

HOUSE BILL NO. 19
INTRODUCED BY SWYSGOOD

IN THE HOUSE

DECEMBER 30, 1988	INTRODUCED AND REFERRED TO COMMITTEE ON BUSINESS & LABOR.
JANUARY 2, 1989	FIRST READING.
JANUARY 13, 1989	COMMITTEE RECOMMEND BILL DO PASS AS AMENDED. REPORT ADOPTED.
JANUARY 14, 1989	PRINTING REPORT.
JANUARY 16, 1989	SECOND READING, DO PASS.
JANUARY 17, 1989	ENGROSSING REPORT.
JANUARY 18, 1989	THIRD READING, PASSED. AYES, 73; NOES, 23.
	TRANSMITTED TO SENATE.

IN THE SENATE

JANUARY 19, 1989	INTRODUCED AND REFERRED TO COMMITTEE ON BUSINESS & INDUSTRY.
JANUARY 25, 1989	COMMITTEE RECOMMEND BILL BE CONCURRED IN AS AMENDED. REPORT ADOPTED.
JANUARY 27, 1989	SECOND READING, CONCURRED IN.
JANUARY 30, 1989	THIRD READING, CONCURRED IN. AYES, 37; NOES, 12.
	RETURNED TO HOUSE WITH AMENDMENTS.

IN THE HOUSE

FEBRUARY 2, 1989

RECEIVED FROM SENATE.

SECOND READING, AMENDMENTS
CONCURRED IN.

FEBRUARY 4, 1989

THIRD READING, AMENDMENTS
CONCURRED IN.

SENT TO ENROLLING.

REPORTED CORRECTLY ENROLLED.

1 HOUSE BILL NO. 19
2 INTRODUCED BY SWYSGOOD
3
4 A BILL FOR AN ACT ENTITLED: "AN ACT REMOVING THE
5 REQUIREMENTS THAT BANK DIRECTORS BE STOCKHOLDERS AND
6 RESIDENTS OF THE STATE; AMENDING SECTIONS 32-1-322 AND
7 32-1-803, MCA; REPEALING SECTION 32-1-324, MCA; AND
8 PROVIDING AN IMMEDIATE EFFECTIVE DATE."

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

11 **Section 1.** Section 32-1-322, MCA, is amended to read:

12 "32-1-322. Board of directors -- qualifications,
13 tenure, and vacancies. (1) The affairs of the bank shall be
14 managed by a board of directors, not less than three in
15 number, ~~all of whom shall be stockholders as required by~~
16 ~~32-1-324 and of whom at least two thirds must be residents~~
17 ~~of this state. Directors need not be residents of this state~~
18 ~~or shareholders of the corporation unless the articles of~~
19 ~~incorporation or bylaws so require.~~ A person who has been
20 convicted of a crime against the banking laws of the United
21 States or of any state may not be elected a director.

22 (2) The directors shall be elected for a term of 1
23 year at the annual meeting of the stockholders, which shall
24 be held on any business day before April 15 of each calendar
25 year. If the election is not held on the day fixed for the

1 annual meeting, the corporation may not thereby be
2 dissolved, but an election may be held at any other time
3 agreeable to the bylaws of the corporation, and the persons
4 so elected shall hold their office until the second Tuesday
5 of the following January or until others are elected and
6 qualified. Every director shall take and subscribe an oath
7 that he will diligently and honestly perform his duty in the
8 office, and that he will not knowingly violate or permit a
9 violation of any of the provisions of this chapter, ~~and~~
10 ~~that he is the owner in good faith of the required number of~~
11 ~~shares of stock as required by 32-1-324.~~ The oaths shall be
12 made in duplicate, one copy of which shall be transmitted to
13 the department and filed in its office and one copy shall be
14 kept on file in the office of the bank.

15 (3) In case of death or resignation of one or more of
16 the directors, the vacancy shall be filled by the board and
17 the directors so appointed shall hold office until the next
18 annual election."

19 **Section 2.** Section 32-1-803, MCA, is amended to read:

20 "32-1-803. Organization of subsidiary trust companies.
21 A subsidiary trust company shall be incorporated under the
22 laws of this state in accordance with and subject to the
23 provisions of 32-1-301 through 32-1-303, 32-1-305 through
24 32-1-322, ~~32-1-324~~, 32-1-325, and 32-1-351 through 32-1-356
25 or under the laws of the United States. To the extent not

1 inconsistent with the provisions of this part, any
2 subsidiary trust company incorporated under the laws of this
3 state shall be subject to the laws of this state generally
4 applicable to trust companies. A subsidiary trust company
5 formed under the laws of the United States shall be subject,
6 to the extent provided by the laws of the United States, to
7 the laws of this state applicable to subsidiary trust
8 companies incorporated under the laws of this state."

9 **Section 3. Repealer.** Section 32-1-324, MCA, is
10 repealed.

11 **Section 4. Effective date.** [This act] is effective on
12 passage and approval.

-End-

APPROVED BY COMM. ON BUSINESS
AND ECONOMIC DEVELOPMENT

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

Section 1. Section 32-1-322, MCA, is amended to read:

"32-1-322. Board of directors -- qualifications, tenure, and vacancies. (1) The affairs of the bank shall be managed by a board of directors, not less than three in number, ~~all of whom shall be stockholders as required by 32-1-324 and of whom at least two-thirds must be residents of this state, OF WHOM AT LEAST TWO-THIRDS MUST BE RESIDENTS OF MONTANA. Directors need not be residents of this state or shareholders of the corporation unless the articles of incorporation or bylaws so require.~~ A person who has been convicted of a crime against the banking laws of the United States or of any state may not be elected a director.

(2) The directors shall be elected for a term of 1 year at the annual meeting of the stockholders, which shall be held on any business day before April 15 of each calendar

year. If the election is not held on the day fixed for the annual meeting, the corporation may not thereby be dissolved, but an election may be held at any other time agreeable to the bylaws of the corporation, and the persons so elected shall hold their office until the second Tuesday of the following January or until others are elected and qualified. Every director shall take and subscribe an oath that he will diligently and honestly perform his duty in the office, and that he will not knowingly violate or permit a violation of any of the provisions of this chapter, ~~and that he is the owner in good faith of the required number of shares of stock as required by 32-1-324.~~ The oaths shall be made in duplicate, one copy of which shall be transmitted to the department and filed in its office and one copy shall be kept on file in the office of the bank.

(3) In case of death or resignation of one or more of the directors, the vacancy shall be filled by the board and the directors so appointed shall hold office until the next annual election."

Section 2. Section 32-1-803, MCA, is amended to read:

"32-1-803. Organization of subsidiary trust companies. A subsidiary trust company shall be incorporated under the laws of this state in accordance with and subject to the provisions of 32-1-301 through 32-1-303, 32-1-305 through 32-1-322, ~~32-1-324~~, 32-1-325, and 32-1-351 through 32-1-356

1 or under the laws of the United States. To the extent not
2 inconsistent with the provisions of this part, any
3 subsidiary trust company incorporated under the laws of this
4 state shall be subject to the laws of this state generally
5 applicable to trust companies. A subsidiary trust company
6 formed under the laws of the United States shall be subject,
7 to the extent provided by the laws of the United States, to
8 the laws of this state applicable to subsidiary trust
9 companies incorporated under the laws of this state."

10 NEW SECTION. **Section 3.** Repealer. Section 32-1-324,
11 MCA, is repealed.

12 NEW SECTION. **Section 4.** Effective date. [This act] is
13 effective on passage and approval.

-End-

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9 office, and that he will not knowingly violate or permit a
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13 made in duplicate, one copy of which shall be transmitted to
14 the department and filed in its office and one copy shall be
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16 (3) In case of death or resignation of one or more of
17 the directors, the vacancy shall be filled by the board and
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20 Section 2. Section 32-1-803, MCA, is amended to read:

21 "32-1-803. Organization of subsidiary trust companies.
22 A subsidiary trust company shall be incorporated under the
23 laws of this state in accordance with and subject to the
24 provisions of 32-1-301 through 32-1-303, 32-1-305 through
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1 or under the laws of the United States. To the extent not
2 inconsistent with the provisions of this part, any
3 subsidiary trust company incorporated under the laws of this
4 state shall be subject to the laws of this state generally
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6 formed under the laws of the United States shall be subject,
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10 NEW SECTION. **Section 3.** Repealer. Section 32-1-324,
11 MCA, is repealed.

12 NEW SECTION. **Section 4.** Effective date. [This act] is
13 effective on passage and approval.

-End-

(4)

SENATE STANDING COMMITTEE REPORT

January 24, 1989

MR. PRESIDENT:

We, your committee on Business and Industry, having had under consideration HB 19 (third reading copy -- blue), respectfully report that HB 19 be amended and as so amended be concurred in:

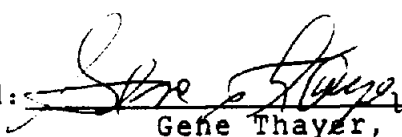
Sponsor: Swysgood (Meyer)

1. Title, line 5.

Strike: "REQUIREMENTS"

Insert: "REQUIREMENT"

AND AS AMENDED BE CONCURRED IN

Signed: 

Gene Thayer, Chairman

SENATE

scrhb019.124

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office, and that he will not knowingly violate or permit a
violation of any of the provisions of this chapter,--and
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