

State of Arkansas

76th General Assembly

Regular Session, 1987

SENATE BILL 559

By: Senators Gibson and Bookout

"AN ACT TO AMEND SECTIONS 1 AND 2 OF ACT 228 OF 1973, AS AMENDED [ARK. STAT. 67-359 AND 67-360] TO EXPEDITE THE PROCESSING BY THE STATE BANK COMMISSIONER OF APPLICATIONS BY STATE BANKS TO ESTABLISH FULL SERVICE BRANCH OFFICES; AND FOR OTHER PURPOSES."

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

SECTION 1. Section 1 of Act 228 of 1973, the same being Arkansas Statutes 67-359, is hereby amended to read as follows:

"(a) 'Full service branch' means a banking facility separate from the main office of the bank at which all lawful banking activities may be conducted as fully as in the main office.

(b) 'Supervisory banking authority' means the State Bank Commissioner for banks chartered under the laws of this State and United States Comptroller of the Currency for banks chartered under the laws of the United States.

(c) 'Planned community development' means a real estate development by a single developer, containing not less than 5,000 acres which has been and/or is being developed under a comprehensive plan for a community containing streets and other public services, parks and other recreational facilities for common use by the residents thereof, churches, schools, and commercial and residential facilities; which has been subdivided into sufficient lots for residential use to accommodate a projected population of not less than one thousand (1,000) persons; which is not incorporated as a city or town; and for which a statement of record has been filed with the Secretary of Housing and Urban Development under the Interstate Land Sales Full Disclosure Act."

SECTION 2. Section 2 of Act 228 of 1973, as amended, the same being Arkansas Statutes 67-360, is hereby amended by adding a new paragraph at the

end thereof to read as follows:

"The Bank Commissioner shall have the authority to approve an application of a State chartered bank to establish a full service branch, if he shall find upon investigation that the establishment of such branch is economically feasible and will serve the public convenience and necessity. The Bank Commissioner shall require the sponsors of a branch bank application to pay a filing fee of not less than Five Hundred Dollars (\$500) (or such larger amount not exceeding Two Thousand Five Hundred Dollars (\$2,500) as may be set by regulation) to defray the expenses of the State Bank Department in processing the application. Notice of the filing of such application shall be given by the Commissioner to every other bank in the city or town in which the branch applicant bank is located. This notice shall be given by mail. Any formal protest to a branch bank application must be received in writing detailing the reasons for protest within fifteen (15) calendar days of the date the Commissioners notice of an application was mailed. Each bank, corporation or individual that files formal written protest to a branch bank application shall be required to pay a fee of not less than One Hundred Dollars (\$100), or such larger amount not exceeding Five Hundred Dollars (\$500) as set by the State Bank Department regulation. This fee shall accompany the formal written protest and must also be received by the Commissioner's office within fifteen (15) calendar days of the date the Commissioner's notice of an application was mailed. An adjudicatory or administrative hearing shall not be required on a branch bank application. The Bank Commissioner's decision on a branch bank application will be in the form of a final Findings of Fact, Conclusions of Law and an Order given by the Commissioner within a reasonable time period following the expiration of the fifteen (15) calendar day formal protest period. Following adoption of the Commissioner's official Findings of Fact, Conclusions of Law, and Order an applicant or official protestant shall have thirty (30) calendar days in which to appeal the Commissioner's order to the appropriate Circuit Court."

SECTION 3. All laws and parts of laws in conflict with this Act are hereby repealed.

SECTION 4. EMERGENCY. It is hereby found and determined by the General Assembly of the State of Arkansas that the present procedures for the granting

or denying of applications by State banks for branch offices are subject to burdensome delays and expense in contrast to the expeditious procedures of the Comptroller of the Currency applicable to national banks. Therefore, an emergency is hereby declared to exist, and this Act being immediately necessary for the preservation of the public peace, health, and safety, shall be in full force and effect from and after its passage and approval.

