

"AN ACT TO AMEND SECTION 2 OF ACT 228 OF 1973, AS AMENDED [ARK. STATS. 67-360], TO CLARIFY FULL SERVICE BRANCH BANKING; AND FOR OTHER PURPOSES."

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

SECTION 1. That Section 2 of Act 228 of 1973, as amended, the same being Section 67-360 of the Arkansas Statutes, is hereby amended to read as follows:

"Section 2. (A) Any bank whose main office is located in a county in this State having a population of 200,000 inhabitants or more according to the most recent federal decennial census, now or hereafter legally chartered by the proper state or federal authority, may establish full service branches within the county in which the main office is located, provided that its supervisory banking authority approves and certifies in writing that the establishment of each such branch is economically feasible and will serve the public convenience and necessity.

(B) Any bank whose main office is located in a county having a population of less than 200,000 inhabitants according to the most recent federal decennial census, now or hereafter legally chartered by the proper state or federal authority, may establish one (1) or more full service branches, provided that its supervisory banking authority approves and certifies in writing that the establishment of such branch is economically feasible and will serve the public convenience and necessity, in the following locations:

(a) within the corporate limits of the city or town in which such establishing bank's main office is located, provided that no such branch shall be located closer than three hundred (300) feet to the main office of any other bank; provided further that a bank which relocates its main office may continue to use its former main office location for a branch office so long as such use as a banking facility is uninterrupted;

(b) within any incorporated city or town having a population of two hundred fifty (250) or more, provided that there is no legally chartered bank then having its main office in such city or town and provided that the branch must be within the county in which the establishing bank's main office is located unless the conditions of the paragraph following subparagraph (d) are met;

(c) within any planned community development having a population of two hundred fifty (250) or more in the county within which such establishing bank's main office is located; and

(d) in any unincorporated area within six (6) miles of the corporate limits of the city or town in which such establishing bank's main office is located.

(C) Nothing herein contained shall be construed to authorize any bank to establish a branch outside of the county in which its main office is located, except that such a branch may be established outside the county in which its main office is located provided the building to be utilized as a branch was formerly owned and used for banking purposes by a bank that has been closed by order of the State Bank Commissioner or the Comptroller of the Currency.

(D) The Bank Commissioner shall have the authority to approve application of State chartered banks 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 expense of a branch bank investigation. Notice of the filing of such application shall first be given by the Commissioner to every other bank in the city or town in which the branch applicant bank is located and to any other bank which the Commissioner determines might be adversely affected by establishment of the proposed branch. Such notice shall be given by mail. The Commissioner shall require that all objections to an application to establish a branch bank shall be submitted in writing detailing such objections within ten (10) days of the date the notice of an application was mailed. A bank filing an objection 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 may be set by regulation). An adjudicatory hearing shall not be required. The Commissioner may, in his discretion, refer an application to the State Banking Board for a hearing and/or a decision. The decision of the Bank Commissioner may be appealed to the State Banking Board by filing a written notice of appeal stating the basis therefor, within fifteen (15) days of receipt of the written decision of the Bank Commissioner. Any party filing an appeal of the Bank Commissioner's decision or a branch application to the State Banking Board shall be required to pay the costs of such a hearing before the State Banking Board. Such costs shall be assessed by the Bank Commissioner with the concurrence of the State Banking Board."

APPROVED: 4/1/87

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