

1 SENATE BILL NO. 20
2 INTRODUCED BY SWIFT

3
4 A BILL FOR AN ACT ENTITLED: "AN ACT CLARIFYING PERMISSIBLE
5 LOCATIONS OF BRANCH BANKS; AMENDING SECTION 32-1-372, MCA;
6 AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

7
8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

9 **Section 1.** Section 32-1-372, MCA, is amended to read:

10 "32-1-372. Branch bank -- detached facilities. (1) A
11 bank may establish and maintain a branch bank only as
12 provided in 32-1-371 and this section and, in the case of a
13 bank organized under the laws of this state, with the prior
14 approval of the state banking board, provided that nothing
15 in this section prohibits ordinary clearinghouse
16 transactions between banks.

17 (2) With the prior approval of the department, any bank
18 or branch bank doing business in this state may establish
19 and maintain not more than one detached drive-in and walk-up
20 facility consisting of one or more teller windows. The
21 detached facility must be in the city or within 3,000 feet
22 of the city limits of the city in which the main banking
23 house or branch bank is located. The facility may not be
24 closer than 200 feet to a facility operated by any other
25 bank or closer than 300 feet to the main banking house of

1 any other bank, the measurement to be made in a straight
2 line from the closest points of the closest structures
3 involved. The distances ~~herein~~ specified in this subsection
4 in relation to a facility operated by any other bank and in
5 relation to the main banking house of any other bank may be
6 decreased by mutual written agreement of the banks involved
7 to not closer than 150 feet to a facility operated by any
8 other bank or closer than 200 feet to the main banking house
9 of any other bank, the measurement to be made in a straight
10 line from the closest points of the closest structures
11 involved. The service of the facility ~~shall~~ must be limited
12 to receiving deposits of every kind, cashing checks or
13 orders to pay, receiving payments payable at the bank or the
14 branch bank, and ~~such~~ other transactions as that are
15 normally and usually conducted or handled at teller windows
16 in the main banking house or branch bank.

17 (3) Any bank authorized to do banking business in this
18 state may utilize a satellite terminal as defined in the
19 Montana Electronic Funds Transfer Act and at any location
20 permitted by the Montana Electronic Funds Transfer Act. The
21 use of satellite terminals hereby authorized ~~shall~~ is not be
22 subject to the restrictions on location, transaction, or
23 number applicable to detached drive-in, walk-up, or teller
24 facilities.

25 (4) A bank, other than a bank owned by a holding

1 company not located in Montana, may establish, maintain, and
2 operate a branch bank:

3 ~~{a}--in-the-county-or-a-county-adjoining-the--county--in~~
4 ~~which--the-main-banking-house-of-the-branch-bank-is-located,~~
5 and

6 {b} in a city in which no bank or branch bank is
7 located at the time the branch bank is to be established if
8 that city is in the county or a county adjoining the county
9 in which the main banking house of the branch bank is
10 located.

11 (5) Common ownership notwithstanding, a bank may
12 acquire by consolidation or merger under 32-1-371 and may
13 maintain and operate as a branch bank any bank in this state
14 if, at the time of acquisition, a receiver has been
15 appointed by an appropriate regulatory agency or other
16 governmental authority. Nothing in this subsection allows a
17 bank owned by a holding company not located in this state to
18 acquire an interest in a bank in contravention of 12 U.S.C.
19 1842.

20 (6) A branch bank must have a community advisory
21 board."

22 NEW SECTION. Section 2. Effective date. [This act] is
23 effective on passage and approval.

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APPROVED BY COMM. ON BUSINESS & INDUSTRY

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Section 1. Section 32-1-372, MCA, is amended to read:

*32-1-372. Branch bank -- detached facilities. (1) A bank may establish and maintain a branch bank only as provided in 32-1-371 and this section and, in the case of a bank organized under the laws of this state, with the prior approval of the state banking board, provided that nothing in this section prohibits ordinary clearinghouse transactions between banks.

(2) With the prior approval of the department, any bank or branch bank doing business in this state may establish and maintain not more than one detached drive-in and walk-up facility consisting of one or more teller windows. The detached facility must be in the city or within 3,000 feet of the city limits of the city in which the main banking house or branch bank is located. The facility may not be closer than 200 feet to a facility operated by any other bank or closer than 300 feet to the main banking house of

any other bank, the measurement to be made in a straight line from the closest points of the closest structures involved. The distances herein specified in this subsection in relation to a facility operated by any other bank and in relation to the main banking house of any other bank may be decreased by mutual written agreement of the banks involved to not closer than 150 feet to a facility operated by any other bank or closer than 200 feet to the main banking house of any other bank, the measurement to be made in a straight line from the closest points of the closest structures involved. The service of the facility ~~shall~~ must be limited to receiving deposits of every kind, cashing checks or orders to pay, receiving payments payable at the bank or the branch bank, and such other transactions as that are normally and usually conducted or handled at teller windows in the main banking house or branch bank.

(3) Any bank authorized to do banking business in this state may utilize a satellite terminal as defined in the Montana Electronic Funds Transfer Act and at any location permitted by the Montana Electronic Funds Transfer Act. The use of satellite terminals hereby authorized ~~shall~~ is not be subject to the restrictions on location, transaction, or number applicable to detached drive-in, walk-up, or teller facilities.

(4) A bank, other than a bank owned by a holding



company not located in Montana, may establish, maintain, and operate a branch bank:

~~(a) in the county or a county adjoining the county in which the main banking house of the branch bank is located; and~~

(b) in a city in which no bank or branch bank is located at the time the branch bank is to be established if that city is in the county or a county adjoining the county in which the main banking house of the branch bank is located.

(5) Common ownership notwithstanding, a bank may acquire by consolidation or merger under 32-1-371 and may maintain and operate as a branch bank any bank in this state if, at the time of acquisition, a receiver has been appointed by an appropriate regulatory agency or other governmental authority. Nothing in this subsection allows a bank owned by a holding company not located in this state to acquire an interest in a bank in contravention of 12 U.S.C. 1842.

(6) A branch bank must have a community advisory board."

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6 (b) in a city in which no bank or branch bank is
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