

House BILL NO. 409

INTRODUCED BY Barnett Mills

Forrests Budget Bill Wilson

A BILL FOR AN ACT ENTITLED: "AN ACT REVISING THE LAW REGARDING DETACHED FACILITIES OF BANKS; AMENDING SECTION 32-1-372, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

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

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

"32-1-372. Branch bank -- detached facilities. (1) A bank may establish and maintain a branch bank only as provided in 32-1-371 and this section and, in the case of a bank organized under the laws of this state, with the prior approval of the state banking board, provided that nothing in this section prohibits ordinary clearinghouse transactions between banks.

(2) (a) With the prior approval of the department, a bank or branch bank, but not a detached facility, doing business in this state may establish and maintain:

(i) one detached drive-in and walk-up facility consisting of one or more teller windows; or

(ii) if the bank or branch bank is doing business in a city or consolidated government with a population of more than 20,000 as indicated in the most recent United States census, two drive-in or walk-up facilities consisting of one or more teller windows.

(b) A detached facility must be in the city or within 3,000 feet of the city limits of the city in which the main banking house or branch bank is located. A facility may not be closer than 200 feet to a facility operated by any other bank or closer than 300 feet to the main banking house of any other bank, the measurement to be made in a straight line from the closest points of the closest structures involved. The distances specified in this subsection in relation to a facility operated by any other bank and in relation to the main banking house of any other bank may be decreased by mutual written agreement of the banks involved to not closer than 150 feet to a facility operated by any other bank or closer than 200 feet to the main banking house of any other bank, the measurement to be made in a straight line from the closest points of the closest structures involved. ~~The service of a facility must be limited to receiving deposits of every kind, cashing checks or orders to pay, receiving payments payable at the bank or the branch bank, and other transactions that are normally and usually conducted or handled at teller windows in the main~~

1 ~~banking house or branch bank.~~

2 (c) A detached facility may offer all services and conduct all business authorized to be offered or  
3 conducted by the bank.

4 (d) A detached facility authorized under this subsection (2) may not be considered a branch bank.

5 (3) A bank authorized to do banking business in this state may ~~utilize~~ use a satellite terminal as  
6 defined in the Montana Electronic Funds Transfer Act and at any location permitted by the Montana  
7 Electronic Funds Transfer Act. The use of satellite terminals is not subject to the restrictions on location,  
8 transaction, or number applicable to detached drive-in, walk-up, or teller facilities.

9 (4) A bank, other than a bank owned by a holding company not located in Montana, may establish,  
10 maintain, and operate a branch bank in a city in which no bank or branch bank is located at the time the  
11 branch bank is to be established if that city is in the county or a county adjoining the county in which the  
12 main banking house of the branch bank is located.

13 (5) Common ownership notwithstanding, a bank located in this state may acquire by consolidation  
14 or merger under 32-1-371 and may maintain and operate as a branch bank any bank in this state if, at the  
15 time of acquisition, a receiver has been appointed by an appropriate regulatory agency or other  
16 governmental authority.

17 (6) A branch bank must have a community advisory board."  
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19 NEW SECTION. Section 2. Effective date. [This act] is effective on passage and approval.

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