects on the genetic, biochemical, viral, microbiological and environmental causes of cancer. This bill would specifically authorize the Commission to fund research projects that focus on pain management and palliative care for persons diagnosed with cancer.

**A-318**, sponsored by Assemblywomen Charlotte Vandervalk (R-Bergen) and Joan M. Quigley (D-Bergen/Hudson) and Senator Peter A. Inverso (R-Mercer/Middlesex), continues the work of the New Jersey Legislative Commission for the Study of Pain Management Policy (Commission), which was established by the Legislature in 1997 to study and make recommendations concerning acute and chronic pain management policy issues. The Commission expired in 1999 upon submission of its recommendations to the

Governor and the Legislature. This bill would temporarily establish the New Jersey Pain Management Policy Advisory Council (Council) in the Department of Health and Senior Services for another two years, as a follow-up entity to the Commission in order to continue to study and develop further policy recommendations concerning pain management. The bill calls for the Council to submit a report of its recommendations to the Legislature and the Governor at the end of two years.

**A-319**, sponsored by Assembly Members Charlotte Vandervalk (R-Bergen) and Samuel D. Thompson (R-Middlesex/Monmouth) and Senator Peter A. Inverso (R-Mercer/Middlesex), intends to focus the attention of hospital and nursing home management and health care professional staff on the need to address pain management as an integral component of patient care. The bill amends the statutory "bill of rights" for hospital and nursing home patients to explicitly include the right to expect and receive appropriate assessment, management and treatment of pain. The bill is based on one of the recommendations of the New Jersey Legislative Commission for the Study of Pain Management Policy in its report to the Governor and the Legislature.

**A-2179**, sponsored by Assemblymen Christopher Bateman (R-Morris/Somerset) and E. Scott Garrett (R-Sussex/Hunterdon/Morris) and Senator Gerald Cardinale (R-Bergen), eliminates the requirement that a minimum of two-thirds of a savings bank's board of managers be residents of New Jersey. The residency requirement is retained for the first five years of operation of a newly formed savings bank. The bill intends to allow New Jersey State chartered savings banks greater flexibility to attract and retain the best qualified managers and to provide parity with State chartered banks and savings and loan associations, which do not have residency requirements.

**A-2180**, sponsored by Assemblymen Christopher Bateman (R-Morris/Somerset) and E. Scott Garrett (R-Sussex/Hunterdon/Morris) and Senator Gerald Cardinale (R-Bergen), removes the requirement that a savings bank must use the word "savings" in its name. The change will help preserve the viability of the State savings bank charter and recognizes the blurring of distinction between banks and savings banks by consumers. Federal law does not require the use of the word savings in the title of a federally chartered savings bank.

**A-2263**, sponsored by Assemblymen Christopher Bateman (R-Morris/Somerset) and Neil M. Cohen (D-Union) and Senator Gerald Cardinale (R-Bergen), provides for an expedited approval process for certain applications by banks, savings banks and savings and loan associations, such as for branch office applications, certificate of incorporation amendments, and other corporate approvals. The bill sets forth eligibility requirements that banks must meet to qualify for the expedited approval process. Also, the bill consolidates and clarifies parity power provisions for financial institutions to be consistent with new powers granted by the federal "Graham-Leach-Bliley Act."

**A-2264**, sponsored by Assemblymen Christopher Bateman (R-Morris/Somerset) and Neil M. Cohen (D-Union) and Senator Gerald Cardinale (R-Bergen), outlines procedures to be followed in the event of mergers between financial institutions and their subsidiaries, as

allowed by new federal law. The bill requires the Department of Banking and Insurance Commissioner's approval prior to a merger and requires a financial institution's governing board to adopt a plan of merger that sets forth, among other things, the terms and conditions of the proposed merger and the manner in which shares will be converted or paid.