

CHAPTER 81

AN ACT concerning the assessment funding mechanism for the support of the Division of Banking in the Department of Banking and Insurance, revising certain regulatory and fee requirements and amending various parts of statutory law.

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

1. Section 4 of P.L.2005, c.199 (C.17:1C-36) is amended to read as follows:

C.17:1C-36 Objections to assessment, hearing.

4. Within 15 days after the date of mailing a statement of the assessment as provided in this act, a regulated entity may file its objections to its assessment with the commissioner. The filing of an objection shall not relieve a regulated entity from its obligation to pay its assessment in full within 30 days after receipt of the original statement of the assessment. Upon receiving those objections, the commissioner shall either: amend the statement as warranted, consistent with sections 5 and 6 of this act; or schedule and send a notice of a hearing on the objections, which hearing shall be held not less than 30 nor more than 60 days after the date of the notice.

2. Section 6 of P.L.2005, c.199 (C.17:1C-38) is amended to read as follows:

C.17:1C-38 Notice of delinquency, collection.

6. If a statement of the assessment against which objections are filed is not paid in full within 30 days after the date of mailing of the original statement of the assessment; or if an amended statement of the assessment is not paid within 30 days of the date a copy thereof is mailed by registered mail to the objector, the commissioner shall give notice of the delinquency to the State Treasurer and to the objector, and the State Treasurer shall proceed to make the collection.

3. Section 15 of P.L.2005, c.199 (C.17:1C-47) is amended to read as follows:

C.17:1C-47 Total amount assessable.

15. a. The total amount assessable to regulated entities in any fiscal year for the assessment established by this act shall not exceed the lesser of:

(1) the total amount of expenses incurred by the State in connection with the administration of the special functions of the division pursuant to section 3 of this act during the preceding fiscal year as ascertained by the Director of the Division of Budget and Accounting in the Department of the Treasury, on or before August 15 in each year, and certified to the commissioner by category; or

(2) .0001084 times the sum of (a) the average total assets for State-chartered banks, savings banks, and savings and loan associations for the preceding five calendar years' data, excluding the two most recent calendar years plus (b) the average total loan volume for residential mortgage loans closed by licensed lenders pursuant to the "New Jersey Licensed Lenders Act," P.L.1996, c.157 (C.17:11C-1 et al.) for the preceding five calendar years' data, excluding the two most recent calendar years.

b. In calculating the assessments:

(1) Banks, savings banks and savings and loan associations shall be given prorated credit for unused portions of assessment periods; and

(2) Licensees shall be given prorated credit for unused portions of licensing periods.

P.L. 2007, CHAPTER 81

c. The department shall not issue an examination bill for an examination that has not been completed by the date that the regulated entity becomes subject to the assessment pursuant to the provisions of this act. For the purposes of this act, the completion of the examination shall not include the time to process and review the examination report.

4. Section 256 of P.L.1948, c.67 (C.17:9A-256) is amended to read as follows:

C.17:9A-256 Reports to commissioner; violations, penalties.

256. A. Every bank and out-of-State bank with a branch office in this State shall make and file in the department, not less than two reports during each year, in the form prescribed by the commissioner.

B. Every report filed pursuant to subsection A of this section shall state in detail and under appropriate heads the assets and liabilities of the bank or out-of-State bank at the close of business on any day specified by the commissioner, and shall be filed in the department within ten days after the receipt by the bank or out-of-State bank of a request therefor. The report shall be attested by the signatures of at least three directors who are not officers of the bank or out-of-State bank, and shall be verified by the oaths of at least two officers of the bank or out-of-State bank. The commissioner may extend for not more than ten days the time within which such report shall be filed.

C. The commissioner shall have power to call for special reports from a bank or out-of-State bank when, in the commissioner's judgment, such special reports are necessary in order to obtain a full and complete knowledge of its condition.

D. A bank or out-of-State bank which fails to make and transmit a report required by this section shall be subject to a penalty of not more than \$100 for each day during which such failure continues, and the commissioner may revoke or suspend its authority to do business in this State.

The penalty may be collected in a summary proceeding pursuant to the "Penalty Enforcement Law of 1999," P.L.1999, c.274 (C.2A:58-10 et seq.). A warrant may issue in lieu of a summons.

E. The commissioner may waive the requirements of this section if the bank or out-of-State bank files a similar report with federal regulators and adequate provision is made for the commissioner to have access to that filing.

5. Section 334 of P.L.1948, c.67 (C.17:9A-334) is amended to read as follows:

C.17:9A-334 Fees payable by foreign banks.

334. A foreign bank shall pay to the commissioner for the use of the State a fee, to be prescribed by the commissioner by regulation, in an amount not less than or not more than, the following minimum and maximum amounts:

	Minimum	Maximum
(1) For filing a copy of its certificate of incorporation or amendment thereof or other change therein	\$50.00	\$250.00
(2) For filing a statement of its financial condition	50.00	250.00
(3) For filing a power of attorney	25.00	75.00
(4) (Deleted by amendment, P.L.2007, c.81).		

(5) For registering a back office 500.00

The commissioner shall charge for the issuance of a certificate of authority or a certificate of renewal of a certificate of authority such fee as the commissioner shall prescribe by rule or regulation, not to exceed \$1,500.00. The certificate shall run from the date of issuance for a term of not less than two years as set by the commissioner by regulation.

The commissioner may by rule or regulation adopted pursuant to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.) impose other fees and charges, including assessments and nonrefundable fees for application and examinations, on out-of-State banks establishing branch offices or agency offices in this State.

6. Section 34 of P.L.1996, c.17 (C.17:9A-415) is amended to read as follows:

C.17:9A-415 Submission of report to commissioner; violations; penalty.

34. a. To the extent specified by the commissioner by regulation, order or written request:

(1) each bank holding company or person that controls a New Jersey bank or a New Jersey bank holding company shall submit to the commissioner one or more copies of each report filed with any bank supervisory agency, except for any report the disclosure of which would be prohibited by applicable federal or State law, within 15 days after the filing thereof with that agency; and

(2) each person that controls a New Jersey bank or a New Jersey bank holding company that does not file a report with any other bank supervisory agency shall file an annual report with the commissioner.

b. At the request of the commissioner, to the extent permitted by applicable State and federal law, each bank holding company or person that controls a New Jersey bank or a New Jersey bank holding company shall provide to the commissioner copies of the reports of examination of any New Jersey bank or New Jersey bank holding company.

c. A bank holding company or person that controls a New Jersey bank or a New Jersey bank holding company that fails to make and file a report in the form and within the time provided in this section shall be subject to a penalty of not more than \$100 for each day's failure, and, to the extent permitted by applicable State or federal law, the commissioner may revoke or suspend its authority to do business in this State. The penalty may be collected in a summary proceeding pursuant to the "Penalty Enforcement Law of 1999," P.L.1999, c.274 (C.2A:58-10 et seq.). A warrant may issue in lieu of a summons.

7. Section 8 of P.L.1996, c.157 (C.17:11C-8) is amended to read as follows:

C.17:11C-8 Application, fee.

8. a. Every application for an initial license shall be accompanied by a nonrefundable application fee as set forth in subsection d. of this section. When the applicant at the same time seeks a license to engage in more than one activity, only one application fee may be charged. With respect to a license fee imposed prior to the implementation of the assessment pursuant to P.L.2005, c.199 (C.17:1C-33 et al.), the license fee, as prescribed by the commissioner by regulation, shall be based on the number of the following activities in which the person is licensed to engage under this act or the "Retail Installment Sales Act of 1960," P.L.1960, c.40 (C.17:16C-1 et seq.): a mortgage banker or mortgage broker; a secondary lender; a consumer lender; or a sales finance company. The fee for a biennial license or a renewal thereof shall be set according to the following schedule:

(1) If the person is licensed to engage in one activity, the fee shall not be more than \$3,000;

P.L. 2007, CHAPTER 81

(2) If the person is licensed to engage in two activities, the fee shall not be more than \$4,000;

(3) If the person is licensed to engage in three activities, the fee shall not be more than \$5,000; and

(4) If the person is licensed to engage in all four activities, the fee shall not be more than \$6,000.

Upon implementation of the assessment pursuant to P.L.2005, c.199 (C.17:1C-33 et al.), a license fee shall no longer be imposed or collected by the commissioner pursuant to this section. A license shall run from the date of issuance to the end of a term of not less than two years as set by the commissioner by regulation.

b. (Deleted by amendment, P.L.2007, c.81).

c. An applicant for a mortgage solicitor registration pursuant to subsection c. of section 3 of P.L.1996, c.157 (C.17:11C-3) shall be subject to a nonrefundable mortgage solicitor registration application fee, not to exceed \$100 as established by the commissioner by regulation. A solicitor who changes his registration to a different licensee shall be required to submit a new registration application and to pay another nonrefundable application fee.

d. An applicant shall pay to the commissioner at the time of the initial application for a license a nonrefundable application fee not to exceed the amounts specified in this subsection:

(1) For an application for one activity, an application fee not to exceed \$700;

(2) For an application for two activities, an application fee not to exceed \$1,000;

(3) For an application for three activities, an application fee not to exceed \$1,300; and

(4) For an application for four activities, an application fee not to exceed \$1,600.

e. A licensee that seeks to add an additional activity to an existing license shall pay a fee not to exceed \$300 per activity.

f. Fee amounts shall be prescribed by the commissioner by regulation.

8. Section 9 of P.L.1996, c.157 (C.17:11C-9) is amended to read as follows:

C.17:11C-9 Maintenance of branch offices by licensee.

9. a. A licensee may maintain a branch office or offices. The licensee shall license all branch offices in this State and all branch offices outside this State from which the licensee has direct contact with New Jersey consumers regarding origination or brokering.

b. The commissioner shall issue a branch office license if:

(1) The licensee has submitted a completed application form and a branch application fee pursuant to the schedule provided in subsection d. of section 8 of P.L.1996, c.157 (C.17:11C-8);

(2) The application for the branch office demonstrates that the office is in a suitable location; and

(3) The application contains a certification that the office is covered by the surety bond.

c. (Deleted by amendment, P.L.2007, c.81).

9. Section 11 of P.L.1996, c.157 (C.17:11C-11) is amended to read as follows:

C.17:11C-11 Issuance, expiration of licenses.

11. a. Each license issued pursuant to this act shall expire at the end of the license period of not less than two years as set by the commissioner by regulation.

b. (Deleted by amendment, P.L.2007, c.81).

P.L. 2007, CHAPTER 81

c. The commissioner may by regulation provide for individual mortgage banker, mortgage broker and secondary lender licenses to continue in existence in an inactive status for a specified period of time.

10. Section 43 of P.L.1996, c.157 (C.17:11C-43) is amended to read as follows:

C.17:11C-43 Annual report by licensees; violations, penalties.

43. A licensee shall annually file a report with the commissioner which shall set forth such information as the commissioner shall require concerning the business conducted as a licensee during the preceding calendar year. The report shall be under oath and in a form and within the time specified by the commissioner by regulation.

A licensee that fails to make and file its annual report in the form and within the time provided in this section shall be subject to a penalty of not more than \$100 for each day's failure, and the commissioner may revoke or suspend its authority to do business in this State. The penalty may be collected in a summary proceeding pursuant to the "Penalty Enforcement Law of 1999," P.L.1999, c.274 (C.2A:58-10 et seq.). A warrant may issue in lieu of a summons.

11. Section 171 of P.L.1963, c.144 (C.17:12B-171) is amended to read as follows:

C.17:12B-171 Reports to commissioner; violations, penalties.

171. Every State association shall, within 60 days after the close of each fiscal year, file in the department, on blanks to be provided by the commissioner, a report of its transactions, affairs and financial condition as of the end of its fiscal year. The report shall state the names and addresses of its directors, officers, attorneys, agents and other employees, and the compensation, if any, paid to each, and shall be verified by the oaths or affirmations of such officers as the commissioner shall designate. The commissioner may call for additional reports when he deems it expedient, but not more often than once in every 3 months.

If any State association fails to file its annual report within the time herein specified, or any additional report within such reasonable period as the commissioner fixes, the association shall be subject to a penalty of not more than \$100 for each day's failure, and the commissioner may revoke or suspend its authority to do business in this State. The commissioner may, for sufficient cause, extend the time for filing any reports for not more than 10 days. The penalty may be collected in a summary proceeding pursuant to the "Penalty Enforcement Law of 1999," P.L.1999, c.274 (C.2A:58-10 et seq.). A warrant may issue in lieu of a summons.

12. Section 172 of P.L.1963, c.144 (C.17:12B-172) is amended to read as follows:

C.17:12B-172 Examination, inspection, supervision.

172. Every State association and every out-of-State association with a branch office in this State shall be subject to the examination, inspection and supervision of the department. When deemed advisable, the examiner shall verify the liabilities of the State association to its members by an inspection and verification of their accounts. The commissioner shall promptly communicate the result of every examination to the president of the State association examined, who shall present the same to the board at the next regular meeting, or a special meeting, if deemed advisable, or if so directed by the commissioner. The action taken thereon by the board shall thereupon be promptly communicated by the president to the commissioner.

P.L. 2007, CHAPTER 81

Every report and copy of a report of examination of a State association and out-of-State association made by or under the supervision of the commissioner, shall be confidential, and shall not be made public by any officer, director or employee of a State association or out-of-State association, and shall not be subject to subpoena or to admission into evidence in any action or proceeding in any court, except pursuant to an order of the court made upon notice to the commissioner an opportunity to advise the court of reasons for excluding from evidence such report or any portion thereof. The court shall order the issuance of a subpoena for the production or admission into evidence of any such report or portion thereof, only if it is satisfied that (1) it is material and relevant to the issues in the proceedings, and (2) the ends of justice and public advantage will be subserved thereby. This section shall not apply to any action or proceeding instituted by the commissioner or Attorney General pursuant to any law of this State.

For State associations or out-of-State associations with branch offices in this State and also in one or more other states, the commissioner may contract with the state regulator in the other state or states where branch offices are located to conduct cooperative examinations. Pursuant to those agreements, examiners of the department may examine branch offices of State associations and out-of-State associations in New Jersey and in other states, and examiners of other state regulators may examine branch offices of State associations and out-of-State associations in New Jersey and other states. The fees for these examinations may be shared pursuant to a contract or agreement among the regulators.

13. Section 33 of P.L.1984, c.171 (C.17:13-111) is amended to read as follows:

C.17:13-111 Annual report by credit union; violations, penalties.

33. Every credit union shall submit a report in writing to the commissioner of its condition at the close of business on the 31st day of December. The report shall be submitted to the commissioner in a form and within the time specified by the commissioner by regulation. The report shall be verified by the oath of the president and the treasurer of the credit union, and the statement of assets and liabilities shall be verified by the oath of the examining committee that the statement is a true and correct statement of the condition of the credit union based on the audit or examination made by the examining committee as of the December 31 preceding the report. The credit union shall furnish the commissioner with any other reports as he may deem advisable. Any false statement or oath shall be deemed to be perjury.

A credit union that fails to make and file its annual report in the form and within the time provided in this section shall be subject to a penalty of not more than \$100 for each day's failure, and the commissioner may revoke or suspend its authority to do business in this State. The penalty may be collected in a summary proceeding pursuant to the "Penalty Enforcement Law of 1999," P.L.1999, c.274 (C.2A:58-10 et seq.). A warrant may issue in lieu of a summons.

14. Section 11 of P.L.1993, c.383 (C.17:15A-40) is amended to read as follows:

C.17:15A-40 Valid license, civil actions.

11. a. A license shall be valid until surrendered by the licensee, or unless revoked or suspended pursuant to this act.

b. The license shall be for a term of not less than two years as set by the commissioner by regulation.

c. A licensee may bring a civil action in Superior Court against another licensee, or against a depository institution subject to subsection b. of section 21 of P.L.1993, c.383 (C.17:15A-50), as amended, or subsection c. of section 21 of P.L.1993, c.383 (C.17:15A-50), as amended, for violating any of the following provisions, if that violation has an impact on the check cashing business of the licensee bringing the action: (1) section 3 of P.L.1993, c.383 (C.17:15A-32); (2) the requirements set forth in paragraph (6) of subsection d. of section 12 of P.L.1993, c. 383 (C.17:15A-41); (3) subsection e. of section 12 of P.L.1993, c. 383 (C.17:15A-41); (4) subsection f. of section 18 of P.L.1993, c.383 (C.17:15A-47); (5) subsection b. of section 21 of P.L.1993, c.383 (C.17:15A-50); or (6) subsection c. of section 21 of P.L.1993, c.383 (C.17:15A-50). Nothing contained in this subsection shall be construed to restrict, limit or alter in any way the commissioner's authority to enforce the provisions of "The Check Cashers Regulatory Act of 1993," P.L.1993, c.383 (C.17:15A-30 et seq.) or any other law.

d. If a licensee has not provided check cashing services during normal business hours at the location specified in the license for a period of 180 consecutive days or more, and if no application for renewal of the license or relocation of the licensed check casher is or shall have been filed prior to expiration of that 180-day period, the department may, after notice to the licensee and opportunity to be heard, revoke the license or for good cause shown, the department may extend the 180-day period.

15. Section 16 of P.L.1993, c.383 (C.17:15A-45) is amended to read as follows:

C.17:15A-45 Annual report by check cashing business; violations, penalties.

16. Each licensee shall annually file a report with the commissioner giving the information the commissioner may require concerning its check cashing business and operations during the preceding calendar year. In addition to the annual report the commissioner may require additional regular or special reports as the commissioner deems necessary to effectuate the purposes of this act. These reports shall be made under oath or affirmation and shall be in the form and within the time prescribed by the commissioner by regulation.

A licensee that fails to make and file its annual report in the form and within the time provided in this section shall be subject to a penalty of not more than \$100 for each day's failure, and the commissioner may revoke or suspend its authority to do business in this State. The penalty may be collected in a summary proceeding pursuant to the "Penalty Enforcement Law of 1999," P.L.1999, c.274 (C.2A:58-10 et seq.). A warrant may issue in lieu of a summons.

16. Section 9 of P.L.1998, c.14 (C.17:15C-9) is amended to read as follows:

C.17:15C-9 Investigation of applicants for licensing, renewal; licensing period.

9. a. Upon the filing of a complete application, in the case of an initial application, or the filing of a complete renewal application, the commissioner shall investigate the financial condition and responsibility, financial and business experience, character and general fitness of the applicant for an initial license or a renewal license. The commissioner may conduct an on-site investigation of the applicant for an initial license, the reasonable cost of which shall be borne by the applicant. If the commissioner finds that the applicant's business will be conducted honestly, fairly and in a manner commanding the confidence and trust of the community and that the applicant has fulfilled the requirements imposed by this act and has paid the required license fee, the commissioner shall issue a license to the applicant

authorizing the applicant to engage in the licensed activities in this State. If these requirements have not been met, the commissioner shall deny the application in writing, setting forth the reasons for the denial.

b. The commissioner shall approve or deny every application for an initial license within 120 days from the date that the applicant has satisfied all requirements for licensure.

c. The license period of not less than two years shall be set by the commissioner by rule or regulation. A license shall run from the date of issuance to the end of the licensing period.

d. Licenses shall not be transferable or assignable.

e. The licensee shall register locations in the State.

f. Within 45 days after the end of each calendar quarter, each licensee shall file with the commissioner in writing a list of all locations within the State that have been added or terminated by the licensee, if any. The list shall include the name and business address of each location.

g. If the licensed name or licensed business address is changed, the licensee shall notify the commissioner in writing of the change within 10 days.

17. Section 12 of P.L.1998, c.14 (C.17:15C-12) is amended to read as follows:

C.17:15C-12 Annual reports; violations, penalties.

12. a. Each licensee shall file with the commissioner an annual report containing the information required by the commissioner by regulation.

b. The commissioner may require reports of any licensee or authorized delegate, under penalty of perjury or otherwise, concerning the licensee's or authorized delegate's business conducted pursuant to the license issued under this act, as the commissioner requires for the enforcement of this act.

c. A licensee who fails to file any report required by this section on or before the day designated for making the report, or fails to include any prescribed matter in the report, shall pay a penalty of not more than \$100 for each day that the report is delayed or incomplete, unless the commissioner, for good cause shown, reduces the amount to be paid, or unless the time to file the report is extended in writing by the commissioner. In addition, the commissioner may revoke or suspend the authority of a licensee to do business in this State. The penalty may be collected in a summary proceeding pursuant to the "Penalty Enforcement Law of 1999," P.L.1999, c.274 (C.2A:58-10 et seq.). A warrant may issue in lieu of a summons.

d. The licensee shall include in its annual report:

(1) (a) except as provided pursuant to subparagraph (b) of this paragraph (1), for a person licensed to engage only in the business of a foreign money transmitter, a copy of its most recent audited consolidated annual financial statement, including balance sheet, statement of income or loss, statement of changes in shareholder's equity and statement of changes in financial position, or, in the case of a licensee that is a wholly owned subsidiary of another corporation, the consolidated audited annual financial statement of the parent corporation may be filed in lieu of the licensee's audited annual financial statement;

(b) for a person licensed to engage only in the business of a foreign money transmitter, a copy of its most recent compiled annual financial statement, including balance sheet, statement of income or loss, statement of changes in shareholder's equity and statement of changes in financial position, except that the commissioner may, for good cause, request a foreign money transmitter to submit an audited financial statement;

P.L. 2007, CHAPTER 81

(2) for the most recent quarter for which data is available prior to the date of the filing of the annual report, but in no event more than 120 days prior to the annual report filing date, the licensee shall provide the number of payment instruments sold by the licensee in the State, the dollar amount of those instruments and the dollar amount of those instruments currently outstanding;

(3) any material changes to any of the information submitted by the licensee on its original application which have not previously been reported to the commissioner on any other report required to be filed under this act;

(4) a list of the licensee's permissible investments;

(5) a list of the locations within this State at which business regulated by this act is being conducted by either the licensee or its authorized delegate; and

(6) such other information as the commissioner may require by regulation.

18. Section 7 of P.L.1960, c.40 (C.17:16C-7) is amended to read as follows:

C.17:16C-7 Application fee for sales finance companies, license period.

7. Every application for a new license shall be accompanied by a nonrefundable application fee as provided in subsection d. of section 8 of P.L.1996, c.157 (C.17:11C-8).

The license shall run from the date of issuance to the end of a term of not less than two years as set by the commissioner by regulation.

19. Section 8 of P.L.1960, c.40 (C.17:16C-8) is amended to read as follows:

C.17:16C-8 Motor vehicle installment seller; license, application fee.

8. With respect to a license fee imposed prior to the implementation of the assessment pursuant to P.L.2005, c.199 (C.17:1C-33 et al.), every motor vehicle installment seller shall pay to the commissioner at the time of making the application and biennially thereafter upon renewal a license fee for its principal office and for each additional place of business conducted in this State. The commissioner shall charge for a license such fee as he shall prescribe by rule or regulation. Each fee shall not exceed \$300. The license shall run from the date of issuance to the end of the licensing period of not less than two years as set by the commissioner by regulation. Upon implementation of the assessment pursuant to P.L.2005, c.199 (C.17:1C-33 et al.), a license fee shall no longer be imposed or collected by the commissioner pursuant to this section, however a motor vehicle installment seller shall pay to the commissioner at the time of application a nonrefundable application fee not to exceed \$300.

20. Section 19 of P.L.1960, c.40 (C.17:16C-19) is amended to read as follows:

C.17:16C-19 Preservation of books, accounts, records, annual report; violations, penalties.

19. All books, accounts and records of the licensee shall be preserved and kept available as provided herein for such period of time as the commissioner may by regulation require. The commissioner may require a licensee to file an annual report containing that information required by the commissioner by regulation concerning business conducted as a licensee in the preceding calendar year. The report shall be submitted under oath and in the form specified by the commissioner by regulation.

A licensee that fails to make and file its annual report in the form and within the time provided in this section shall be subject to a penalty of not more than \$100 for each day's failure, and the commissioner may revoke or suspend its authority to do business in this

P.L. 2007, CHAPTER 81

State. The penalty may be collected in a summary proceeding pursuant to the "Penalty Enforcement Law of 1999," P.L.1999, c.274 (C.2A:58-10 et seq.). A warrant may issue in lieu of a summons.

21. Section 21 of P.L.1960, c.41 (C.17:16C-82) is amended to read as follows:

C.17:16C-82 License fees payable by home financing agency.

21. (a) With respect to a license fee imposed prior to the implementation of the assessment pursuant to P.L.2005, c.199 (C.17:1C-33 et al.), every home financing agency shall pay to the commissioner at the time of making the application and biennially thereafter upon renewal a license fee for its principal place of business and for each additional place of business conducted in this State. The commissioner shall charge for a license such fee as he shall prescribe by rule or regulation. Each fee shall not exceed \$600. The license shall run from the date of issuance to the end of the licensing period of not less than two years as set by the commissioner by regulation. Upon implementation of the assessment pursuant to P.L.2005, c.199 (C.17:1C-33 et al.), a license fee shall no longer be imposed or collected by the commissioner pursuant to this section, however a home financing agency shall pay to the commissioner at the time of application a nonrefundable application fee not to exceed \$600.

(b) With respect to a license fee imposed prior to the implementation of the assessment pursuant to P.L.2005, c.199 (C.17:1C-33 et al.), every home repair contractor shall pay to the commissioner at the time of making the application and biennially thereafter upon renewal a license fee for its principal place of business and for each additional place of business conducted in this State. The commissioner shall charge for a license such fee as he shall prescribe by rule or regulation. Each fee shall not exceed \$300. The license shall run from the date of issuance to the end of the licensing period of not less than two years as set by the commissioner by regulation. Upon implementation of the assessment pursuant to P.L.2005, c.199 (C.17:1C-33 et al.), a license fee shall no longer be imposed or collected by the commissioner pursuant to this section, however a home repair contractor shall pay to the commissioner at the time of application a nonrefundable application fee not to exceed \$300.

(c) With respect to a license fee imposed prior to the implementation of the assessment pursuant to P.L.2005, c.199 (C.17:1C-33 et al.), every home repair salesman shall pay to the commissioner at the time of making the application and biennially thereafter upon renewal a license fee. The commissioner shall charge for a license such fee as he shall prescribe by rule or regulation, not to exceed \$60. The license shall run from the date of issuance to the end of the licensing period of not less than two years as set by the commissioner by regulation. Upon implementation of the assessment pursuant to P.L.2005, c.199 (C.17:1C-33 et al.), a license fee shall no longer be imposed or collected by the commissioner pursuant to this section, however a home repair salesman shall pay to the commissioner at the time of application a nonrefundable application fee not to exceed \$60.

22. Section 26 of P.L.1960, c.41 (C.17:16C-87) is amended to read as follows:

C.17:16C-87 Maintenance, preservation of books, accounts, records, annual report; violations, penalties.

26. a. Every home repair contractor, home financing agency and holder of a home repair contract shall maintain at its place or places of business such books, accounts and records relating to all transactions under this act as will enable the commissioner to enforce full compliance with the provisions hereof. All such books, accounts and records shall be preserved and kept available for such period of time as the commissioner may by regulation require. The commissioner may prescribe the minimum information to be shown in such

books, accounts and records of the licensee so that such records will enable the commissioner to determine compliance with the provisions of this act.

b. The commissioner may require a licensee to file an annual report containing that information required by the commissioner by regulation concerning business conducted as a licensee in the preceding calendar year. The report shall be submitted under oath and in the form and within the time specified by the commissioner by regulation.

c. A licensee that fails to make and file its annual report in the form and within the time provided in this section shall be subject to a penalty of not more than \$100 for each day's failure, and the commissioner may revoke or suspend its authority to do business in this State. The penalty may be collected in a summary proceeding pursuant to the "Penalty Enforcement Law of 1999," P.L.1999, c.274 (C.2A:58-10 et seq.). A warrant may issue in lieu of a summons.

23. Section 4 of P.L.1968, c.221 (C.17:16D-4) is amended to read as follows:

C.17:16D-4 Licenses.

4. Licenses. No person shall engage in the business of financing insurance premiums in this State without first having obtained a license as a premium finance company from the Commissioner of Banking and Insurance, except that any State or national bank authorized to do business in this State shall be authorized to transact business as a premium finance company, subject to all of the provisions of this act, except that it shall not be required to obtain a license or pay a license fee hereunder. Any person who shall engage in the business of financing insurance premiums in this State without a valid license as provided hereunder shall, upon conviction as provided in R.S.17:33-2, be subject to a fine of not more than \$300. With respect to a license fee imposed prior to the implementation of the assessment pursuant to P.L.2005, c.199 (C.17:1C-33 et al.), the commissioner shall charge for a license such fee as he shall prescribe by rule or regulation, not to exceed \$1,000. Upon implementation of the assessment pursuant to P.L.2005, c.199 (C.17:1C-33 et al.), a license fee shall no longer be imposed or collected by the commissioner pursuant to this section, however an insurance premium finance agency shall pay to the commissioner at the time of application a nonrefundable application fee not to exceed \$1,000. The license shall run from the date of issuance to the end of the licensing period of not less than two years as set by the commissioner by regulation. The fee imposed prior to implementation of the assessment pursuant to P.L.2005, c.199 (C.17:1C-33 et al.), for said license shall be paid to the commissioner for the use of the State. No portion of the license fee imposed prior to implementation of the assessment pursuant to P.L.2005, c.199 (C.17:1C-33 et al.), shall be refunded if the license is surrendered by the licensee or suspended or revoked by the commissioner.

Before any licensee changes his address he shall return his license to the commissioner who shall indorse the license indicating the change.

The person to whom the license or the renewal thereof may be issued shall file sworn answers, subject to the penalties of perjury, to such interrogatories as the commissioner may require. The commissioner shall have authority, at any time, to require the applicant fully to disclose the identity of all stockholders, partners, officers and employees, and he may, in his discretion, refuse to issue or renew a license in the name of any firm, partnership, or corporation if he is not satisfied that any officer, employee, stockholder, or partner thereof who may materially influence the applicant's conduct meets the standards of this act.

24. Section 7 of P.L.1968, c.221 (C.17:16D-7) is amended to read as follows:

C.17:16D-7 Books and records; annual report; violations, penalties.

7. Every licensee shall maintain records of its premium finance transactions which will enable the commissioner to enforce full compliance with this act and the said records shall be open to examination and investigation by the commissioner. The commissioner shall have the power to make such examination of the books, records and accounts of any licensee as he shall deem necessary. The expenses incurred in making any such examination shall be assessed against and paid by the licensee so examined. The commissioner may, at any time, require any licensee to bring such records as he may direct to the commissioner's office for examination.

Every licensee shall preserve its records of such premium finance transactions, including cards used in a card system for at least 3 years after making final entry in respect to any premium finance agreement. The preservation of records in photographic form shall constitute compliance with this requirement.

Each licensee shall file a report with the commissioner giving such information in the form and within the time as the commissioner may require by regulation concerning the licensee's business and operation during the preceding calendar year.

A licensee that fails to make and file its annual report in the form and within the time provided in this section shall be subject to a penalty of not more than \$100 for each day's failure, and the commissioner may revoke or suspend its authority to do business in this State. The penalty may be collected in a summary proceeding pursuant to the "Penalty Enforcement Law of 1999," P.L.1999, c.274 (C.2A:58-10 et seq.). A warrant may issue in lieu of a summons.

25. Section 5 of P.L.1979, c.16 (C.17:16G-5) is amended to read as follows:

C.17:16G-5 Bond; financial records; annual audit; filing; examination of agency; annual reports; violations, penalties.

5. a. Any nonprofit social service agency or nonprofit consumer credit counseling agency licensed under this act shall be bonded to the satisfaction of the commissioner for each location pursuant to regulation. In setting the bonding requirements for each location, the commissioner shall consider the number of debtors provided credit counseling and debt adjustment services at that location, and the balance of funds in the trust account required to be maintained pursuant to section 3 of P.L.2005, c.287 (C.17:16G-9).

b. The commissioner may require a licensee to file an annual report containing that information required by the commissioner by regulation concerning activities conducted as a licensee in the preceding calendar year. The report shall be submitted under oath and in the form and within the time specified by the commissioner by regulation.

c. The commissioner may require a high cost home loan counselor to file an annual report containing that information required by the commissioner by regulation concerning activities conducted pursuant to subsection g. of section 5 of P.L.2003, c.64 (C.46:10B-26) as a registrant in the preceding calendar year. The report shall be submitted under oath and in the form and within the time specified by the commissioner by regulation.

d. Each licensee shall file with the commissioner on or before April 1 of each year a copy of its annual report, containing the information required by the commissioner by regulation pursuant to P.L.1979, c.16 (C.17:16G-1 et seq.) and section 3 of P.L.2005, c.287 (C.17:16G-9). A licensee or high cost home loan counselor that fails to make and file its annual report in the form and within the time provided in this section shall be subject to a penalty of not more than \$100 for each day's failure, and the commissioner may revoke or suspend its authority to do business in this State. The penalty may be collected in a summary

proceeding pursuant to the "Penalty Enforcement Law of 1999," P.L.1999, c.274 (C.2A:58-10 et seq.). A warrant may issue in lieu of a summons.

e. Each licensee shall have its financial records relating to debt adjustment audited annually by a certified public accountant or a public accountant, which audit shall be filed with the commissioner. Such an audit shall certify that the salaries and expenses paid by the licensee are reasonable compared to those incurred by comparable organizations providing similar services.

f. After reviewing the annual report and audit, the Commissioner of Banking and Insurance may cause an examination of the licensee to be made, the actual expenses of such an examination shall be paid by the licensee, and the commissioner may maintain any action against any licensee to recover the fees and expenses herein provided for.

g. The licensee shall make a copy of the annual report and audit available for public inspection at each of the licensee's locations.

26. R.S.45:22-4 is amended to read as follows:

License; issuance, term.

45:22-4. Upon application to the Commissioner of Banking and Insurance, such official may in his discretion issue to the applicant upon the filing of a bond as hereinafter provided, a license to do business in this State. The license shall not be assignable. The license shall run from the date of issuance to the end of the licensing period of not less than two years as set by the commissioner by regulation. The Commissioner of Banking and Insurance may require proof to his satisfaction of the financial ability of the applicant to carry on such business.

27. R.S.45:22-10 is amended to read as follows:

Investigation by commissioner; other investigations.

45:22-10. The Commissioner of Banking and Insurance may at any time investigate the business of all licensees, either personally or by any person designated by him, and for the purpose of effectuating this article the Commissioner of Banking and Insurance or the person so designated shall have free access, during the usual business hours, to the licensee's place of business, to the books, papers, records, safes and vaults of the licensee wherever located, and shall also have the authority to examine, under oath, any person whose testimony he may require relative to such business. The cost and charges of any such examination or investigation shall be borne by the licensee. Absent a determination by the commissioner that good cause exists, the cost of the examination shall not exceed \$2,500. The examination shall be conducted in accordance with generally accepted examination procedures and pursuant to established and objective criteria developed by the commissioner. The department shall issue to the licensee an itemized invoice setting forth the number of hours and the work performed in connection with the examination.

28. R.S.45:22-12 is amended to read as follows:

Pawnbroker's annual report; contents; violations, penalties.

45:22-12. Every pawnbroker shall annually, submit to the Commissioner of Banking and Insurance, on such forms and within the time as may be prescribed by him, a report under oath, giving the number and amount of loans made during the preceding calendar year, and

P.L. 2007, CHAPTER 81

the balance of all loans outstanding at the close of the year, the rates of interest charged and such other information as the commissioner may require.

A pawnbroker that fails to make and file its annual report in the form and within the time provided in this section shall be subject to a penalty of not more than \$100 for each day's failure, and the commissioner may revoke or suspend its authority to do business in this State. The penalty may be collected in a summary proceeding pursuant to the "Penalty Enforcement Law of 1999," P.L.1999, c.274 (C.2A:58-10 et seq.). A warrant may issue in lieu of a summons.

29. This act shall take effect immediately, but remain inoperative until July 1, 2006, and if enacted after that date, shall be retroactive to July 1, 2006; except that provisions of this act which amend the term of a license shall remain inoperative until the Commissioner of Banking and Insurance adopts regulations establishing the new license terms authorized by this act. The Commissioner of Banking and Insurance may immediately undertake action to promulgate any regulation necessary to implement the provisions of this act.

Approved May 4, 2007.