

SENATE BILL NO. 207

INTRODUCED BY GAGE

BY REQUEST OF THE DEPARTMENT OF COMMERCE

IN THE SENATE

January 19, 1983	Introduced and referred to Committee on Business and Industry.
February 9, 1983	Committee recommend bill do pass as amended. Report adopted.
February 10, 1983	Bill printed and placed on members' desks.
February 11, 1983	Second reading, do pass.
February 12, 1983	Correctly engrossed.
February 14, 1983	Third reading, passed. Ayes, 49; Noes, 0. Transmitted to House.

IN THE HOUSE

March 1, 1983	Introduced and referred to Committee on Business and Industry.
March 14, 1983	Committee recommend bill be concurred in. Report adopted.
March 18, 1983	Second reading, concurred in.
March 19, 1983	Third reading, concurred in.

IN THE SENATE

March 21, 1983

Returned to Senate. Sent  
to enrolling.

Reported correctly  
enrolled.

1 *Senate* BILL NO. *207*  
 2 INTRODUCED BY *Bay*  
 3 BY REQUEST OF THE DEPARTMENT OF COMMERCE  
 4  
 5 A BILL FOR AN ACT ENTITLED: "AN ACT TO PROVIDE FOR  
 6 INVESTMENT BY BANKS IN THE CAPITAL STOCK OF BANK SERVICE  
 7 CORPORATIONS; AMENDING SECTION 32-1-422, MCA."  
 8  
 9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:  
 10 Section 1. Section 32-1-422, MCA, is amended to read:  
 11 "32-1-422. Restriction on investment in corporate  
 12 stock. ~~(1)~~ No commercial or savings bank shall purchase or  
 13 invest its capital or surplus or money of its depositors, or  
 14 any part of either, in the capital stock of any corporation,  
 15 unless the purchase or acquisition of such capital stock  
 16 shall be necessary to prevent loss to the bank on a debt  
 17 previously contracted in good faith. Any capital stock so  
 18 purchased or acquired shall be sold by such bank within 6  
 19 months thereafter, if it can be sold for the amount of the  
 20 claim of such bank against it. All capital stock thus  
 21 purchased or acquired must be sold for the best price  
 22 obtainable by said bank within 1 year after such purchase or  
 23 acquisition, or if such stock is unmarketable, it shall be  
 24 charged off as an investment loss, which shall be equivalent  
 25 to sale thereof. Every person or corporation violating any

1 provision of this section shall forfeit to the state twice  
 2 the nominal amount of such stock.  
 3 ~~(2) Notwithstanding subsection (1), a commercial or~~  
 4 ~~savings bank may invest up to 20% of its capital and surplus~~  
 5 ~~in the capital stock of a bank service corporation organized~~  
 6 ~~solely for the purpose of providing services to banks."~~

-End-

INTRODUCED BILL  
 56 207

Approved by Committee  
on Business and Industry

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6 INVESTMENT BY BANKS IN THE CAPITAL STOCK OF BANK SERVICE  
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8 AN IMMEDIATE EFFECTIVE DATE."  
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10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

11 Section 1. Section 32-1-422, MCA, is amended to read:

12 "32-1-422. Restriction on investment in corporate  
13 stock. (1) No commercial or savings bank shall purchase or  
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8 SECTION 2. EFFECTIVE DATE. THIS ACT IS EFFECTIVE ON  
9 PASSAGE AND APPROVAL.

-End-

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