

1 HOUSE BILL NO. 138
2 INTRODUCED BY T. WELCH
3 BY REQUEST OF THE DEPARTMENT OF ADMINISTRATION
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5 A BILL FOR AN ACT ENTITLED: "AN ACT GENERALLY REVISING THE BANK ACT; ABOLISHING THE
6 STATE BANKING BOARD; PROVIDING FOR THE CHARTERING OF STATE CHARTERED BANKS BY THE
7 DEPARTMENT AND THE COMMISSIONER OF BANKING; ALLOWING RULEMAKING ON IMPLEMENTING
8 THE PROCESS FOR NEW CHARTERS; CLARIFYING THE APPLICATION OF GENERAL CORPORATE
9 LAW TO THE BANK ACT; ALLOWING RULEMAKING FOR THE APPROVAL OF A SHELL BANK;
10 REQUIRING APPROVAL FOR LOAN PRODUCTION OFFICES; REQUIRING AN ANNUAL REPORT OF
11 OFFICERS AND DIRECTORS; REQUIRING AN ANNUAL REPORT OF SERVICE AND TECHNOLOGY
12 PROVIDERS; REQUIRING INCIDENT REPORTING; REMOVING CALL REPORTS FROM THE
13 CONFIDENTIALITY SECTION; ALLOWING BANKS TO HAVE TREASURERS OR CASHIERS; ALLOWING
14 OUT-OF-STATE STATE-CHARTERED BANKS TO USE THE WORD "BANK" UNDER CERTAIN
15 CIRCUMSTANCES; ALLOWING BANKS TO PAY DIVIDENDS UNDER CERTAIN CIRCUMSTANCES;
16 AMENDING EMERGENCY CLOSURE PROVISIONS; SIMPLIFYING THE EMERGENCY CLOSURE
17 PROCESS; PROVIDING RULEMAKING AUTHORITY; AMENDING SECTIONS 17-5-1651, 32-1-109, 32-1-
18 112, 32-1-211, 32-1-222, 32-1-233, 32-1-234, 32-1-301, 32-1-302, 32-1-307, 32-1-325, 32-1-372, 32-1-402, 32-
19 1-403, 32-1-426, 32-1-427, 32-1-452, 32-1-561, 32-1-563, AND 32-1-564, MCA; REPEALING SECTIONS 2-15-
20 1025, 32-1-201, 32-1-202, 32-1-203, 32-1-204, 32-1-205, 32-1-206, 32-1-303, 32-1-801, 32-1-802, 32-1-803,
21 32-1-804, 32-1-805, 32-1-806, 32-1-807, AND 32-1-808, MCA; AND PROVIDING EFFECTIVE DATES."

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23 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

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25 NEW SECTION. **Section 1. Application to organize bank -- rulemaking.** (1) Any five or more
26 individuals, at least three of whom are residents of the state, may file an application to incorporate a proposed
27 bank. The application must be in the form and contain the information prescribed by the department by rule. A
28 nonrefundable application fee, as set by the department by rule, must accompany the application.

1 (2) The department may adopt rules to implement this section."

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3 **Section 13.** Section 32-1-233, MCA, is amended to read:

4 **"32-1-233. Special reports to department.** (1) In addition to the information obtained from the call
5 report required by 32-1-231, the department may also require a bank to furnish a special report in writing,
6 verified as required by 32-1-231, when in its judgment the special report is necessary to inform it fully of the
7 actual financial condition and affairs of the bank. A willfully false statement in the report is perjury and shall
8 must be punished accordingly.

9 (2) Each bank shall file a report of service and technology providers containing the information as
10 set forth by the department by rule by July 31 of each year.

11 (3) A bank shall report an incident that allowed unauthorized access to customer data or
12 interruption of customer services to the department ~~within 5 business days immediately following discovery and~~
13 without unreasonable delay."

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15 **Section 14.** Section 32-1-234, MCA, is amended to read:

16 **"32-1-234. Confidentiality -- penalties.** (1) (a) Reports and statements under 32-1-211, 32-1-215,
17 32-1-216, 32-1-221, ~~32-1-231~~, 32-1-232, and 32-1-233 are confidential. Except for information made public by
18 the federal deposit insurance corporation or other federal banking authority's publicly accessible website, any
19 information contained in the reports and statements, the source documents from which this information is
20 derived, and communications concerning reports and statements are confidential. Except as provided in
21 subsection (1)(b), confidential information may not be disclosed to persons who are not officially associated
22 with the department and may be used by the department only to further its official duties.

23 (b) The department may exchange information with federal financial institution regulatory agencies
24 and with the financial regulatory departments of other states. The department may furnish reports of its
25 examination findings under 32-1-211, 32-1-215, and 32-1-216 to a federal home loan bank, as defined in the
26 Federal Home Loan Bank Act of 1932, 12 U.S.C. 1422. The department may furnish information to the
27 legislative auditor for use in pursuit of official duties. A prosecuting official may obtain the information by court
28 order.