ENGROSSED HOUSE
BILL NO. 1696

By: Kinnamon of the House

and

Morgan of the Senate

An Act relating to banks and trust companies; amending 6 O.S. 1991, Section 415, as amended by Section 11, Chapter 36, O.S.L. 1995 (6 O.S. Supp. 1996, Section 415), which relates to drive-in and walk-up banking facilities; increasing the number of permitted detached drive-in or walk-up facilities; providing for location of additional detached facility; and providing an effective date.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. AMENDATORY 6 O.S. 1991, Section 415, as amended by Section 11, Chapter 36, O.S.L. 1995 (6 O.S. Supp. 1996, Section 415), is amended to read as follows:

Section 415. A. Drive-in or walk-up service authorized.

1. Any bank chartered pursuant to the laws of this state may maintain and operate, subject to the approval of the Banking Board as evidenced by its certificate, outside attached facilities and ~~two~~ three detached facilities having one or more tellers' windows for drive-in or walk-up service or both. Of the ~~two~~ three detached facilities, one may be on property owned or leased by the bank and located less than one thousand (1,000) feet from the bank's main building ~~and~~, one may be on property owned or leased by the bank

located less than three (3) miles from ~~said~~ the main bank building, and one may be on property owned or leased by the bank located anywhere within the municipal limits of where the main bank building is located.

2. Any branch may maintain and operate, subject to the approval of the Board or the Comptroller of the Currency as evidenced by its certificate, one outside attached facility having one or more tellers' windows for drive-in or walk-up service or both on property owned or leased by the bank.

3. The Board or the Comptroller of the Currency shall not grant a certificate for a detached facility unless it is more than three hundred thirty (330) feet from any other existing main bank building or branch building or unless the facility is established with the irrevocable consent of such other bank.

4. For the purposes of this section the date of approval of a bank charter or the date of approval of a branch by the appropriate state or federal authority shall be the date of existence of such bank, branch, or facility.

5. For purposes of this section, the distance limitation shall be determined by measuring along a straight line drawn between the nearest exterior wall of the appropriate main bank building or branch building and the nearest exterior wall of the facility.

B. Certificate to maintain additional outside facilities - Notice and hearing - Injunction of prohibited activities.

1. From and after May 26, 1965, no bank shall be permitted to maintain and operate such additional outside facilities except upon certificate issued by the Board. The issuance of the certificates shall rest solely as to the location in the discretion of the Board.

2. The application for a certificate to maintain and operate a detached facility shall comply with the regulations of the Board. Within thirty (30) days after receipt of the application, the State Banking Commissioner shall report the results of the investigation

of the Commissioner to the Board. Notice of hearing on the application shall be given in compliance with the provisions of Section 306.1 of this title. Within twenty (20) days after the conclusion of the hearing the Board, in its sole discretion, shall approve or deny the application and shall notify the applicant of its decision. An application fee payable to the Department in an amount set by rule of the Board, not to exceed the fee amount set by the Comptroller of the Currency for national banks' additional facilities applications.

3. Any banking function may be performed at the facilities except that of making loans. Upon the recommendation of the Commissioner, the Attorney General shall bring an appropriate action to enjoin a bank from conducting the making of loans at such facilities.

4. Any bank now validly operating a detached facility under and in accordance with the applicable statutes of this state prior to May 26, 1965, shall be granted a certificate to continue its operation at such facility. Any facility authorized pursuant to the laws of this state prior to October 1, 1983, shall not be rendered unlawful by any provision of this section.

5. The provisions of this section shall not be construed in derogation or denial of the right to operate and maintain facilities as provided for in Sections 421 and 422 of this title.

C. Relocations. It is the policy of the Legislature that detached facilities, whether for main offices or former main offices converted to a branch by acquisition or otherwise, or main offices of banks state or national, not be permitted to be relocated in such a manner which would result in one or more detached facilities in locations which could not have been lawfully established there to begin with, except as specifically permitted herein. A detached facility may be relocated by relocation of a main office.

1. Detached facilities of a main office or former main office converted to a branch may not remain or be established in locations or numbers which are not within the requirements of subsection A of this section by reason of relocation of the main office or former main office converted to a branch or otherwise.

2. Relocation of a main office or former main office converted to a branch which would result in one or more detached facilities no longer being within the requirements of subsection A of this section, will require with regard to any such detached facility:

a. relocation of any such detached facilities to a location within the requirements of subsection A of this section for the newly relocated main office or former main office converted to a branch,

b. divestiture of any such detached facility, or

c. closing of any such detached facility.

The preceding requirements shall be accomplished before the date the relocated main office or former main office converted to a branch opens for business.

D. The Board may by rule establish a procedure whereby the Commissioner may grant approval and issue the certificate to establish and operate or relocate a detached facility without a hearing before the Board. The procedure shall include criteria set by the Board to be applied by the Commissioner in the consideration of the application.

E. Violation of Section 415 - Penalty therefor. A violation of any portion of this section shall be and constitute a misdemeanor punishable upon conviction by a fine not exceeding Five Hundred Dollars ($500.00). Each day's violation shall constitute a separate offense.

SECTION 2. This act shall become effective November 1, 1997.

Passed the House of Representatives the 25th day of February, 1997.

Speaker of the House of Representatives

Passed the Senate the ____ day of _____, 1997.

President of the Senate