

ACT No. 17

2021 Regular Session

HOUSE BILL NO. 217

BY REPRESENTATIVE HILFERTY

1 AN ACT

2 To amend and reenact R.S. 6:5, 501(A), 535(C), and 536(C), relative to interstate banking;
3 to remove provisions relative to public policy; to remove capital requirements; to
4 expand geographical limitations; to remove provisions relative to out-of-state
5 holding companies; to remove provisions relative to de novo banks; to remove
6 provisions relative to out-of-state banks entering the state; to provide for state banks
7 held as subsidiaries; to make technical changes; and to provide for related matters.

8 Be it enacted by the Legislature of Louisiana:

9 Section 1. R.S. 6:5, 501(A), 535(C), and 536(C) are hereby amended and reenacted
10 to read as follows:

11 §5. Public policy

12 ~~A.~~ It is the declared public policy of the state of Louisiana to encourage and
13 to foster the development of financial institutions under a dual chartering system of
14 the state and federal governments. In order to carry out this policy, the office of
15 financial institutions is authorized and requested to use its resources in the promotion
16 and development of the dual chartering system under the laws of Louisiana.

17 ~~B. It is further declared that in the event that the Congress of the United~~
18 ~~States enacts legislation authorizing de novo interstate branch banking which is~~
19 ~~optional for the states, it shall be the declared public policy of the state of Louisiana~~
20 ~~to choose not to be subject to provisions of such Act.~~

21 * * *

1 §501. Branch offices ~~within the state~~; capital required; authority

2 A. All banks domiciled in this state ~~having a capital of one hundred thousand~~
3 ~~dollars or more~~ may open one or more branch offices within or outside the state or
4 may acquire one or more banks or any or all branches thereof, or both.

5 * * *

6 §535. Interstate acquisitions; filings with commissioner

7 * * *

8 C. ~~An out-of-state bank holding company may enter Louisiana only through~~
9 ~~the purchase of all, or substantially all, of an established Louisiana bank, or a bank~~
10 ~~holding company having at least one established Louisiana bank subsidiary. It shall~~
11 ~~be unlawful for any out-of-state bank holding company to enter this state by the~~
12 ~~creation of a de novo bank or through the creation of a Louisiana bank holding~~
13 ~~company through which to create a de novo bank. It shall also be unlawful for any~~
14 ~~out-of-state bank holding company to enter this state, either directly or indirectly, by~~
15 ~~the acquisition of a Louisiana bank that is not an established Louisiana bank or a~~
16 ~~bank holding company which does not have at least one established Louisiana bank~~
17 ~~subsidiary that owns a Louisiana bank, as a subsidiary, that is not an established~~
18 Louisiana bank.

19 §536. Interstate bank acquisitions; filings with commissioner

20 * * *

21 C. ~~An out-of-state bank may enter Louisiana only through the purchase of~~
22 ~~all, or substantially all, of an established Louisiana bank, or a bank holding company~~
23 ~~having at least one established Louisiana bank subsidiary, or all of the Louisiana~~
24 ~~branches of an out-of-state bank. It shall be unlawful for any out-of-state bank to~~
25 ~~enter Louisiana by the creation of a de novo bank or de novo branch or branches or~~
26 ~~through the creation of a Louisiana bank holding company through which to create~~
27 ~~a de novo bank. It shall also be unlawful for any out-of-state bank to enter this state,~~
28 ~~either directly or indirectly, by the acquisition of a Louisiana bank that is not an~~
29 ~~established Louisiana bank or a bank holding company which does not have at least~~
30 ~~one~~ owns, as a subsidiary, a Louisiana bank that is not an established Louisiana bank

1 subsidiary. However, if an out-of-state bank is operating in this state through
2 branches, then another out-of-state bank company may enter Louisiana by
3 acquisition of those branches ~~only through the acquisition of all of those branches.~~

SPEAKER OF THE HOUSE OF REPRESENTATIVES

PRESIDENT OF THE SENATE

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____