

SENATE BILL NO. 232

1/22 Introduced
1/23 Referred to Business & Industry
2/01 Hearing
2/08 Committee Report-Bill Do Pass
2/15 Tabled in Committee

Senate BILL NO. 232

INTRODUCED BY *Stacy J. Brown*
Walter *Reed* *McCall* *Smiley*

A BILL FOR AN ACT ENTITLED: "AN ACT TO AUTHORIZE THE CONTINUED OPERATION OF THE MAIN BANKING HOUSES OF BANKS THAT CONSOLIDATE OR MERGE; AMENDING SECTIONS 32-1-371 AND 32-1-372, MCA."

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

Section 1. Section 32-1-371, MCA, is amended to read:

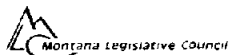
"32-1-371. Consolidation or merger of banks. (1) The words "bank" or "banks" as used in this section include commercial banks, savings banks, trust companies, investment companies, and other such corporations carrying on the business of banking, trust company, or investment company under the laws of this state or doing business in this state under the national banking laws of the United States.

(2) Any two or more banks doing business in this state may, with the approval of the state banking board in the case of state banks, consolidate or merge into one bank, on such terms and conditions as may be lawfully agreed upon by a majority of the board of directors of each bank proposing to consolidate or merge. Such consolidation or merger, before it becomes effective, must be ratified by the consent in writing of the shareholders of each such bank owning at

least two-thirds of its capital stock outstanding, provided that the capital stock of such consolidated or merged bank may not be less than that required under existing law for the organization of a bank of the class of the largest of the banks so consolidating.

(3) Upon such consolidation or merger, the corporate franchise, corporate life, being, and existence and the corporate rights, powers, duties, privileges, franchises, and obligations, including the rights, powers, duties, privileges, and obligations as trustee, executor, administrator, guardian, and all and every right, power, duty, privilege, and obligation as fiduciary, together with title to every species of property, real, personal, and mixed of such consolidating or merging bank and banks shall, without the necessity of any instrument of transfer, become consolidated or merged and continued in and held, enjoyed, and assumed by the consolidated or merged bank, and such bank shall have and enjoy the right equal as to priorities with any other applicant to appointment by the courts to the offices of executor, administrator, guardian, or trustee under any will or other instrument made prior to such consolidation or merger and by which will or instrument such consolidating or merging bank was nominated by the maker to such office.

(4) Upon consolidation or merger, the consolidated or



1 merged bank shall designate and operate one of the prior
 2 main banking houses of the consolidating or merging banks as
 3 its main banking house, and the bank may maintain and
 4 continue to operate the main banking houses of each of the
 5 other consolidating or merging banks as separate offices.
 6 Any service or function that may be performed or offered at
 7 the main banking house of the consolidated or merged bank
 8 may be offered or provided at the separate office."

9 Section 2. Section 32-1-372, MCA, is amended to read:

10 "32-1-372. Branch bank prohibited -- exceptions. (1)

11 No bank may maintain any branch bank, receive deposits, or
 12 pay checks except over the counter of and in its own banking
 13 house, provided that nothing in this section prohibits
 14 ordinary clearinghouse transactions between banks.

15 (2) With the prior approval of the department, any
 16 bank doing business in this state may establish and maintain
 17 not more than one detached drive-in and walk-up facility
 18 consisting of one or more teller windows. The distance of
 19 the facility from the main banking house may not exceed
 20 1,000 feet measured in a straight line from the closest
 21 point of the main banking house to the farthest point of the
 22 detached facility. The facility may not be closer than 200
 23 feet to a facility operated by any other bank or closer than
 24 300 feet to the main banking house of any other bank, the
 25 measurement to be made in a straight line from the closest

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

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

23 (b) A satellite terminal other than a point-of-sale
 24 terminal may not be closer than 200 feet to a facility
 25 operated by any other bank or closer than 300 feet to the

1 main banking house of any other bank, the measurement to be
2 made in a straight line between the closest points of the
3 closest structures involved. The distances herein specified
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 between the closest points of the closest structures
11 involved.

12 (4) Following a consolidation or merger, a bank may
13 maintain and continue to operate the main banking houses of
14 the consolidating or merging banks, as provided by
15 32-1-371(4), as separate offices."

-End-

APPROVED BY COMM. ON BUSINESS & INDUSTRY

1 *Senate* BILL NO. 232
 2 INTRODUCED BY *Anthony J. Brown*
 3 *Walter Beck* *McCall* *Linley*
 4 A BILL FOR AN ACT ENTITLED: "AN ACT TO AUTHORIZE THE
 5 CONTINUED OPERATION OF THE MAIN BANKING HOUSES OF BANKS THAT
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 12 words "bank" or "banks" as used in this section include
 13 commercial banks, savings banks, trust companies, investment
 14 companies, and other such corporations carrying on the
 15 business of banking, trust company, or investment company
 16 under the laws of this state or doing business in this state
 17 under the national banking laws of the United States.
 18 (2) Any two or more banks doing business in this state
 19 may, with the approval of the state banking board in the
 20 case of state banks, consolidate or merge into one bank, on
 21 such terms and conditions as may be lawfully agreed upon by
 22 a majority of the board of directors of each bank proposing
 23 to consolidate or merge. Such consolidation or merger,
 24 before it becomes effective, must be ratified by the consent
 25 in writing of the shareholders of each such bank owning at

1 least two-thirds of its capital stock outstanding, provided
 2 that the capital stock of such consolidated or merged bank
 3 may not be less than that required under existing law for
 4 the organization of a bank of the class of the largest of
 5 the banks so consolidating.
 6 (3) Upon such consolidation or merger, the corporate
 7 franchise, corporate life, being, and existence and the
 8 corporate rights, powers, duties, privileges, franchises,
 9 and obligations, including the rights, powers, duties,
 10 privileges, and obligations as trustee, executor,
 11 administrator, guardian, and all and every right, power,
 12 duty, privilege, and obligation as fiduciary, together with
 13 title to every species of property, real, personal, and
 14 mixed of such consolidating or merging bank and banks shall,
 15 without the necessity of any instrument of transfer, become
 16 consolidated or merged and continued in and held, enjoyed,
 17 and assumed by the consolidated or merged bank, and such
 18 bank shall have and enjoy the right equal as to priorities
 19 with any other applicant to appointment by the courts to the
 20 offices of executor, administrator, guardian, or trustee
 21 under any will or other instrument made prior to such
 22 consolidation or merger and by which will or instrument such
 23 consolidating or merging bank was nominated by the maker to
 24 such office.
 25 (4) Upon consolidation or merger, the consolidated or



1 merged bank shall designate and operate one of the prior
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 21 point of the main banking house to the farthest point of the
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 23 feet to a facility operated by any other bank or closer than
 24 300 feet to the main banking house of any other bank, the
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 4 other bank may be decreased by mutual written agreement of
 5 the banks involved to not closer than 150 feet to a facility
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