

7

7750-029

HOUSE BILL 98

HOUSE BILL 98

Title: AN ACT to create W.S. 13-195.9 through 13-195.14 relating to limitations on acquisitions on bank stock; providing that a company may not own stock in banks that have in excess of twenty-two percent of the aggregate deposits of all banks in the state; providing penalties; and providing for an effective date.

Sponsored by: *Bruce W. Miller*
Robert J. Jackson

DATE	ACTION	DATE	ACTION
JAN 11 1977	READ FIRST TIME		
	REFERRED TO COM. NO. <u>7</u>		
	DELIVERED TO COM. NO. <u>7</u>		
FEB 14 1977	RETURNED		
	Recommended Amend and Do Pass <u>UNANIMOUS</u>		
	PLACED ON GENERAL FILE		
FEB 14 1977	CONSIDERED IN COM. OF WHOLE		
	Standing Com. Amendment <u>H B 98 HS 1/77</u>		
	ADOPTED		
	RECOMMENDED DO. <u>PASS</u>		
FEB 15 1977	READ SECOND TIME		
FEB 16 1977	Read Third Time		
	<u>PASS</u>		
	Ayes <u>49</u> Nays <u>4</u> Absent <u>7</u>		
Feb. 16	Sent to Senate to L.S.O.		
Feb. 16	ENGROSSED		
Feb. 17	sent to Senate		
Feb. 17	Rece. e		
	Read in Senate		
	Referred to Com. No. <u>7</u>		
	Delivered to Com. No. <u>7</u>		
Feb 17	RE-REFER TO COM. NO. <u>3</u>		
Feb. 17	RE-REFER TO COM. NO. <u>5</u>		
	HDIG/98		

HB 98

Third Reading

Date 2-16-77

Roll Call of the House of the FORTY-FOURTH LEGISLATURE of Wyoming

	Ayes	Noes	Excused	Absent		Ayes	Noes	Excused	Absent
63 BAUMAN	✓				28 McMILLAN	✓			
62 BRYANT	✓				27 MEENAN	✓			
61 BUCK	✓			⊙	26 MEIER	✓			✓
60 BURNETT	✓				25 MICHELI	✓			
59 BUSSART <i>EX</i>			✓		24 MORTON		⊙		✓
58 CHAMBERLAIN	✓				23 O'NEIL	✓			
57 CLAPP	✓				22 ORRISON	✓		✓	
56 COPENHAVER	✓			✓	21 OSLUND	✓	⊙	✓	
55 CRANFILL	✓				20 PARKS	✓			
54 CREWS	✓				19 PERRY	✓			
53 CROSS	✓				18 PHELAN	✓			✓
52 CROWLEY <i>EX</i>			✓		17 PROSSER	✓			
51 CURRY	✓				16 ROTH	✓		✓	
50 DONLEY	✓				15 SALISBURY	✓			
49 DOWNING	✓				14 SANDERS	✓			
48 EDWARDS	✓				13 SCOTT	✓			
47 ENGEN	✓				12 SIDI	✓			
46 ESKENS	✓				11 SIMPSON	✓			
45 FLEISCHLI	✓		✓		10 SMITH				
44 A. LEFTY GRAHAM	✓				9 STAUFFER	✓			
43 J. L. GRAHAM	✓				8 STEWART	✓		✓	
42 GROPP	✓				7 STICKLEY	✓			
41 GUFFEY	✓				6 TARTER	✓			
40 HANSEN	✓				5 TRUJILLO	✓			
39 HEMMERT	✓				4 URBIGKIT	✓			✓
38 HOLLAND	✓				3 VINICH	✓			
37 HUNTER	✓				2 WILKINS	✓			
36 HURSH	✓				1 MR. SPEAKER	✓			
35 JENNINGS	✓								
34 JENSEN	✓								
33 JONES	✓								
32 KINNAMAN	✓								
31 LARSON	✓								
30 McCARTHY	✓		✓						
29 McILVAIN	✓								

PRESENT _____

AYES 49

NOES 4

EXCUSED 2

ABSENT 2

TOTAL 62

LESS 13

49

1977

STATE OF WYOMING

77LSO-029.01

HOUSE BILL NO. 98

Limiting deposits in bank holding companies.

Sponsored by: Representatives McMILLAN and JENSEN

Bruce McMILLAN *R. J. Jensen*

A BILL

for

1 AN ACT to create W.S. 13-195.9 through 13-195.14 relating
2 to limitations on acquisitions on bank stock; providing
3 that a company may not own stock in banks that have in
4 excess of eighteen percent of the aggregate deposits of
5 all banks in the state; providing penalties; and providing
6 for an effective date.

7 Be It Enacted by the Legislature of the State of Wyoming:

8 Section 1. W.S. 13-195.9 through 13-195.14 are
9 created to read:

10 13-195.9. Definitions.

11 (a) As used in W.S. 13-195.9 through 13-195.14:

12 (i) "Bank stock" means every interest or right
13 in or against a bank giving the holder the right to vote
14 at any meeting of the bank;

1 (ii) "Company" means any person or group of
2 persons however organized;

3 (iii) "Own", "owner", "owned" and "ownership"
4 when applied to bank stock means direct and indirect pos-
5 session of stock including control through a subsidiary.
6 This includes all stock directly or indirectly controlled
7 with power to vote;

8 (iv) "Parent company" means a company of which
9 another company is a subsidiary;

10 (v) "Subsidiary" means any company in which
11 another company has a controlling interest or a twenty-
12 five percent (25%) ownership.

13 13-195.10. Prohibited acquisitions of bank
14 stock. Except as provided in W.S. 13-195.11, no company
15 which owns more than twenty-five percent (25%) of the
16 stock of any bank or which controls the election of a
17 majority of the board of directors of any bank shall
18 acquire ownership of stock in another bank if after the
19 acquisition the company would own stock in two (2) or more
20 banks whose aggregate average deposits exceed eighteen
21 percent (18%) of the aggregate average deposits of all
22 banks transacting business in this state as of the last

1 date for which figures are available to the state exam-
2 iner.

3 13-195.11. Stock acquired other than through invest-
4 ment; exemption.

5 (a) Stock acquired in any of the following ways
6 shall not be stock owned for purposes of W.S. 13-195.10:

7 (i) Bank stock acquired in a fiduciary capac-
8 ity in the regular course of business;

9 (ii) Bank stock acquired in connection with
10 underwriting bank stock and held only for a period that
11 will permit sale of the shares on a reasonable basis;

12 (iii) Bank stock acquired and held in the
13 ordinary course of servicing or collecting a debt previ-
14 ously contracted in good faith if the bank stock is dis-
15 posed of within two (2) years.

16 (b) The exemption of subsection (a) of this section
17 shall not apply to stock acquired after July 1, 1977 if
18 the acquiring company has the sole discretionary authority
19 to exercise the voting rights of these shares.

20 13-195.12. Determination of ownership of stock.

21 (a) In determining whether a company would own a

1 greater amount of bank stock than permitted by W.S.
2 13-195.10, all stock owned as follows shall be attributed
3 to the ownership of the company:

4 (i) If the company is a corporation, all stock
5 owned by its officers and directors;

6 (ii) If the company is not a corporation, all
7 stock owned by each person who is a partner, participant
8 or beneficiary in the company;

9 (iii) All stock owned by other companies whose
10 ownership is substantially the same as the company;

11 (iv) All stock owned by a parent or subsid-
12 iary.

13 13-195.13. Duties of the state examiner.

14 (a) The state examiner shall not issue a charter or
15 approve a merger if the acquisition would be in violation
16 of W.S. 13-195.10.

17 (b) The state examiner may bring an action in any
18 court of the state where venue is proper to enjoin an
19 acquisition in violation of W.S. 13-195.10.

20 13-195.14. Penalties.

1 (a) Any company which willfully violates the provi-
2 sions of W.S. 13-195.10 shall be fined one thousand
3 dollars (\$1,000.00) for each day during which the viola-
4 tion continues.

5 (b) Any company in violation of W.S. 13-195.10 may
6 be required to divest itself of the interest acquired in
7 violation thereof in an action brought by the state exam-
8 iner.

9 Section 2. This act is effective July 1, 1977.

10

(END)

FISCAL NOTE

Fiscal Note No. 155
 Requester Representative McMillan

L.S.O.	Draft
029	C2
Bill No.	Jt. Res. No.

Part I. Fiscal Data:

SHORT TITLE OF BILL: <u>Limiting deposits in bank holding companies</u>	STATUTORY REFERENCE <u>Nos to create W.S. 13-195.9 et al</u>	NAME OF FUND None
AGENCY TITLE: SOURCE OF APPROPRIATION/REVENUE None		New Program <input checked="" type="checkbox"/> (X) Change in Existing Program <input type="checkbox"/> () Local Government Impact <input type="checkbox"/> ()

If more than one appropriation is involved, show overall effect below, but show breakdown by appropriation and fiscal year on a separate page. Round to nearest hundred dollars.

EFFECT OF PROPOSAL	FISCAL PERIODS		
	First Biennial	Second Biennial	Third Biennial
Salaries & Number of Personnel	\$		
Supporting Expenses			
Permanent Property			
Aids to Localities			
Other			
ESTIMATED TOTAL COST	\$		
GENERAL FUND			
FEDERAL FUND			
OTHER			
ESTIMATED TOTAL REVENUE	\$		

Part II. Explain in a clear and concise manner what effect this measure will have on the costs and revenues of state government. Specify the source of funds for appropriations. Include effect on the current biennium and also the long-range fiscal effect, if any. Show how you arrived at the estimate. Use attached sheet and any additional sheets which you may need.

NO FISCAL IMPACT.

Date <u>10/20/20</u>	Agency <u>J. H. McMillan</u>	Authorized Representative
Date	Legislative Auditor Clearance	

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HB98HS1

- ✓ Page 1-line 4 Delete "eighteen" insert "twenty-two".
- ✓ Page 2-line 20 Delete "eighteen" insert "twenty-two".
- ✓ Page 2-line 21 Delete "(18%)" insert "(22%)".

✓ Page 3-After line 15 - Insert:

Insert ①

"(iv) Bank stock acquired and held from a bank in financial difficulty as determined by the appropriate state or federal regulatory officials. Such acquisition may be permitted at any time by a company if such acquisition will protect the stockholders and depositors of the financially troubled bank by maintaining financial soundness. Such fact shall be determined by such appropriate state or federal regulatory officials prior to such acquisition."

-MEENAN

28

ENGROSSED

1977

STATE OF WYOMING

77LSO-029/eng

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15 Section 2. This act is effective July 1, 1977.

16 (END)