

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

A Bill

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

15 "AMEND BANKING LAWS TO REDEFINE THE
16 TERMS "DE NOVO CHARTERS" AND
17 "PREDECESSOR FINANCIAL INSTITUTIONS" AND
18 TO AMEND CERTAIN RESTRICTIONS ON OUT OF
19 STATE BANK HOLDING COMPANIES."
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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:

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

30 (5) Predecessor financial institution means a bank or other
31 financial institution whose charter ceased to exist in connection with the
32 acquisition of assets and liabilities by a successor bank."
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34 SECTION 2. Arkansas Code Annotated § 23-32-1201(3) is amended to read
35 as follows:

1 "(3) De novo charter shall have the meaning specified in Arkansas
2 Code Annotated §23-32-303."

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

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

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

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

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

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

1 public peace, health and safety shall be in full force and effect from and
2 after its passage and approval.