

1 **State of Arkansas**
2 **80th General Assembly**
3 **Regular Session, 1995**

A Bill

ACT 606 OF 1995
SENATE BILL 562

4 **By: Senators Harriman, Beebe and Malone**

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For An Act To Be Entitled

8 "AN ACT TO AMEND ARKANSAS CODE §§ 23-32-303(4)(5) AND 23-
9 32-1201(3) PROVIDING FOR THE DEFINITION OF DE NOVO
10 CHARTERS; §23-32-303(5) PROVIDING FOR THE DEFINITION OF
11 PREDECESSOR FINANCIAL INSTITUTIONS; AND §23-32-308(d)
12 AMENDING CERTAIN RESTRICTIONS ON OUT OF STATE BANK HOLDING
13 COMPANIES; AND FOR OTHER PURPOSES."

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Subtitle

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

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24 SECTION 1. Arkansas Code Annotated § 23-32-303(4) and (5) are amended
25 to read as follows:

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"(4) De novo charter means a charter for a bank which has been in
existence for less than five (5) years, but it does not include a charter
which is issued in connection with the acquisition of assets and liabilities
from a predecessor financial institution;

(5) Predecessor financial institution means a bank or other financial
institution whose charter ceased to exist in connection with the acquisition
of assets and liabilities by a successor bank."

SECTION 2. Arkansas Code Annotated § 23-32-1201(3) is amended to read
as follows:

"(3) De novo charter shall have the meaning specified in Arkansas

1 Code Annotated §23-32-303."

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3 SECTION 3. Arkansas Code Annotated § 23-32-308(d) is amended to read as
4 follows:

5 "(d) Nothing in this section is intended to prevent any bank holding
6 company domiciled in the State of Arkansas from acquiring ownership or control
7 of banks domiciled outside the State of Arkansas if the laws of the place
8 where the outside bank is domiciled permit the Arkansas bank holding company
9 to do so. However, except as permitted by applicable federal law or
10 specifically authorized by Title 23, Chapter 32 of the Arkansas Code
11 Annotated, no bank holding company domiciled outside the State of Arkansas
12 shall be authorized to acquire direct or indirect control of a bank domiciled
13 within the State of Arkansas."

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15 SECTION 4. All provisions of this act of a general and permanent nature
16 are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code
17 Revision Commission shall incorporate the same in the Code.

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19 SECTION 5. If any provision of this act or the application thereof to
20 any person or circumstance is held invalid, such invalidity shall not affect
21 other provisions or applications of the act which can be given effect without
22 the invalid provision or application, and to this end the provisions of this
23 act are declared to be severable.

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25 SECTION 6. All laws and parts of laws in conflict with this act are
26 hereby repealed.

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28 SECTION 7. EMERGENCY. It is hereby found and determined by the General
29 Assembly that Arkansas_ law regarding de novo charters is out of sync with the
30 federal law; that it is unclear whether federal law supersedes state law under
31 the current circumstances; and that this act clarifies the Arkansas law and
32 brings it in sync with federal law and should therefore be given effect as
33 soon as possible. Therefore, an emergency is hereby declared to exist and
34 this act being necessary for the immediate preservation of the public peace,
35 health and safety shall be in full force and effect from and after its passage

1 and approval.

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APPROVED: 3-13-95

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