

STATE OF OKLAHOMA

2nd Session of the 50th Legislature (2006)

CONFERENCE COMMITTEE
SUBSTITUTE
FOR ENGROSSED
HOUSE BILL NO. 2157

By: Piatt of the House

and

Lerblance of the Senate

CONFERENCE COMMITTEE SUBSTITUTE

An Act relating to banks and trust companies; amending 6 O.S. 2001, Section 427, which relates to banks serving as a trustee of a bond issue of a public body; declaring certain situations conflicts of interest; providing penalty; limiting applicability; and declaring an emergency.

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

SECTION 1. AMENDATORY 6 O.S. 2001, Section 427, is amended to read as follows:

Section 427. A. Any bank or trust institution serving as a trustee of a bond issue of a public body in Oklahoma shall have and maintain a representative trust office within this state and shall have a trust officer in such office.

B. A conflict of interest shall be deemed to exist whenever a bank or bank holding company has a subsidiary serving as either financial advisor, underwriter, or is a member in the selling group for a bond issue of a public body in Oklahoma and at the same time has a trust institution serving as a trustee of the same bond issue.

C. Upon a violation of subsection A or subsection B of this section the bank or trust institution shall be subject to a fine of not more than Seven Thousand Five Hundred Dollars (\$7,500.00).

D. The provisions of this section shall not apply to any bond issue existing prior to July 1, 2006.

SECTION 2. It being immediately necessary for the preservation of the public peace, health and safety, an emergency is hereby declared to exist, by reason whereof this act shall take effect and be in full force from and after its passage and approval.

50-2-10157 CJB 05/04/06