

RULE ADOPTIONS

BANKING

(a)

DEPARTMENT OF BANKING AND INSURANCE

DIVISION OF BANKING

Notice of Readoption

Safe and Sound Methods of Banking

Readoption: N.J.A.C. 3:7

Authority: N.J.S.A. 17:1-15.e, 17:9A-256, 17:9A-260, 17:12B-73, 17:12B-171, 17:12B-172, 17:12B-176, and 17:12B-319.

Authorized By: Justin Zimmerman, Acting Commissioner, Department of Banking and Insurance.

Effective Date: May 10, 2018.

New Expiration Date: May 10, 2025.

Take notice that pursuant to N.J.S.A. 52:14B-5.1, the rules at N.J.A.C. 3:7 were scheduled to expire on June 9, 2018. The rules promote safe and sound banking methods.

N.J.A.C. 3:7-1 requires any bank, savings bank, or State association that permits counsel to handle funds to procure an endorsement rider to its fidelity bond procured pursuant to N.J.S.A. 17:9A-115 or 17:12B-73.

N.J.A.C. 3:7-2 requires a bank, savings bank, or State association to periodically review fire insurance policies supporting loans secured by mortgages and real estate owned by them, or use other prudent means instead of periodic review, to protect itself from exposure to loss from insufficient insurance coverage. Additionally, a bank, savings bank, or State association must retain and file closing statements and must annually verify the payment of real estate taxes by its mortgage borrowers.

N.J.A.C. 3:7-3 sets forth, among other things, the definitions of terms used in the subchapter, the time period in which an examination must commence, the requirements for the confirmation of deposits and debts, the exclusions from the confirmation program, the terms governing the confirmation by internal auditors, the provisions for sampling to achieve a satisfactory confirmation level, the performance and frequency of examination scope, and the minimum audit scope to be performed in a bank and savings bank.

N.J.A.C. 3:7-4 remains reserved.

N.J.A.C. 3:7-5 sets forth the definitions of terms used therein and establishes the procedures for every director and executive officer of a bank, savings bank, or State association to submit a "statement of interest" to the Department that discloses the business interest of the director or officer or his or her family with the institution.

The Department of Banking and Insurance has reviewed these rules and has determined that the rules should be readopted without change. The rules are necessary, reasonable, and proper for the purpose for which they were originally promulgated. Therefore, pursuant to N.J.S.A. 52:14B-5.1.c(1), this chapter is readopted and shall continue in effect for a seven-year period.

AGRICULTURE

(b)

STATE AGRICULTURE DEVELOPMENT COMMITTEE

Rural Microenterprise Activity on Preserved Farms

Adopted Amendments: N.J.A.C. 2:76-22.1 through 22.12 and 22.14

Adopted New Rules: N.J.A.C. 2:76-22.12 and 22A

Adopted Repeal: N.J.A.C. 2:76-22.13

Proposed: November 6, 2017, at 49 N.J.R. 3463(a).

Adopted: January 25, 2018, by the State Agriculture Development Committee, Susan E. Payne, Executive Director.

Filed: May 9, 2018, as R.2018 d.123, **with a non-substantial change** not requiring additional public notice and comment (see N.J.A.C. 1:30-6.3).

Authority: N.J.S.A. 4:1C-32.3.e.

Effective Date: June 4, 2018.

Expiration Date: December 2, 2023.

Summary of Public Comments and Agency Responses:

Comments were received from Jean Public and from Lori Savron, PP, AICP, Planning Director, Montgomery Township, Somerset County.

COMMENT: Jean Public expressed concern that the proposed regulations are the result of the State's agricultural sector obtaining undue advantage over the interests of the general citizenry, particularly those individuals who live next to farms, and that such advantage is unwarranted given the harm to plants and animals caused by farming operations.

RESPONSE: The State Agriculture Development Committee (SADC) respectfully disagrees with Ms. Public's comment that the proposed rules reflect the priority of agricultural interests over those of the general public. The proposed rules effectuate State laws enacted to spur economic activity on preserved farms that is of an appropriate use and scale to support the viability of family farms, and to effectuate preservation of historic farm structures that are emblematic of New Jersey's rich agrarian history. The achievement of those dual goals will benefit both the agricultural community and the general public. The public's interests are protected by various statutory conditions and restrictions on the eligibility for and operation of a rural microenterprise activity (RME) on a preserved farm, including the requirement that, as a condition of an rural microenterprise (RME) permit, all other appropriate Federal, State, and local permits, approvals, and authorizations must be obtained. The SADC cannot respond to Ms. Public's unsubstantiated claim about harm to plants and animals.

COMMENT: Lori Savron, PP, AICP, Planning Director, on behalf of Montgomery Township, Somerset County, requested that the proposed rules be revised to require that copies of the application for a rural microenterprise activity be provided to the municipality in which the RME will be located. The commenter observed that sending a copy of the application to the relevant municipality will allow the latter to provide input to the SADC and/or to the holder of the development easement recorded on the RME property. Ms. Savron also requested that proposed N.J.A.C. 2:76-22.7(c) be modified to add the affected municipality as a recipient of SADC's notice of RME permit decisions.

The commenter asked the SADC to incorporate in the proposed rules, a process by which property owners adjacent to a preserved farm upon which an RME is located can alert the SADC to issues about the RME activities for further agency investigation.

Ms. Savron expressed support for the recognition in the regulations that, as a condition of an RME permit, all other appropriate Federal, State, and local permits, approvals, and authorizations must be obtained