

2020 Regular Session

HOUSE BILL NO. 219

BY REPRESENTATIVE HILFERTY

BANKS/BANKING: Provides relative to banks and banking

1 AN ACT

2 To amend and reenact R.S. 6:5, 501(A), 535(C), and 536(C), relative to interstate banking;
3 to remove provisions relative to public policy; to remove capital requirements; to
4 expand geographical limitations; to remove provisions relative to out-of-state
5 holding companies; to remove provisions relative to de novo banks; to remove
6 provisions relative to out-of-state banks entering the state; to provide for state banks
7 held as subsidiaries; to make technical changes; and to provide for related matters.

8 Be it enacted by the Legislature of Louisiana:

9 Section 1. R.S. 6:5, 501(A), 535(C), and 536(C) are hereby amended and reenacted
10 to read as follows:

11 §5. Public policy

12 A. It is the declared public policy of the state of Louisiana to encourage and
13 to foster the development of financial institutions under a dual chartering system of
14 the state and federal governments. In order to carry out this policy, the office of
15 financial institutions is authorized and requested to use its resources in the promotion
16 and development of the dual chartering system under the laws of Louisiana.

17 ~~B. It is further declared that in the event that the Congress of the United~~
18 ~~States enacts legislation authorizing de novo interstate branch banking which is~~
19 ~~optional for the states, it shall be the declared public policy of the state of Louisiana~~
20 ~~to choose not to be subject to provisions of such Act.~~

21 * * *

1 §501. Branch offices ~~within the state; capital required;~~ authority

2 A. All banks domiciled in this state ~~having a capital of one hundred thousand~~
3 ~~dollars or more~~ may open one or more branch offices within or outside the state or
4 may acquire one or more banks or any or all branches thereof, or both.

5 * * *

6 §535. Interstate acquisitions; filings with commissioner

7 * * *

8 C. ~~An out-of-state bank holding company may enter Louisiana only through~~
9 ~~the purchase of all, or substantially all, of an established Louisiana bank, or a bank~~
10 ~~holding company having at least one established Louisiana bank subsidiary. It shall~~
11 ~~be unlawful for any out-of-state bank holding company to enter this state by the~~
12 ~~creation of a de novo bank or through the creation of a Louisiana bank holding~~
13 ~~company through which to create a de novo bank. It shall also be unlawful for any~~
14 ~~out-of-state bank holding company to enter this state, either directly or indirectly, by~~
15 ~~the acquisition of a Louisiana bank that is not an established Louisiana bank or a~~
16 ~~bank holding company which does not have at least one established Louisiana bank~~
17 ~~subsidiary that owns a Louisiana bank, as a subsidiary, that is not an established~~
18 Louisiana bank.

19 §536. Interstate bank acquisitions, filings with commissioner

20 * * *

21 C. ~~An out-of-state bank may enter Louisiana only through the purchase of~~
22 ~~all, or substantially all, of an established Louisiana bank, or a bank holding company~~
23 ~~having at least one established Louisiana bank subsidiary, or all of the Louisiana~~
24 ~~branches of an out-of-state bank. It shall be unlawful for any out-of-state bank to~~
25 ~~enter Louisiana by the creation of a de novo bank or de novo branch or branches or~~
26 ~~through the creation of a Louisiana bank holding company through which to create~~
27 ~~a de novo bank. It shall also be unlawful for any out-of-state bank to enter this state,~~
28 ~~either directly or indirectly, by the acquisition of a Louisiana bank that is not an~~
29 ~~established Louisiana bank or a bank holding company which does not have at least~~

1 ~~one~~ owns, as a subsidiary, a Louisiana bank that is ~~not an~~ established Louisiana bank
 2 subsidiary. However, if an out-of-state bank is operating in this state through
 3 branches, then another out-of-state bank company may enter Louisiana by
 4 acquisition of those branches ~~only through the acquisition of all of those branches.~~

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 219 Original

2020 Regular Session

Hilferty

Abstract: Removes certain prohibitions relative to interstate banking.

Present law provides that, if the U.S. Congress enacts legislation authorizing de novo interstate banking, it shall be the public policy of the state to choose not to be subject to the provisions of that legislation.

Proposed law deletes present law.

Present law allows all banks domiciled in the state, having a capital of one hundred thousand dollars or more to open branch offices within the state.

Proposed law retains present law in part, but removes the capital requirement and allows the branch offices to be opened within or outside of the state.

Present law allows an out-of-state bank holding company to enter the state only through the purchasing of certain financial institutions that are established in the state.

Proposed law deletes present law.

Present law prohibits an out-of-state bank holding company from entering the state by creating a de novo bank or creating a state bank holding company through which to create a de novo bank.

Propose law deletes present law.

Present law allows an out-of-state bank to enter the state only through the purchase of certain financial institutions that are established in the state.

Proposed law deletes present law.

Present law prohibits an out-of-state bank through the creation of a de novo bank or de novo branch or branches or through the creation of a state bank holding company through which to create a de novo bank.

Proposed law deletes present law.

Proposed law makes technical changes.

(Amends R.S. 6:5, 501(A), 535(C), and 536(C))