

HB 264 INTRODUCED BY MILLER
EXTEND THE PERIOD A BANK MAY HOLD CERTAIN
REAL ESTATE TO 10 YEARS
BY REQUEST OF DEPARTMENT OF COMMERCE

1/17 INTRODUCED
1/17 REFERRED TO BUSINESS & LABOR
1/28 HEARING
1/28 TABLED IN COMMITTEE

1 House BILL NO. 264
 2 INTRODUCED BY Mills
 3 BY REQUEST OF THE DEPARTMENT OF COMMERCE

4
 5 A BILL FOR AN ACT ENTITLED: "AN ACT TO ALLOW MONTANA
 6 ORGANIZED BANKS TO HOLD CERTAIN REAL ESTATE NO LONGER THAN
 7 10 YEARS; AND AMENDING SECTION 32-1-423, MCA."

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

10 Section 1. Section 32-1-423, MCA, is amended to read:

11 "32-1-423. Real estate which banks may purchase, hold,
 12 or convey. (1) A bank organized under the provisions of this
 13 chapter may purchase, hold, or convey real estate which:

14 (a) is necessary for the proper transaction of its
 15 business, but it shall not invest an amount exceeding 50% of
 16 its paid-up capital and surplus in the lot and building in
 17 which the business of the company is carried on, furniture,
 18 equipment and fixtures, vaults and safety vaults, and boxes
 19 necessary or proper to carry on its banking business;

20 (b) is mortgaged to it in good faith by way of
 21 security for loans previously made or moneys due to the
 22 bank;

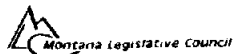
23 (c) is conveyed to it in satisfaction of debts
 24 previously contracted in the course of its business;

25 (d) it purchases at sales under judgments, decrees, or

1 mortgages held by the bank.

2 (2) Real estate acquired in the manner set forth in
 3 subsections (1)(c) and (1)(d) of this section may not be
 4 held longer than 5 10 years from the date of acquisition,
 5 unless special written permission to do so is granted by the
 6 department. The real estate shall be carried on the books of
 7 the bank for an amount not greater than its cost to the
 8 bank, including costs of foreclosure and other expenses of
 9 acquiring title."

-End-



-2- INTRODUCED BILL
 HB-264