INTRODUCED BY Claure Loure 1 2 3

A JOINT RESOLUTION OF THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE STATE OF MONTANA REQUESTING THE LEGISLATIVE COUNCIL TO STUDY THE EFFECTS OF INTERSTATE BRANCHING OF BANKS AND BANK HOLDING COMPANIES ON MONTANA'S ECONOMIC, SOCIAL, AND COMMUNITY INTERESTS; REQUIRING THE LEGISLATIVE COUNCIL TO REPORT THE FINDINGS AND CONCLUSIONS OF THE STUDY AND OPTIONS FOR FURTHER CONSIDERATION TO THE 55TH LEGISLATURE.

10

WHEREAS, the Riegle-Neal Interstate Banking and Branching Efficiency Act of 1994 (Act) will permit
full, nationwide banking on September 29, 1995, and interstate branch banking after June 1, 1997; and
WHEREAS, on June 1, 1997, the Act will allow a bank holding company to merge its banks into
one headquarters bank and operate all offices in other states as branches; and

15 WHEREAS, with respect to intrastate mergers, the Act will allow states to "opt in" or "opt out" 16 prior to June 1, 1997, or, if a state takes no action with respect to intrastate mergers, certain provisions 17 of the Act automatically take effect on June 1, 1997; and

18 WHEREAS, the Act also will allow multistate bank holding companies to affiliate, regardless of 19 action taken or not taken by a state, and function the same as a headquarters bank with branches; and 20 WHEREAS, banks that wish to opt in are interested in purchasing branches in other states and in 21 increasing the marketability and value of their respective banks for the banks' stockholders; and

22 WHEREAS, it may be premature for the Montana Legislature to act on the matter of opting in or 23 opting out at this time because the full impact of interstate bank branching on Montana's economy is still 24 unknown; and

WHEREAS, it is vital to the economic, social, and community interests of the citizens of Montana that the 55th Legislature be knowledgeable and fully apprised of the implications of the Act before the members of the 55th Legislature take action to opt in or opt out under the provisions of the Act.

28

NOW, THEREFORE, BE IT RESOLVED BY THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE
STATE OF MONTANA:



ED BILL

54th Legislature

That the 54th Legislature defer any action on the "opting in" or "opting out" provisions of the Act 1 2 because of a lack of information on the economic effects of the Act, including the effects of interstate banking and branching, on Montana's economy, on consumers, and on other financial service providers. 3 4 BE IT FURTHER RESOLVED, that the Legislative Council be requested to conduct an interim study 5 to determine the economic effects of the Act, including the effects of interstate banking and branching, on 6 Montana's economy, on consumers, and on other financial service providers. 7 BE IT FURTHER RESOLVED, that the Legislative Council report its findings, conclusions, and options 8 for legislative consideration to the 55th Legislature.

9

-END-

