

SHORT TITLE: Banks and trust companies; clarifying powers and duties of banks and trust companies. Effective date.

STATE OF OKLAHOMA

2nd Session of the 46th Legislature (1998)

SENATE BILL NO. 1262

By: Easley

AS INTRODUCED

An Act relating to banks and trust companies;

amending 6 O.S. 1991, Section 402, as last amended by Section 35, Chapter 111, O.S.L. 1997 (6 O.S. Supp. 1997, Section 402), which relates to powers and duties of banks and trust companies; clarifying powers and duties; and providing an effective date.

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

SECTION 1. AMENDATORY 6 O.S. 1991, Section 402, as last amended by Section 35, Chapter 111, O.S.L. 1997 (6 O.S. Supp. 1997, Section 402), is amended to read as follows:

Section 402. ~~All banks or trust companies~~ A bank or trust company now or hereafter organized under the laws of this state shall, without specific mention thereof in its certificate of incorporation, have all the powers conferred by ~~this~~ the Oklahoma Banking Code and the following additional corporate powers:

1. To continue perpetually as a corporation;
2. To make contracts;
3. To sue and be sued, complain and defend, in its corporate name;
4. To sell any asset in the ordinary course of business;
5. To have a corporate seal, which may be altered at pleasure, and to use the same by causing it or a facsimile thereof to be impressed or affixed, or in any manner reproduced;

6. To make, alter, amend, and repeal bylaws, not inconsistent with its certificate of incorporation or with law, for the administration and regulation of the affairs of the corporation;

7. To elect, appoint or remove officers and agents of the corporation and to define their duties and fix their compensation;

8. To adopt and operate reasonable bonus, profit-sharing and pension plans for officers and employees;

9. To make contributions to or for the use or benefit of the following:

- a. the United States, any state, territory, or political subdivision thereof, the District of Columbia or any possession of the United States, for exclusively public purposes,
- b. a corporation, foundation, trust, community chest, or other organization created or organized in the United States, or in any state or territory, or of the District of Columbia, or of any possession of the United States, and organized and operated exclusively for religious, charitable, scientific, veteran rehabilitation service, civic enterprise, literary or educational purposes, or for the prevention of cruelty to children or animals, no part of the net earnings of which inures to the benefit of any private shareholder or individual, and no substantial part of the activities of which is carrying on propaganda or otherwise attempting to influence legislation, or
- c. other lawful expenditures, contributions and donations; to the extent authorized, approved, or ratified by action of the board of directors of the corporation, except as otherwise specifically provided or limited by its certificate of incorporation, its

bylaws, or by resolution duly adopted by its
stockholders;

10. ~~A bank now or hereafter organized under the laws of this state, without specific mention in its charter, shall also have the power to~~ To act as escrow agent, without specific mention in its charter;

11. ~~A bank shall have the power to~~ To exercise by its directors, duly authorized officers or agents, subject to law, all such powers as shall be necessary to carry on the banking business;

12. ~~A bank shall have the power to~~ To exercise by its directors, duly authorized officers or agents, subject to law, all such incidental powers as shall be necessary to carry on the banking business including, but not limited to, all such powers as may now or hereafter be conferred upon national banks by the laws of the United States and the regulations and policies of the U.S. Comptroller of the Currency, unless otherwise prohibited or limited by the State Banking Commissioner or the Banking Board. The provisions of this paragraph shall not be construed to permit a bank to exercise by its directors, duly authorized officers or agents any powers to establish and operate branches except to the extent expressly permitted in Sections 501.1 through 506 of this title;

13. ~~A bank may~~ To purchase for its own account investment securities under such limitations and restrictions as the Commissioner may prescribe by policy statement pursuant to subsection F of Section 204 of this title;

14. To lease, hold, purchase and convey any and all real estate in the manner provided in ~~this~~ the Oklahoma Banking Code and not otherwise;

15. To act as fiscal or transfer agent, executor, administrator, guardian of estates, assignee, receiver, depository and trustee, provided such bank or trust company has complied with

the laws of this state relating to the organization and regulation of trust companies;

16. To issue and sell securities as the Commissioner may prescribe by policy statement pursuant to subsection F of Section 204 of this title;

17. To invest in tangible personal property, including, without limitation, vehicles, manufactured homes, machinery, equipment, or furniture, for lease financing transactions on a net-lease basis, subject to rule or order of the Commissioner limiting the amount the bank may invest in such property;

18. To make investments designed primarily to promote the public welfare, including the welfare of low- and moderate-income communities or families, such as by providing housing, services, or jobs. A state bank may make such investments directly or by purchasing interests in an entity primarily engaged in making such investments. A state bank shall not make any such investment if the investment would expose the bank to unlimited liability. The aggregate investment of a state bank under this subsection shall not exceed ten percent (10%) of the capital of the bank; and

19. Upon approval by the Commissioner, ~~a bank may~~ to underwrite issues of securities or stock through a subsidiary.

SECTION 2. This act shall become effective November 1, 1998.

46-2-2599

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