

HOUSE BILL No. 5884

March 16, 2006, Introduced by Reps. Gleason, Bieda, Condino, McDowell, Espinoza, Gonzales, Alma Smith, Cushingberry, Zelenko, Byrum, Bennett, Brown and Gillard and referred to the Committee on Banking and Financial Services.

A bill to amend 1999 PA 276, entitled
"Banking code of 1999,"
by amending section 3711 (MCL 487.13711).

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

- 1 Sec. 3711. (1) A bank may establish and operate a branch or
2 branches within any state, the District of Columbia, a territory or
3 protectorate of the United States, or a foreign country, unless the
4 commissioner objects in writing within 30 days after receipt of a
5 written notice from the bank of its intent to establish a branch.
6 The commissioner may issue a written statement of intent not to
7 object at any time before the expiration of the 30 days.
8 (2) The written notice of intent to establish a mobile branch
9 shall contain a statement by the applying bank that it intends to

1 move the location of the physical structure of the branch from time
2 to time.

3 (3) Except for a mobile branch, a branch of a bank shall not
4 be moved from 1 location to another without prior written notice to
5 the commissioner.

6 (4) Unless the commissioner objects in writing within 30 days
7 after receipt of written notice from a bank of its intent to
8 contract for branch services, a bank may contract with 1 or more
9 banks, out-of-state banks, national banks, associations, or savings
10 banks for the depository institution or institutions to act as
11 branches to provide services to the customers of the contracting
12 bank. The commissioner may issue a written statement of intent not
13 to object at any time prior to the expiration of the 30 days. This
14 subsection shall not be construed to limit the powers granted to a
15 bank under section 4101(1)(d).

16 (5) Unless the commissioner objects in writing within 30 days
17 after receipt of written notice from a contracting depository
18 institution of its intent to contract for branch services, 1 or
19 more out-of-state banks, national banks, associations, or savings
20 banks may contract with a bank for the bank to provide services to
21 the customers of the contracting out-of-state bank, national bank,
22 association, or savings bank. The commissioner may issue a written
23 statement of intent not to object at any time prior to the
24 expiration of the 30 days. This subsection shall not be construed
25 to limit the powers granted to a bank under section 4101(1)(d).

26 (6) Subject to the requirements, limitations, and restrictions
27 of subsections (1) to (3), a state agency or state foreign bank

1 branch organized under this act may establish and operate
2 additional offices in the United States and its territories and
3 protectorates.

4 (7) ~~—An~~ **SUBJECT TO SUBSECTION (13), AN** out-of-state bank or
5 national bank located in a state, the District of Columbia, or a
6 territory or protectorate of the United States whose laws permit
7 the establishment in that state, district, territory, or
8 protectorate of a branch by a bank may establish and operate 1 or
9 more branches in this state.

10 (8) ~~—An~~ **SUBJECT TO SUBSECTION (13), AN** out-of-state bank may
11 apply to organize a branch in this state under this act by
12 providing to the commissioner proof that its deposits are insured
13 by an agency of the United States government. If the commissioner
14 determines that the out-of-state bank is safe and sound, that the
15 out-of-state bank is subject to regulation, and that there exists
16 an agreement for exchange of supervisory information between the
17 bureau and the out-of-state bank's regulator, the commissioner
18 shall provide to the out-of-state bank a certificate of
19 organization and eligibility to accept deposits and investments of
20 public funds of the state and local units of government.

21 (9) A foreign bank branch that has designated a home state
22 other than this state may establish and operate 1 or more
23 additional offices in this state.

24 (10) Prior to commencing operations at a branch in this state,
25 an out-of-state bank, foreign bank, or national bank shall provide
26 written notice to the commissioner of the name of the bank, the
27 street address and mailing address, if different, of the bank's

1 principal office, the street address of the branch office, and the
2 date when the branch is to commence operations in this state.

3 (11) Each bank, out-of-state bank, foreign bank, and national
4 bank operating in this state shall do both of the following:

5 (a) Designate and maintain an agent located in this state upon
6 whom process for judicial and administrative matters may be served
7 and shall provide written notice containing the name and address of
8 its agent to the commissioner before commencing operations in this
9 state.

10 (b) Notify the commissioner in writing of any change in its
11 designated agent or the agent's address within 10 days following
12 the effective date of the change.

13 (12) For purposes of this section, the designated agent of a
14 bank or a national bank is its chief executive officer.

15 (13) FOR PURPOSES OF SUBSECTIONS (7) AND (8), AN INDUSTRIAL
16 LOAN BANK OR INDUSTRIAL LOAN COMPANY ORGANIZED UNDER THE LAWS OF
17 THE STATE OF UTAH IS NOT AN OUT-OF-STATE BANK.