

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1993

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SENATE BILL 876*

Short Title: Nationwide Interstate Banking.

(Public)

Sponsors: Senators Daniel; Warren, Plyler, Conder, Hoyle, Hunt, Sherron, Odom, Winner of Mecklenburg, Ward, Tally, Blackmon, Codington, Carpenter, Hartsell, Kincaid, Martin of Guilford, Perdue, Jordan, Parnell, Albertson, Martin of Pitt, Sands, Cooper Winner of Buncombe, Lee, Seymour, Richardson, Kerr, Gunter, Allran, Walker, Soles, Forrester, Ballance, Marshall, Cochrane, Harris, Folger, Smith, and Speed.

Referred to: Judiciary I.

April 15, 1993

A BILL TO BE ENTITLED

AN ACT TO AMEND THE REGIONAL RECIPROCAL BANKING ACT AND TO PROVIDE FOR NATIONWIDE INTERSTATE BANKING.

The General Assembly of North Carolina enacts:

Section 1. G.S. 53-210 reads as rewritten:

"§ 53-210. Definitions.

Notwithstanding any other section of this Chapter, for the purposes of this Article:

(1) 'Acquire' means:

- a. The merger or consolidation of one bank holding company with another bank holding company;
- b. The acquisition by a bank holding company of direct or indirect ownership or control of voting shares of another bank holding company or a bank, if, after such acquisition, the bank holding company making the acquisition will directly or indirectly own or control more than five percent (5%) of any class of voting shares of the other bank holding company or the bank;
- c. The direct or indirect acquisition by a bank holding company of all or substantially all of the assets of another bank holding company or of a bank; or

- 1 d. Any other action that would result in director indirect control by
2 a bank holding company of another bank holding company or a
3 bank.
- 4 (2) 'Bank' means any ~~'insured bank' as such term is defined in Section 3(h)~~
5 ~~of the Federal Deposit Insurance Act (12 U.S.C. 1813(h)) or any~~
6 ~~institution eligible to become an 'insured bank' as such term is defined~~
7 ~~therein, which, in either event,~~
8 a. ~~Accepts deposits that the depositor has a legal right to withdraw~~
9 ~~on demand; and~~
10 b. ~~Engages in the business of making commercial loans. has the~~
11 ~~meaning set forth in Section 2(c) of the Bank Holding Company~~
12 ~~Act of 1956 as amended (12 U.S.C. 1841(c)).~~
- 13 (3) 'Banking office' means the principal office of a bank, any branch of a
14 bank, any ~~teller's window~~ limited service facility of a bank or any other
15 office at which a bank accepts deposits: Provided, however, that
16 'banking office' shall not mean:
17 a. Unmanned automatic teller machines, point of sale terminals or
18 other similar unmanned electronic banking facilities at which
19 deposits may be accepted;
20 b. Offices located outside the United States; or
21 c. Loan production offices, representative offices or other offices
22 at which deposits are not accepted.
- 23 (4) 'Bank holding company' has the meaning set forth in Section 2(a) (1)
24 of the Bank Holding Company Act of 1956 as amended (12 U.S.C.
25 1841(a)(1)).
- 26 (5) 'Commissioner' means the Commissioner of Banks of this State.
- 27 (6) 'Control' has the meaning set forth in Section 2(a)(2) of the Bank
28 Holding Company Act of 1956 as amended (12 U.S.C. 1841(a)(2)).
- 29 (7) 'Deposits' means all demand, time, and savings deposits, without
30 regard to the location of the depositor: Provided, however, that
31 'deposits' shall not include any deposits by banks. For purposes of this
32 Article, determination of deposits shall be made with reference to the
33 most recent available regulatory reports of condition or similar reports
34 made by or to state and federal regulatory authorities.
- 35 (8) 'North Carolina bank' means a bank that:
36 a. Is organized under the laws of this State or of the United States;
37 and
38 b. Has banking offices located only in this State.
- 39 (9) 'North Carolina bank holding company' means a bank holding
40 company:
41 a. That has its principal place of business in this State;
42 b. The North Carolina bank and regional bank subsidiaries of
43 which hold more than ~~eighty-five percent (80%)~~ (50%) of the
44 total deposits held by all of its bank subsidiaries, other than

- 1 bank subsidiaries controlled by it in accordance with G.S. 53-
 2 212 of this Article; and
- 3 c. That is not controlled by a bank holding company other than a
 4 North Carolina bank holding company.
- 5 (10) 'Principal place of business' of a bank holding company means the
 6 state in which the total deposits held by the banking offices of the bank
 7 holding company's bank subsidiaries ~~are the largest.~~ were the largest on
 8 July 1, 1966, or the date on which the company became a bank holding
 9 company, whichever is later.
- 10 (11) 'Region' means the states of Alabama, Arkansas, Florida, Georgia,
 11 Kentucky, Louisiana, Maryland, Mississippi, North Carolina, South
 12 Carolina, Tennessee, Texas, Virginia and West Virginia, and the
 13 District of Columbia.
- 14 (12) 'Regional bank' means a bank that:
- 15 a. Is organized under the laws of the United States or of one of the
 16 states in the region other than North Carolina; and
- 17 b. Has banking offices located only in states within the region.
- 18 (13) 'Regional bank holding company' means a bank holding company:
- 19 a. That has its principal place of business in a state within the
 20 region other than North Carolina;
- 21 b. The regional bank and North Carolina bank subsidiaries of
 22 which hold more than ~~eighty-five~~ fifty percent ~~(80%)-(50%)~~ of the
 23 total deposits held by all of its bank subsidiaries, other than
 24 bank subsidiaries controlled by it in accordance with G.S. 53-
 25 212 of this Article; and
- 26 c. That is not controlled by a bank holding company other than a
 27 regional bank holding company.
- 28 (14) 'State' means any state of the United States or the District of Columbia.
- 29 (15) 'Subsidiary' has the meaning set forth in Section 2(d) of the Bank
 30 Holding Company Act of 1956 as amended (12 U.S.C. 1841(d))."

31 Sec. 2. G.S. 53-211 reads as rewritten:

32 "**§ 53-211. Acquisitions by regional bank holding companies.**

- 33 (a) A regional bank holding company that does not have a North Carolina bank
 34 subsidiary (other than a North Carolina bank subsidiary that was acquired ~~either pursuant~~
 35 ~~to Section 116 or Section 123 of the Garn-St. Germain Depository Institutions Act of 1982 (12~~
 36 ~~U.S.C. 1730a(m), 1823(f))~~ in a transaction involving assistance by the Federal Deposit
 37 Insurance Corporation or in the regular course of securing or collecting a debt
 38 previously contracted in good faith, as provided in Section 3(a) of the Bank Holding
 39 Company Act of 1956 as amended (12 U.S.C. 1842(a)) may acquire a North Carolina
 40 bank holding company or a North Carolina bank with the approval of the
 41 Commissioner. The regional bank holding company shall submit to the Commissioner
 42 an application for approval of such acquisition, which application shall be approved
 43 only if:

- 1 (1) The Commissioner determines that the laws of the state in which the
2 regional bank holding company making the acquisition has its
3 principal place of business permit North Carolina bank holding
4 companies to acquire banks and bank holding companies in that state;
- 5 (2) The Commissioner determines that the laws of the state in which the
6 regional bank holding company making the acquisition has its
7 principal place of business permit such regional bank holding company
8 to be acquired by the North Carolina bank holding company or North
9 Carolina bank sought to be acquired. For the purposes of this
10 subsection, a North Carolina bank shall be treated as if it were a North
11 Carolina bank holding company;
- 12 (3) The Commissioner determines either that the North Carolina bank
13 sought to be acquired has been in existence and continuously operating
14 for more than five years or that all of the bank subsidiaries of the
15 North Carolina bank holding company sought to be acquired have
16 been in existence and continuously operating for more than five years:
17 Provided, that the Commissioner may approve the acquisition by a
18 regional bank holding company of all or substantially all of the shares
19 of a bank organized solely for the purpose of facilitating the
20 acquisition of a bank that has been in existence and continuously
21 operating as a bank for more than five years: Provided further, where
22 the Commissioner after examination or other investigation has
23 determined that it is necessary to approve an interstate acquisition
24 under this Article in order to protect the public and to prevent the
25 possible failure of a bank or banking subsidiary of a bank holding
26 company, then in that event the period of existence and continuous
27 operation of the bank or banking subsidiary may be ~~reduced from five to~~
28 ~~three years; waived; and~~
- 29 (4) The Commissioner makes the acquisition subject to any conditions,
30 restrictions, requirements or other limitations that would apply to the
31 acquisition by a North Carolina bank holding company of a bank or
32 bank holding company in the state where the regional bank holding
33 company making the acquisition has its principal place of business but
34 that would not apply to the acquisition of a bank or bank holding
35 company in such state by a bank holding company all the bank
36 subsidiaries of which are located in that state.
- 37 (b) A regional bank holding company that has a North Carolina bank subsidiary
38 (other than a North Carolina bank subsidiary that was acquired ~~either pursuant to Section~~
39 ~~116 or Section 123 of the Garn-St. Germain Depository Institutions Act of 1982 (12 U.S.C.~~
40 ~~1730a(m), 1823 (f))~~ in a transaction involving assistance by the Federal Deposit
41 Insurance Corporation or in the regular course of securing or collecting a debt
42 previously contracted in good faith, as provided in Section 3(a) of the Bank Holding
43 Company Act of 1956 as amended (12 U.S.C. 1842(a)) may acquire any North Carolina
44 bank or North Carolina bank holding company with the approval of the Commissioner.

1 The regional bank holding company shall submit to the Commissioner an application
 2 for approval of such acquisition, which application shall be approved only if the
 3 Commissioner makes the acquisition subject to any conditions, restrictions,
 4 requirements or other limitations that would apply to the acquisition by a North
 5 Carolina bank holding company of a bank or bank holding company in the state where
 6 the regional bank holding company making the acquisition has its principal place of
 7 business but that would not apply to the acquisition of a bank or bank holding company
 8 in such state by a bank holding company all the bank subsidiaries of which are located
 9 in that state.

10 (c) The Commissioner shall rule on any application submitted under this section
 11 not later than 90 days following the date of submission of a complete application. If the
 12 Commissioner fails to rule on the application within the requisite 90-day period, the
 13 failure to rule shall be deemed a final decision of the Commissioner approving the
 14 application.

15 (d) The Commissioner, within 30 days of receiving the complete application for
 16 acquisition, shall publish notice of the intent of a regional bank holding company to
 17 acquire a North Carolina bank or North Carolina bank holding company under
 18 subsection (a) or (b) of this section. The notice shall be published in newspapers ~~servi~~
 19 in the communities in which the principal offices of the North Carolina bank or North
 20 Carolina bank holding company and of the regional bank holding company are located.
 21 located and, if there are no newspapers published in such communities, then in
 22 newspapers having a general circulation in such communities. Notwithstanding any
 23 other provision of this section, the application for acquisition shall not be approved until
 24 the requirement for publication has been met."

25 Sec. 3. G.S. 53-212 reads as rewritten:

26 "**§ 53-212. Exceptions.**

27 A North Carolina bank holding company, a North Carolina bank, a regional bank
 28 holding company, or a regional bank may acquire or control, and shall not cease to be a
 29 North Carolina bank holding company, a North Carolina bank, a regional bank holding
 30 company, or a regional bank, as the case may be, by virtue of its acquisition or control
 31 of:

- 32 (1) A bank having banking offices in a state not within the region, if such
 33 bank has been acquired ~~pursuant to the provisions of Section 116 or~~
 34 ~~Section 123 of the Garn-St Germain Depository Institutions Act of~~
 35 ~~1982 (12 U.S.C. 1730a(m), 1823(f));~~ in a transaction involving
 36 assistance by the Federal Deposit Insurance Corporation;
- 37 (2) A bank having banking offices in a state not within the region, if such
 38 bank has been acquired in the regular course of securing or collecting a
 39 debt previously contracted in good faith, as provided in Section 3(a) of
 40 the Bank Holding Company Act of 1956 as amended (12 U.S.C.
 41 1842(a)), and if the bank or bank holding company divests the
 42 securities or assets acquired within two years of the date of acquisition.
 43 A North Carolina bank, a North Carolina bank holding company, a
 44 regional bank holding company, or a regional bank may retain these

- 1 interests for up to three additional periods of one year each if the
 2 Commissioner determines that the required divestiture would create
 3 undue financial difficulties for that bank or bank holding company; or
 4 (3) A bank or corporation organized under the laws of the United States or
 5 of any state and operating under Section 25 or Section 25(a) of the
 6 Federal Reserve Act as amended (12 U.S.C. 601 or 611-31) or a bank
 7 or bank holding company organized under the laws of a foreign
 8 country that is principally engaged in business outside the United
 9 States and that either has no banking office in the United States or has
 10 banking offices in the United States that are engaged only in business
 11 activities permissible for a corporation operating under Section 25 or
 12 Section 25(a) of the Federal Reserve Act as amended."

13 Sec. 4. G.S. 53-214 reads as rewritten:

14 **"§ 53-214. Applicable laws, rules and regulations.**

15 (a) Any North Carolina bank that is controlled by a bank holding company that is
 16 not a North Carolina bank holding company shall be subject to all laws of this State and
 17 all rules and regulations under such laws that are applicable to North Carolina banks
 18 that are controlled by North Carolina bank holding companies.

19 (b) ~~Notwithstanding the provisions of G.S. 53-95, the Commissioner~~ The State
 20 Banking Commission may promulgate rules, including the imposition of a reasonable
 21 application and administration fee, to implement and effectuate the provisions of this
 22 Article."

23 Sec. 5. G.S. 53-215 reads as rewritten:

24 **"§ 53-215. Appeal of Commissioner's decision.**

25 Any aggrieved party in a proceeding under ~~G.S. 53-211, G.S. 53-212(2)~~ G.S. 53-211
 26 or G.S. 53-227.1 may, within 30 days after final decision of the Commissioner, appeal
 27 his decision to the State Banking Commission. The State Banking Commission, within
 28 30 days of receipt of the notice of appeal, shall approve, disapprove or modify the
 29 Commissioner's decision. Failure of the State Banking Commission to act within 30
 30 days of receipt of notice of appeal shall constitute a final decision of the State Banking
 31 Commission approving the decision of the Commissioner. Notwithstanding any other
 32 provision of law, any aggrieved party to a decision of the State Banking ~~Commission,~~
 33 ~~within 30 days after final decision of the Commission, may appeal directly to the North~~
 34 ~~Carolina Court of Appeals for judicial review on the record.~~ Commission shall be entitled to
 35 an appeal pursuant to G.S. 53-92."

36 Sec. 6. The title of Article 17 of Chapter 53 of the General Statutes reads as
 37 rewritten:

38 **"ARTICLE 17.**

39 **"NORTH CAROLINA ~~REGIONAL~~ RECIPROCAL INTERSTATE BANKING**
 40 **ACT."**

41 Sec. 7. G.S. 53-209 reads as rewritten:

42 **"§ 53-209. Title.**

43 This Article shall be known and may be cited as the North Carolina ~~Regional~~
 44 Reciprocal Interstate Banking Act."

1 Sec. 8. G.S. 53-210 reads as rewritten:

2 **"§ 53-210. Definitions.**

3 Notwithstanding any other section of this Chapter, for the purposes of this Article:

4 (1) 'Acquire' means:

- 5 a. The merger or consolidation of one bank holding company with
6 another bank holding company;
- 7 b. The acquisition by a bank holding company of direct or indirect
8 ownership or control of voting shares of another bank holding
9 company or a bank, if, after such acquisition, the bank holding
10 company making the acquisition will directly or indirectly own
11 or control more than five percent (5%) of any class of voting
12 shares of the other bank holding company or the bank;
- 13 c. The direct or indirect acquisition by a bank holding company of
14 all or substantially all of the assets of another bank holding
15 company or of a bank; or
- 16 d. Any other action that would result in direct or indirect control
17 by a bank holding company of another bank holding company
18 or a bank.

19 (2) ~~'Bank' means any 'insured bank' as such term is defined in Section 3(h)~~
20 ~~of the Federal Deposit Insurance Act (12 U.S.C. 1813(h)) or any~~
21 ~~institution eligible to become an "insured bank" as such term is defined~~
22 ~~therein, which, in either event,~~

- 23 a. ~~Accepts deposits that the depositor has a legal right to withdraw~~
24 ~~on demand; and~~
- 25 b. ~~Engages in the business of making commercial loans.~~ has the
26 meaning set forth in Section 2(c) of the Bank Holding Company
27 Act of 1956 as amended (12 U.S.C. 1841(c)).

28 (3) 'Banking office' means the principal office of a bank, any branch of a
29 bank, any ~~teller's window-limited service facility~~ of a bank or any other
30 office at which a bank accepts deposits: Provided, however, that
31 'banking office' shall not mean:

- 32 a. Unmanned automatic teller machines, point of sale terminals or
33 other similar unmanned electronic banking facilities at which
34 deposits may be accepted;
- 35 b. Offices located outside the United States; or
- 36 c. Loan production offices, representative offices or other offices
37 at which deposits are not accepted.

38 (4) 'Bank holding company' has the meaning set forth in Section 2(a) (1)
39 of the Bank Holding Company Act of 1956 as amended (12 U.S.C.
40 1841(a)(1)).

41 (5) 'Commissioner' means the Commissioner of Banks of this State.

42 (6) 'Control' has the meaning set forth in Section 2(a)(2) of the Bank
43 Holding Company Act of 1956 as amended (12 U.S.C. 1841(a)(2)).

- 1 (7) 'Deposits' means all demand, time, and savings deposits, without
2 regard to the location of the depositor. ~~Provided, however, that "deposits"~~
3 ~~shall not include any deposits by banks.~~ depositor. For purposes of this
4 Article, determination of deposits shall be made with reference to the
5 most recent available regulatory reports of condition or similar reports
6 made by or to state and federal regulatory authorities.
- 7 (8) 'North Carolina bank' means a bank that:
8 a. Is organized under the laws of this State or of the United States;
9 and
10 b. Has banking offices located only in this State.
- 11 (9) 'North Carolina bank holding company' means a bank holding
12 company:
13 a. That has its principal place of business in this State; and
14 b. ~~The North Carolina bank and regional bank subsidiaries of~~
15 ~~which hold more than eighty percent (80%) of the total deposits~~
16 ~~held by all of its bank subsidiaries, other than bank subsidiaries~~
17 ~~controlled by it in accordance with G.S. 53-212 of this Article;~~
18 ~~and~~
19 c. That is not controlled by a bank holding company other than a
20 North Carolina bank holding company.
- 21 (10) 'Principal place of business' of a bank holding company means the
22 state in which the total deposits held by the banking offices of the bank
23 holding company's bank subsidiaries ~~are the largest.~~ were the largest on
24 July 1, 1966, or the date on which the company became a bank holding
25 company, whichever is later.
- 26 (11) ~~'Region' means the states of Alabama, Arkansas, Florida, Georgia,~~
27 ~~Kentucky, Louisiana, Maryland, Mississippi, North Carolina, South~~
28 ~~Carolina, Tennessee, Texas, Virginia and West Virginia, and the~~
29 ~~District of Columbia.~~
- 30 (11a) 'Out-of-state bank holding company' means a bank holding company
31 that has its principal place of business in a state other than North
32 Carolina.
- 33 (12) 'Regional bank' means a bank that:
34 a. ~~Is organized under the laws of the United States or of one of the~~
35 ~~states in the region other than North Carolina; and~~
36 b. ~~Has banking offices located only in states within the region.~~
- 37 (13) 'Regional bank holding company' means a bank holding company:
38 a. ~~That has its principal place of business in a state within the~~
39 ~~region other than North Carolina;~~
40 b. ~~The regional bank and North Carolina bank subsidiaries of~~
41 ~~which hold more than eighty percent (80%) of the total deposits~~
42 ~~held by all of its bank subsidiaries, other than bank subsidiaries~~
43 ~~controlled by it in accordance with G.S. 53-212 of this Article;~~
44 ~~and~~

1 e. ~~That is not controlled by a bank holding company other than a~~
2 ~~regional bank holding company.~~

3 (14) 'State' means any state of the United States or the District of Columbia.

4 (15) 'Subsidiary' has the meaning set forth in Section 2(d) of the Bank
5 Holding Company Act of 1956 as amended (12 U.S.C. 1841(d))."

6 Sec. 9. G.S. 53-211 reads as rewritten:

7 **"§ 53-211. Acquisitions by ~~regional~~ out-of-state bank holding companies.**

8 (a) ~~A regional~~ An out-of-state bank holding company that does not have a North
9 Carolina bank subsidiary (other than a North Carolina bank subsidiary that was acquired
10 either pursuant to Section 116 or Section 123 of the Garn-St. Germain Depository Institutions
11 Act of 1982 (12 U.S.C. 1730a(m), 1823(f)) in a transaction involving assistance by the
12 Federal Deposit Insurance Corporation) or in the regular course of securing or collecting
13 a debt previously contracted in good faith, as provided in Section 3(a) of the Bank
14 Holding Company Act of 1956 as amended (12 U.S.C. ~~1842(a)~~-1842(a)), may acquire a
15 North Carolina bank holding company or a North Carolina bank with the approval of
16 the Commissioner. The ~~regional~~ out-of-state bank holding company shall submit to the
17 Commissioner an application for approval of such acquisition, which application shall
18 be approved only if:

19 (1) ~~The Commissioner determines that the laws of the state in which the~~
20 ~~regional bank holding company making the acquisition has its~~
21 ~~principal place of business permit North Carolina bank holding~~
22 ~~companies to acquire banks and bank holding companies in that state;~~

23 (2) ~~The Commissioner determines that the laws of the state in which the~~
24 ~~regional bank holding company making the acquisition has its~~
25 ~~principal place of business permit such regional bank holding company~~
26 ~~to be acquired by the North Carolina bank holding company or North~~
27 ~~Carolina bank sought to be acquired. For the purposes of this~~
28 ~~subsection, a North Carolina bank shall be treated as if it were a North~~
29 ~~Carolina bank holding company;~~

30 (3) ~~The Commissioner determines either that the North Carolina bank~~
31 ~~sought to be acquired has been in existence and continuously operating~~
32 ~~for more than five years or that all of the bank subsidiaries of the~~
33 ~~North Carolina bank holding company sought to be acquired have~~
34 ~~been in existence and continuously operating for more than five years:~~
35 ~~Provided, that the Commissioner may approve the acquisition by a~~
36 ~~regional bank holding company of all or substantially all of the shares~~
37 ~~of a bank organized solely for the purpose of facilitating the~~
38 ~~acquisition of a bank that has been in existence and continuously~~
39 ~~operating as a bank for more than five years: Provided further, where~~
40 ~~the Commissioner after examination or other investigation has~~
41 ~~determined that it is necessary to approve an interstate acquisition~~
42 ~~under this Article in order to protect the public and to prevent the~~
43 ~~possible failure of a bank or banking subsidiary of a bank holding~~
44 ~~company, then in that event the period of existence and continuous~~

1 operation of the bank or banking subsidiary may be reduced from five
2 to three years; and

- 3 (4) ~~The Commissioner makes the acquisition subject to any conditions,~~
4 ~~restrictions, requirements or other limitations that would apply to the~~
5 ~~acquisition by a North Carolina bank holding company of a bank or~~
6 ~~bank holding company in the state where the regional bank holding~~
7 ~~company making the acquisition has its principal place of business but~~
8 ~~that would not apply to the acquisition of a bank or bank holding~~
9 ~~company in such state by a bank holding company all the bank~~
10 ~~subsidiaries of which are located in that state.~~

11 if the Commissioner determines that the laws of the state in which the out-of-state bank
12 holding company making the acquisition has its principal place of business permit North
13 Carolina bank holding companies to acquire banks and bank holding companies in that
14 state. Additionally, the Commissioner shall make the acquisition subject to any
15 conditions, restrictions, requirements, or other limitations that would apply to the
16 acquisition by a North Carolina bank holding company of a bank or bank holding
17 company in the state where the out-of-state bank holding company making the
18 acquisition has its principal place of business but that would not apply to the acquisition
19 of a bank or bank holding company in such state by a bank holding company all of the
20 subsidiaries of which are located in that state.

21 (b) ~~A regional~~ An out-of-state bank holding company that has a North Carolina
22 bank subsidiary (other than a North Carolina bank subsidiary that was acquired either
23 ~~pursuant to Section 116 or Section 123 of the Garn-St. Germain Depository Institutions Act of~~
24 ~~1982 (12 U.S.C. 1730a(m), 1823 (f))~~ in a transaction involving assistance by the Federal
25 Deposit Insurance Corporation) or in the regular course of securing or collecting a debt
26 previously contracted in good faith, as provided in Section 3(a) of the Bank Holding
27 Company Act of 1956 as amended (12 U.S.C. ~~1842(a)~~ 1842(a)), may acquire any North
28 Carolina bank or North Carolina bank holding company with the approval of the
29 Commissioner. The ~~regional~~ out-of-state bank holding company shall submit to the
30 Commissioner an application for approval of such acquisition, which application shall
31 be approved only if the Commissioner makes the acquisition subject to any conditions,
32 restrictions, requirements or other limitations that would apply to the acquisition by a
33 North Carolina bank holding company of a bank or bank holding company in the state
34 where the ~~regional~~ out-of-state bank holding company making the acquisition has its
35 principal place of business but that would not apply to the acquisition of a bank or bank
36 holding company in such state by a bank holding company all the bank subsidiaries of
37 which are located in that state.

38 (c) The Commissioner shall rule on any application submitted under this section
39 not later than 90 days following the date of submission of a complete application. If the
40 Commissioner fails to rule on the application within the requisite 90-day period, the
41 failure to rule shall be deemed a final decision of the Commissioner approving the
42 application.

43 (d) The Commissioner, within 30 days of receiving the complete application for
44 acquisition, shall publish notice of the intent of a ~~regional~~ an out-of-state bank holding

1 company to acquire a North Carolina bank or North Carolina bank holding company
2 under subsection (a) or (b) of this section. The notice shall be published in newspapers
3 serving the communities in which the principal offices of the North Carolina bank or
4 North Carolina bank holding company and of the ~~regional-out-of-state~~ bank holding
5 company are ~~located~~-located and, if there are no newspapers published in such
6 communities, then in newspapers having a general circulation in such communities.
7 Notwithstanding any other provision of this section, the application for acquisition shall
8 not be approved until the requirement for publication has been met."

9 Sec. 10. G.S. 53-212 is repealed.

10 Sec. 11. G.S. 53-213 reads as rewritten:

11 **"§ 53-213. Prohibitions.**

12 (a) Except as expressly permitted by this Article or by federal law, no out-of-
13 state bank holding company ~~that is not either a North Carolina bank holding company or a~~
14 ~~regional bank holding company~~ shall acquire a North Carolina bank holding company or a
15 North Carolina bank.

16 (b) ~~Except as required by federal law, a North Carolina bank holding company or~~
17 ~~a regional bank holding company that ceases to be a North Carolina bank holding~~
18 ~~company or a regional bank holding company shall as soon as practicable and, in all~~
19 ~~events, within one year after such event divest itself of control of all North Carolina~~
20 ~~bank holding companies and all North Carolina banks: Provided, however, that such~~
21 ~~divestiture shall not be required if the North Carolina bank holding company or the~~
22 ~~regional bank holding company ceases to be a North Carolina bank holding company or~~
23 ~~a regional bank holding company, as the case may be, because of an increase in the~~
24 ~~deposits held by bank subsidiaries not located within the region and if such increase is~~
25 ~~not the result of the acquisition of a bank or bank holding company."~~

26 Sec. 12. G.S. 53-215 reads as rewritten:

27 **"§ 53-215. Appeal of Commissioner's decision.**

28 Any aggrieved party in a proceeding under G.S. ~~53-211, G.S. 53-212(2)~~ 53-211 or
29 G.S. 53-227.1 may, within 30 days after final decision of the Commissioner, appeal his
30 decision to the State Banking Commission. The State Banking Commission, within 30
31 days of receipt of the notice of appeal, shall approve, disapprove or modify the
32 Commissioner's decision. Failure of the State Banking Commission to act within 30
33 days of receipt of notice of appeal shall constitute a final decision of the State Banking
34 Commission approving the decision of the Commissioner. Notwithstanding any other
35 provision of law, any aggrieved party to a decision of the State Banking ~~Commission,~~
36 ~~within 30 days after final decision of the Commission, may appeal directly to the North~~
37 ~~Carolina Court of Appeals for judicial review on the record.~~ Commission shall be entitled to
38 an appeal pursuant to G.S. 53-92."

39 Sec. 13. G.S. 53-216 reads as rewritten:

40 **"§ 53-216. Periodic reports; interstate agreements.**

41 The Commissioner may from time to time require reports under oath in such scope
42 and detail as he may reasonably determine of each ~~regional-out-of-state~~ bank holding
43 company subject to this Article for the purpose of assuring continuing compliance with
44 the provisions of this Article.

1 The Commissioner may enter into cooperative agreements with other bank
2 regulatory authorities for the periodic examination of any ~~regional-out-of-state~~ bank
3 holding company that has a North Carolina bank subsidiary and may accept reports of
4 examination and other records from such authorities in lieu of conducting its own
5 examinations. The Commissioner may enter into joint actions with other bank
6 regulatory authorities having concurrent jurisdiction over any ~~regional-out-of-state~~ bank
7 holding company that has a North Carolina bank subsidiary or may take such actions
8 independently to carry out its responsibilities under this Article and assure compliance
9 with the provisions of this Article and the applicable banking laws of this State."

10 Sec. 14. G.S. 53-217 reads as rewritten:

11 **"§ 53-217. Enforcement.**

12 The Commissioner shall have the power to enforce the provisions of this ~~Article,~~
13 ~~including the divestiture requirement of G.S. 53-213(b),~~ Article through an action in any
14 court of this State or any other state or in any court of the United States, as provided in
15 G.S. 53-94 and G.S. 53-134, for the purpose of obtaining an appropriate remedy for
16 violation of any provision of this Article, including such criminal penalties as are
17 contemplated by G.S. 53-134."

18 Sec. 15. G.S. 53-218 reads as rewritten:

19 **"§ 53-218. Nonseverability.**

20 It is the purpose of this Article 17 to facilitate orderly development within North
21 Carolina of banking organizations that have banking offices in more than one ~~state~~
22 ~~within the region.~~ state. It is not the purpose of this Article to authorize acquisitions of
23 North Carolina bank holding companies or North Carolina banks by bank holding
24 companies that do not have their principal place of business in this State on any basis
25 other than as expressly provided in this Article. Therefore, if any portion of this Article
26 pertaining to the terms and conditions for and limitations upon acquisition of North
27 Carolina bank holding companies and North Carolina banks by bank holding companies
28 that do not have their principal place of business in this State is determined to be invalid
29 for any reason by a final nonappealable order of any North Carolina or federal court of
30 competent jurisdiction, then this entire Article shall be null and void in its entirety and
31 shall be of no further force or effect from the effective date of such order: Provided,
32 however, that any transaction that has been lawfully consummated pursuant to this
33 Article prior to a determination of invalidity shall be unaffected by such determination."

34 Sec. 16. Sections 1 through 5 of this act are effective upon ratification.
35 Sections 6 through 15 of this act become effective July 1, 1996.