

CHAPTER 67

AN ACT concerning the composition of the boards of savings banks and amending P.L.1948, c.67.

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

1. Section 188 of P.L.1948, c.67 (C.17:9A-188) is amended to read as follows:

C.17:9A-188 Board of managers; number; qualifications; oath.

188. Board of managers; number; qualifications; oath.

A. (1) Except as otherwise provided by subsection L of this section, every savings bank shall be managed by a board of not less than five and not more than twenty-one managers.

(2) For the first five years of operation, not less than two-thirds of the managers of a de novo savings bank shall be residents and citizens of this State.

B. Each manager shall, following his election and before he assumes office, take an oath that he will, so far as the duty devolves upon him, diligently and honestly administer the affairs of the savings bank, and that he will not knowingly violate or knowingly permit to be violated, any provisions of law applicable to the savings bank. Such oath shall be subscribed by the manager making it, certified by the officer before whom it is taken, and shall be transmitted to the commissioner and filed in the department.

C. A manager who, within thirty days after his election, or, in case of his disability, within such further time as the commissioner shall fix, fails to subscribe the oath specified in subsection B of this section, shall cease to be a manager.

D. Vacancies in the board of managers shall be filled by the board within one year after the vacancies occur. If the board fails to do so, the commissioner may fill any vacancy with a person qualified under this article.

E. The board of managers may meet at such times and so often as they shall deem necessary, but shall meet at least once in each calendar month excepting July and August. A meeting held in January of each year shall be designated the annual meeting of the board; or, in the case of a savings bank operating on a fiscal-year basis, the annual meeting shall be held no later than 120 days after the closing of the fiscal year.

F. Managers shall be elected by a plurality of the votes of the members of the board of managers at the time in office, present and voting at such election, including those managers whose terms are then expiring. Except as hereinafter provided, each manager shall be elected for a term of three years, and until his successor is elected and shall have qualified. Managers shall be eligible for election to succeed themselves. Elections of managers shall be held annually at an annual meeting of the board.

G. Every savings bank hereafter organized shall, at the first meeting of its board of managers, divide the managers named in its certificate of incorporation into three classes of equal size; the members of one class shall hold office until the first annual meeting of the board next succeeding the first meeting; the members of one class shall hold office until the second annual meeting next succeeding the first meeting; and the members of one class shall hold office until the third annual meeting next succeeding the first meeting, so that, at each election of managers following the first meeting, an equal number of managers shall be elected.

H. Every savings bank organized prior to the effective date of P.L.1992, c.187 shall, commencing with the first annual meeting of the board following the effective date of P.L.1992, c.187, elect managers as terms expire for terms of three years.

I. The requirements of subsections G and H of this section shall be satisfied if the number of managers in any one class of managers does not exceed by more than one the number of managers in any other class.

J. All classifications and elections of managers made pursuant to this section shall be certified by any two officers of the savings bank, and shall be filed in the department within fifteen days after such classification or election.

K. Except as herein otherwise provided, the acts of a majority of the board of managers at any time in office shall be the acts of the savings bank.

L. Upon the merger of two or more savings banks, the board of managers of the receiving savings bank, as defined in section 205 of P.L.1948, c.67 (C.17:9A-205), may consist of not less than five and not more than the total number then in office of the managers of all the savings

banks which are parties to the merger. So long as the board of managers of such receiving bank shall exceed twenty-one in number (1) the number of managers shall not be increased, but may be decreased to any number not less than five; (2) vacancies in the board of managers shall not be filled; and (3) the requirements of subsections G and H of this section shall be satisfied if the number of managers in any one class or in any two classes of managers does not exceed by more than one the managers in the remaining classes or class. For the purposes of this subsection, the expiration of the term for which a manager is elected shall not be deemed to create a vacancy.

2. This act shall take effect immediately.

Approved July 13, 2000.