

Senate Bill 213

By: Senators McKoon of the 29th, Rhett of the 33rd, Orrock of the 36th, Hill of the 6th, Millar of the 40th and others

A BILL TO BE ENTITLED  
AN ACT

1 To amend Chapter 60 of Title 36 and Code Section 45-8-14 of the Official Code of Georgia  
2 Annotated, relating to general provisions relative to provisions applicable to counties and  
3 municipal corporations and relating to depositories for county and school district moneys,  
4 respectively, so as to provide for the establishment of banking improvement zones to  
5 encourage opening of financial institutions in areas underserved by financial institutions; to  
6 provide for definitions; to provide for application and standards of approval for a banking  
7 improvement zone; to provide for the establishment of an agreement for the deposit of public  
8 funds in financial institutions within a banking improvement zone; to provide for related  
9 matters; to repeal conflicting laws; and for other purposes.

10 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

11 style="text-align:center">**SECTION 1.**

12 Chapter 60 of Title 36 of the Official Code of Georgia Annotated, relating to general  
13 provisions relative to provisions applicable to counties and municipal corporations, is  
14 amended by adding a new Code section to read as follows:

15 "36-60-27.

16 (a) As used in this Code section, the term:

17 (1) 'Department' means the Department of Community Affairs.

18 (2) 'Financial institution' means a bank, trust company, credit union, building and loan  
19 association, or other organization held out to the public as a place of deposit of funds or  
20 medium of savings or collective investment which is compliant with the applicable  
21 requirements set forth in Title 7.

22 (3) 'Local government' means any county or municipality of this state.

23 (b) Upon submission of an application by a local government, the department may  
24 designate a banking improvement zone within the jurisdiction of such local government for  
25 the purpose of encouraging the establishment of a financial institution within an area which  
26 is underserved by banking services through financial institutions. Application to establish  
27 a banking improvement zone shall be made to the department in such form as shall be

28 prescribed by the department. The department shall exercise its discretion in its  
 29 consideration of the application, but the department shall base the decision of approval  
 30 upon the following factors:

31 (1) The location, number, and proximity of sites where banking services are available in  
 32 the proposed banking improvement zone;

33 (2) Consumer needs for banking services in the proposed banking improvement zone;

34 (3) The economic viability and local credit needs of the local government in the  
 35 proposed banking improvement zone;

36 (4) The existing commercial development in the proposed banking improvement zone;  
 37 and

38 (5) The impact additional banking services would have on potential economic  
 39 development in the proposed banking improvement zone.

40 (c) Upon approval of a banking improvement zone, the governing body of a local  
 41 government may, through ordinance or resolution, designate a financial institution within  
 42 a banking improvement zone as the depository for local government funds provided that  
 43 applicable standards for deposits of public funds set forth in Chapter 8 of Title 45 have  
 44 been satisfied. Subject to agreement between the governing body of a local government  
 45 and a financial institution, such ordinance or resolution shall designate a fixed interest rate  
 46 that is at or below the posted two-year certificate of deposit rate at the financial institution."

47 **SECTION 2.**

48 Code Section 45-8-14 of the Official Code of Georgia Annotated, relating to depositories for  
 49 county and school district moneys, is amended as follows:

50 "45-8-14.

51 ~~The~~ Except as provided for to the contrary in Code Section 36-60-27, the governing  
 52 authority of each county shall designate one or more solvent banks, insured federal savings  
 53 and loan associations, or insured state chartered building and loan associations as  
 54 depositories of all county moneys. The board of education of each county school district  
 55 and of each independent school district shall designate one or more solvent banks, insured  
 56 federal savings and loan associations, or insured state chartered building and loan  
 57 associations as depositories of all school district moneys."

58 **SECTION 3.**

59 All laws and parts of laws in conflict with this Act are repealed.