

STATE OF OKLAHOMA

1st Session of the 48th Legislature (2001)

COMMITTEE SUBSTITUTE
FOR
SENATE BILL 118

By: Monson

COMMITTEE SUBSTITUTE

An Act relating to banks and trust companies; amending 6 O.S. 1991, Sections 416, as amended by Section 49, Chapter 111, O.S.L. 1997, 2206, as amended by Section 4, Chapter 346, O.S.L. 1996, and 3001 (6 O.S. Supp. 2000, Sections 416 and 2206), which relate to records, bank service corporations and deposits; modifying fees which financial institution may charge for certain services; modifying requirements for duplication of records of bank or trust company; modifying definition; and providing an effective date.

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

SECTION 1. AMENDATORY 6 O.S. 1991, Section 416, as amended by Section 49, Chapter 111, O.S.L. 1997 (6 O.S. Supp. 2000, Section 416), is amended to read as follows:

Section 416. A. Definitions.

1. The term "bank services" means those services authorized under subsections C and D of this section;

2. The term "bank service corporation" means a corporation or limited liability company organized to perform services, all of the capital stock of which is owned by one or more depository institutions, and at least one of which is subject to examination by the Commissioner;

3. The term "depository institution" means a bank or another financial institution subject to examination by the Federal Home Loan Bank Board or the National Credit Union Administration Board; and

4. The term "invest" includes any advance of funds to a bank service corporation, whether by the purchase of stock, the making of a loan, or otherwise, except a payment for rent earned, goods sold and delivered, or services rendered prior to the making of such payment.

B. Amount of bank investment in service corporations.

1. No limitation or prohibition otherwise imposed by any provision of this Code exclusively relating to banks shall prevent any bank from investing not more than ten percent (10%) of its capital in a bank service corporation; and

2. If stock in a bank service corporation has been held by two or more banks, or institutions, and one of such banks, or institutions, ceases to utilize the services of the corporation and ceases to hold stock in it, and leaves the other as the sole stockholding bank, or institution, the corporation may nevertheless continue to function as such and the other bank or institution may continue to hold stock in it.

C. Services to depository institutions. A bank service corporation may perform the following services for depository institutions and for such other persons as the Board shall permit by regulation: Check and deposit sorting and posting, computation and posting of interest and other credits and charges, preparation and mailing of checks, statements, notices and similar items or any other clerical, computer, information systems, electronic communications, bookkeeping, accounting, statistical or similar functions performed for a depository institution.

D. Services to other persons. A bank service corporation may provide to any person any of the following services and any other services as the Banking Board shall permit:

1. Any service which a bank shareholder is authorized to perform; and

2. Any services which the Federal Reserve Board has determined by regulation to be permissible for a bank holding company under Section 4(c) (8) of the Bank Holding Company Act.

E. Regulation and examination of services - Banks and trust companies. No bank or trust company subject to examination by the State Banking Commissioner may cause to be performed, by contract or otherwise, any bank or trust company services for itself, whether on or off its premises, unless assurances satisfactory to the Commissioner are furnished to the Commissioner by both the bank or trust company and the party performing such services that the performance thereof will be subject to regulation and examination by the Commissioner to the same extent as if such services were being performed by the bank or trust company itself on its own premises.

SECTION 2. AMENDATORY 6 O.S. 1991, Section 2206, as amended by Section 4, Chapter 346, O.S.L. 1996 (6 O.S. Supp. 2000, Section 2206), is amended to read as follows:

Section 2206. A. A government authority shall pay to the financial institution assembling, reproducing or providing any financial record of a customer a reasonable fee for such costs, including copying costs and labor costs. ~~Said costs are,~~ to be paid prior to the time the record is released.

B. For purposes of this section, the following fees shall be deemed reasonable:

1. Search and processing costs. Reimbursement for search and processing costs shall be the total amount of direct personnel time incurred in locating and retrieving, reproducing, packaging and preparing financial records for shipment or delivery. The rate for search and processing costs shall be ~~Ten Dollars (\$10.00)~~ Eleven Dollars (\$11.00) per hour per person for clerical or technical personnel, computed on the basis of ~~Two Dollar and fifty cents (\$2.50)~~ Two Dollars and seventy-five cents (\$2.75) per quarter hour or fraction thereof, and Seventeen Dollars (\$17.00) per hour per

person for management or supervisory personnel, computed on the basis of Four Dollars and twenty-five cents (\$4.25) per quarter hour or fraction thereof, and shall be limited to the total amount of personnel time spent in locating and retrieving documents or information or reproducing or packaging and preparing documents for shipment where required or requested by a government authority. If itemized separately, search and processing costs may include the actual cost of extracting information stored by computer in the format in which it is normally produced, based on computer time and necessary supplies. Personnel time for computer search may be paid for only at the rate specified in this paragraph;

2. Reproduction costs. Reimbursement for reproduction costs shall be for costs incurred in making copies of documents required or requested. The rate for reproduction costs for making copies of required or requested documents shall be ~~fifteen cents (\$0.15)~~ twenty-five cents (\$0.25) for each page, including copies produced by reader/printer reproduction processes. Photographs, films, computer tapes and other materials shall be reimbursed at actual cost;

3. Transportation costs. Reimbursement for transportation costs shall be for necessary costs, directly incurred, to transport personnel to locate and retrieve the information required or requested, and necessary costs, directly incurred solely by the need to convey the required or requested material to the place of examination; and

4. Directly incurred costs. A financial institution also may receive reimbursement for costs incurred solely and necessarily as a consequence of searching for, reproducing or transporting books, papers, records, or other data, in order to comply with legal process. If a financial institution has records that are stored at an independent storage facility that charges a fee to search for, reproduce, or transport particular records requested, these costs

shall be considered to be directly incurred by the financial institution.

SECTION 3. AMENDATORY 6 O.S. 1991, Section 3001, is amended to read as follows:

Section 3001. Any ~~bank~~ financial institution may cause any or all records, including its records as a fiduciary, at any time in its custody to be stored and reproduced electronically or by the microphotographic process and any reproduction ~~so~~ made or an electronically or microphotographically stored record shall have the same force and effect as the original thereof and be admitted in evidence equally with the original.

SECTION 4. This act shall become effective November 1, 2001.

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