

1 *Senate* BILL NO. *202*
 2 INTRODUCED BY *Robert Aber Turnage Bishop*
 3 *Flynn Thomas*

4 A BILL FOR AN ACT ENTITLED: "AN ACT TO AUTHORIZE ONLY
 5 MONTANA-CHARTERED BUILDING AND LOAN ASSOCIATIONS TO
 6 CONSOLIDATE OR MERGE AND TO PROHIBIT BRANCHING DE NOVO;
 7 AMENDING SECTION 7-113.2, R.C.M. 1947; AND PROVIDING AN
 8 IMMEDIATE EFFECTIVE DATE."

9
 10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

11 Section 1. Section 7-113.2, R.C.M. 1947, is amended to
 12 read as follows:

13 "7-113.2. Consolidation and transfer ~~is~~ branching
 14 prohibited. (1) Two--(2)--or--more Only building and loan
 15 associations organized and chartered under the laws of the
 16 state of Montana may, with the approval of the department,
 17 may consolidate and become incorporated in one ~~fit~~ body,
 18 with or without any dissolution or division of the funds or
 19 property of any of them ~~--or--~~ any any association may
 20 transfer its engagements, funds, and property to any other
 21 association upon terms agreed upon by a majority vote of the
 22 respective board of directors, and ratified by a two-thirds
 23 ~~(2/3)~~ vote of the shares present and voting in person or by
 24 proxy at a special meeting or meetings of the stockholders
 25 of the respective associations convened for that purpose.

1 upon notice given as provided by law, the notice to state
 2 the object of the meeting. A transfer may not prejudice any
 3 right of any creditor of the association.

4 (2) Branching de novo by merger or otherwise between a
 5 building and loan association organized and chartered under
 6 the laws of Montana and a building and loan association
 7 organized and chartered under the laws of any other state is
 8 prohibited."

9 Section 2. Effective date. This act is effective on
 10 its passage and approval.

-End-

Approved by Committee
on Business and Industry

SENATE BILL NO. 202

INTRODUCED BY KOLSTAD, ABER,
TURNAGE, BERGREN, FLYNN, THOMAS

A BILL FOR AN ACT ENTITLED: "AN ACT TO AUTHORIZE ONLY
MONTANA-CHARTERED BUILDING AND LOAN ASSOCIATIONS TO
CONSOLIDATE OR MERGE AND TO PROHIBIT BRANCHING DE NOVO;
AMENDING SECTION 7-113.2, R.C.M. 1947; AND PROVIDING AN
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may consolidate and become incorporated in one ~~(1)~~ body,
with or without any dissolution or division of the funds or
property of any of them ~~---or---~~ any Any association may
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of the respective associations convened for that purpose,
upon notice given as provided by law, the notice to state
the object of the meeting. A transfer may not prejudice any
right of any creditor of the association.

~~(2) Branching de novo, BRANCHING by merger, or
BRANCHING otherwise between a building and loan association
organized and chartered under the laws of Montana and a
building and loan association organized and chartered under
the laws of any other state is prohibited."~~

~~SECTION 2. PROSPECTIVE APPLICATION. INSO FAR AS THIS
ACT LIMITS OR REDUCES THE RIGHTS, POWERS OR PRIVILEGES OF
BUILDING AND LOAN ASSOCIATIONS PREVIOUSLY GRANTED BY LAW, IT
SHALL APPLY ONLY TO PROPOSED CONSOLIDATIONS OR MERGERS OF
ASSOCIATIONS WHICH ARE INITIATED BY ACTION TAKEN BY THEIR
BOARD OF DIRECTORS AND SHAREHOLDERS SUBSEQUENT TO THE
EFFECTIVE DATE OF THIS ACT.~~

Section 3. Effective date. This act is effective on
its passage and approval.

-End-

1 SENATE BILL NO. 202

2 INTRODUCED BY KOLSTAD, ABER,
3 TURNAGE, BERGREN, FLYNN, THOMAS

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5 A BILL FOR AN ACT ENTITLED: "AN ACT TO AUTHORIZE ONLY
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15 prohibited. (1) Two--(2)--or--more Only building and loan
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17 state of Montana may, with the approval of the department,
18 may consolidate and become incorporated in one ~~of~~ body,
19 with or without any dissolution or division of the funds or
20 property of any of them ~~or any~~ Any association may
21 transfer its engagements, funds, and property to any other
22 association upon terms agreed upon by a majority vote of the
23 respective board of directors, and ratified by a two-thirds
24 ~~(2/3)~~ vote of the shares present and voting in person or by
25 proxy at a special meeting or meetings of the stockholders

1 of the respective associations convened for that purpose,
2 upon notice given as provided by law, the notice to state
3 the object of the meeting. A transfer may not prejudice any
4 right of any creditor of the association.

5 ~~(2) Branching de novo, BRANCHING by merger, or~~
6 ~~BRANCHING otherwise between a building and loan association~~
7 ~~organized and chartered under the laws of Montana and a~~
8 ~~building and loan association organized and chartered under~~
9 ~~the laws of any other state is prohibited."~~

10 SECTION 2. PROSPECTIVE APPLICATION. INsofar AS THIS
11 ACT LIMITS OR REDUCES THE RIGHTS, POWERS OR PRIVILEGES OF
12 BUILDING AND LOAN ASSOCIATIONS PREVIOUSLY GRANTED BY LAW, IT
13 SHALL APPLY ONLY TO PROPOSED CONSOLIDATIONS OR MERGERS OF
14 ASSOCIATIONS WHICH ARE INITIATED BY ACTION TAKEN BY THEIR
15 BOARD OF DIRECTORS AND SHAREHOLDERS SUBSEQUENT TO THE
16 EFFECTIVE DATE OF THIS ACT.

17 Section 3. Effective date. This act is effective on
18 its passage and approval.

-End-

COMMITTEE ON BUSINESS AND INDUSTRY AMENDMENTS TO SENATE BILL NO. 202

1. Amend page 2, section 1, subsection (2), line 5.

Following: "(2)"

Strike: "Branching de novo, BRANCHING"

Insert: "Branching"

Following: "merger"

Strike: ","

2. Amend page 2, section 1, subsection (2), line 9.

Following: "prohibited."

Insert: "Branching de novo in Montana by a foreign-chartered building and loan association is prohibited."

AS AMENDED

BE CONCURRED IN

1 SENATE BILL NO. 202

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3 TURNAGE, BERGREN, FLYNN, THOMAS

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18 ~~may~~ consolidate and become incorporated in one ~~{1}~~ body,
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20 property of any of them~~y--or,~~ any ~~Any~~ association may
21 transfer its engagements, funds, and property to any other
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23 respective board of directors, and ratified by a two-thirds
24 ~~{2/3}~~ vote of the shares present and voting in person or by
25 proxy at a special meeting or meetings of the stockholders

REFERENCE BILL

1 of the respective associations convened for that purpose,
2 upon notice given as provided by law, the notice to state
3 the object of the meeting. A transfer may not prejudice any
4 right of any creditor of the association.

5 ~~{2} Branching de novo~~ BRANCHING BRANCHING by merger
6 or BRANCHING otherwise between a building and loan
7 association organized and chartered under the laws of
8 Montana and a building and loan association organized and
9 chartered under the laws of any other state is prohibited.
10 BRANCHING DE NOVO IN MONTANA BY A FOREIGN-CHARTERED BUILDING
11 AND LOAN ASSOCIATION IS PROHIBITED.

12 SECTION 2. PROSPECTIVE APPLICATION. INSO FAR AS THIS
13 ACT LIMITS OR REDUCES THE RIGHTS, POWERS OR PRIVILEGES OF
14 BUILDING AND LOAN ASSOCIATIONS PREVIOUSLY GRANTED BY LAW, IT
15 SHALL APPLY ONLY TO PROPOSED CONSOLIDATIONS OR MERGERS OF
16 ASSOCIATIONS WHICH ARE INITIATED BY ACTION TAKEN BY THEIR
17 BOARD OF DIRECTORS AND SHAREHOLDERS SUBSEQUENT TO THE
18 EFFECTIVE DATE OF THIS ACT.

19 Section 3. Effective date. This act is effective on
20 its passage and approval.

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