1	State of Arkansas A D:11	
2	87th General Assembly A Bill	
3	Regular Session, 2009 HOUSE BILI	L 1433
4		
5	By: Representative Maloch	
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7	East Ass And To Do Establed	
8	For An Act To Be Entitled	
9	AN ACT TO AUTHORIZE THE BANK COMMISSIONER TO TAKE	
10	APPROPRIATE ACTIONS TO DEAL WITH EMERGENCIES; AND	
11	FOR OTHER PURPOSES.	
12 13	Subtitle	
14	TO AUTHORIZE THE BANK COMMISSIONER TO	
15	TAKE APPROPRIATE ACTIONS TO DEAL WITH	
16	EMERGENCIES.	
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19	BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:	
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21	SECTION 1. Arkansas Code Title 23, Chapter 46, Subchapter 2 is an	nended
22	to add an additional section to read as follows:	
23	23-46-212. Emergency powers of Bank Commissioner — Legislative	
24	findings and intent — Definitions.	
25	(a) The General Assembly:	
26	(1) Finds that in the event of an emergency the Bank	
27	Commissioner should be authorized to take appropriate action to expedite	e the
28	recovery of a community affected by the emergency and to encourage banks	<u>s to</u>
29	meet the credit, deposit, and other financial needs of the community; ar	<u>1d</u>
30	(2) Intends by the enactment of this section to authorize t	<u>:he</u>
31	commissioner when warranted by a state of emergency to assist the affect	<u>:ed</u>
32	community by:	
33	(A) Declaring with the consent of the Governor a stat	<u>ce of</u>
34	<pre>emergency;</pre>	
35	(B) Temporarily modifying or suspending banking laws,	<u>.</u>
36	regulations, or requirements; and	

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1	(C) Taking any other action appropriate to assist affected
2	banks so that:
3	(i) Customary banking services can continue to be
4	provided; and
5	(ii) Financial stability can be maintained.
6	(b) As used in this section:
7	(1) "Affected area" means the geographic location described in a
8	proclamation by the commissioner declaring a state of emergency;
9	(2) "Affected bank" means a bank with an office in the
10	geographic location described in a proclamation by the commissioner declaring
11	a state of emergency;
12	(3) "Office" means a physical location where a bank transacts
13	business or conducts banking operations;
14	(4) "Officer" means:
15	(A) A person designated by the board of directors, board
16	of trustees, or other governing body of a bank to act for the bank under this
17	section; or
18	(B) The president or other person in charge of an office
19	<u>if:</u>
20	(i) A designation under subdivision (b)(4)(A) of
21	this section has not been made; or
22	(ii) An officer designated under subdivision
23	(b)(4)(A) of this section is not available; and
24	(5)(A) "State of emergency" means a natural or man-made
25	occurrence or condition that may:
26	(i) Affect the ability of a bank to conduct normal
27	business operations; or
28	(ii) Pose a threat to the safety or security of a
29	person or property.
30	(B) "State of emergency" includes, without limitation, an
31	occurrence or condition caused by:
32	(i) A natural disaster;
33	(ii) A tornado;
34	(iii) A storm;
35	(iv) A flood;
36	(v) High water;

1	(vi) An earthquake;
2	(vii) A drought;
3	(viii) A fire;
4	(ix) An act of war, rebellion, violent
5	demonstration, or terrorism; or
6	(x) A robbery of a bank or other financial
7	institution.
8	(c)(l) In addition to any other law of this state or of the United
9	States authorizing the closing of a bank or excusing the delay by a bank in
10	the performance of its duties and obligations because of a situation or
11	condition beyond the bank's control, the commissioner may with the Governor's
12	consent declare by written proclamation that a state of emergency exists in
13	all or part of the state.
14	(2) The proclamation and any order issued under this section:
15	(A) Shall be published on the commissioner's website; and
16	(B) May be disseminated in any other manner deemed
17	appropriate by the commissioner under the circumstances.
18	(d)(1) If the commissioner declares a state of emergency under this
19	$\underline{\text{section,}}$ the commissioner may authorize an affected bank by written order to:
20	(A) Close an office within the affected area; and
21	(B) Keep the office closed for a reasonable amount of time
22	until the office can be reopened.
23	(2) A bank that closes an office under this section shall notify
24	the commissioner as promptly as conditions permit by any means reasonably
25	available of the:
26	(A) Reason for closing the office; and
27	(B) Expected length of time the office will be closed.
28	(3) If an office is closed under this section:
29	(A) Each day that the office is closed shall be treated
30	for banking purposes as a legal holiday; and
31	(B) An affected bank or a director, officer, or employee
32	of an affected bank shall not because the office is closed:
33	(i) Incur any liability; or
34	(ii) Forfeit any legal or equitable rights.
35	(e)(1)(A) If the commissioner finds that an affected bank closed an
36	office as a result of a state of emergency and that the opening of a

1	temporary office by the affected bank will help meet the credit, deposit, and
2	other financial needs of the customers of the affected area, the commissioner
3	may authorize the affected bank by written order to open a temporary office
4	either within the state or at a location in another state.
5	(B) The temporary office may be a mobile branch, temporary
6	office space, or any other facility approved by the commissioner.
7	(2) The formal application process, requirements, and fees for
8	opening a temporary office may be suspended when a state of emergency exists.
9	(3) A temporary office opened under this section may not here
10	remain open until the commissioner with the consent of the Governor declares
11	that the state of emergency no longer exists unless written permission to
12	remain open is granted by the commissioner upon application by an affected
13	bank to establish an office at the site of the temporary office.
14	(f)(1) An order issued by the commissioner under this section becomes
15	effective upon issuance and continues for one hundred twenty (120) days or
16	unless terminated sooner by the commissioner.
17	(2) The commissioner may extend an order issued under this
18	section for an additional period not to exceed one hundred twenty (120) days
19	if the commissioner with the consent of the Governor finds that the existing
20	state of emergency continues or that a new state of emergency exists.
21	(g) The commissioner may by rule:
22	(1) Adopt additional procedures to implement this section; and
23	(2) Impose sanctions under § 23-46-205 for a violation of this
24	section.
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