

STATE OF OKLAHOMA

2nd Session of the 59th Legislature (2024)

SENATE BILL 1865

By: Dahm

AS INTRODUCED

An Act relating to Oklahoma Banking Code; amending 6 O.S. 2021, Section 102, which relates to definitions; defining terms; updating statutory language; updating statutory references; making language gender neutral; and providing an effective date.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. AMENDATORY 6 O.S. 2021, Section 102, is amended to read as follows:

Section 102. As used in the Oklahoma Banking Code unless the context otherwise requires:

1. "Acquisition" or "acquire" means any act or action with respect to the ownership or control of a bank or the purchase of its assets and the assumption of its liabilities which would require the approval of the Federal Deposit Insurance Corporation, the Office of the Comptroller of the Currency, the Board of Governors of the Federal Reserve System or other supervisory authority having jurisdiction and approval authority over the bank;

2. "Action" in the sense of a judicial proceeding includes recoupment, counterclaim, third-party claims, cross claims, setoff,

1 suit in equity, arbitration and any other proceedings in which
2 rights are determined;

3 3. "Bank" means any bank authorized and chartered by the laws
4 of this state to engage in the banking business, or any bank
5 chartered by the ~~office~~ Office of the Comptroller of the Currency
6 with its main office in this state;

7 4. "Banking company" means any bank;

8 5. "Bank holding company" means any Oklahoma corporation which
9 directly or indirectly owns or controls at least one bank or out-of-
10 state bank as defined in this section;

11 6. "Board" when used with an initial capital letter means the
12 Banking Board of this state;

13 7. "Branch bank" means any place of business separated from the
14 main office of a bank at which deposits are received, or checks paid
15 or money lent;

16 8. "Capital" shall include the paid-in common capital stock
17 account, preferred stock account, surplus account, undivided profits
18 account, capital reserves (other than contingency reserves),
19 allowance for possible loan losses and mandatory convertible
20 instruments that are convertible into common stock. ~~"Capital"~~
21 Capital shall also include all other approved subordinated notes and
22 debentures, having an original weighted average maturity of at least
23 seven (7) years, to the extent their maturity date exceeds five (5)
24 years. As such notes and debentures approach maturity of less than

1 five (5) years, they shall be considered ~~"capital"~~ capital in
2 proportion to their years to maturity as it bears to five (5) years;

3 9. "Central bank digital currency" means a digital currency, a
4 digital medium of exchange, or a digital monetary unit of account
5 issued by the United States Federal Reserve System, a federal
6 agency, a foreign government, a foreign central bank, or a foreign
7 reserve system, that is made directly available to a consumer by
8 such entities. The term includes a digital currency, a digital
9 medium of exchange, or a digital monetary unit of account issued by
10 the United States Federal Reserve System, a federal agency, or a
11 foreign reserve system that is processed or validated directly by
12 such entity;

13 10. "Commissioner" means the State Banking Commissioner
14 appointed and serving pursuant to ~~this act~~ the Oklahoma Banking
15 Code, who shall be the Commissioner of Banking and who shall
16 administer and enforce the applicable provisions of ~~this act~~ the
17 Oklahoma Banking Code;

18 ~~10.~~ 11. "Community" means a city, town or incorporated village
19 of this state, or a trade area in this state in unincorporated
20 territory;

21 ~~11.~~ 12. "Company" means any corporation, association,
22 partnership, business trust or similar organization, but shall not
23 include any corporation, the majority of the shares of which are
24 owned by the United States or by any state;

1 ~~12.~~ 13. "Compliance review committee" means:

- 2 a. an audit, loan review or compliance committee
3 appointed by the ~~Board of Directors~~ board of directors
4 of an insured depository institution, or
5 b. any other person to the extent the person acts in an
6 investigatory capacity at the direction of a
7 compliance review committee;

8 ~~13.~~ 14. "Compliance review documents" means documents prepared
9 for or created by a compliance review committee;

10 ~~14.~~ 15. "Confusingly similar name" means:

- 11 a. as applied to the name of any bank, a name which is
12 identical to that of any other bank located within
13 this state, or a name which:
14 (1) contains one or more of the following words with
15 or without the words "State," "National," or
16 "Trust": American, Central, Citizens, City,
17 Commerce, Commercial, Community, Exchange,
18 Farmers & Merchants, First, Guaranty, Oklahoma,
19 Peoples, Security or United,
20 (2) does not contain a geographical name (other than
21 "Oklahoma") descriptive of the immediate location
22 of the bank (street, town, city, county or other
23 local geographical name),

1 (3) does not contain other unique or clearly
2 distinguished words or marks, and
3 (4) is not a federally registered trade name,
4 trademark or service mark owned by or licensed to
5 the particular bank,

6 b. as applied to the name of any person not a bank, a
7 name which is confusingly similar in spelling or
8 wording or sound to the name of any bank located
9 anywhere within this state, if such name would tend to
10 suggest falsely to the public that the person is a
11 bank or is affiliated with the bank, directly or
12 indirectly. However, nothing contained in this
13 subsection shall prohibit the use of a similar name by
14 a corporation which is in a relationship to the bank
15 of parent, subsidiary, brother-sister corporation or
16 other commonly controlled company, or

17 c. notwithstanding anything to the contrary in
18 subparagraph a or b of this paragraph, the name or
19 shortened name of a bank shall not be considered
20 confusingly similar when used in conjunction with a
21 federally registered trademark or service mark owned
22 by or licensed to the particular bank. Proof of
23 ownership or license of a federally registered mark
24 must be provided to the Banking Department.

1 The Board shall promulgate rules which govern the use of
2 ~~"confusingly similar names"~~ confusingly similar names as defined in
3 this paragraph;

4 ~~15.~~ 16. "Consumer banking electronic facility" means any
5 electronic device owned, operated, leased by or on the behalf of a
6 bank, savings association, or credit union other than a telephone or
7 modem operated by a customer of a depository institution, to which a
8 person may initiate an electronic fund transfer. The term includes
9 without limitations, a point-of-sale terminal, automatic teller
10 machines, automated loan machines, video banking centers, or any
11 other similar electronic devices;

12 ~~16.~~ 17. "Continuing bank" means a merging bank the charter of
13 which becomes the charter of the resulting bank;

14 ~~17.~~ 18. "Control" means control as such term is defined under
15 the ~~Federal~~ federal Bank Holding Company Act of 1956, as amended, 12
16 U.S.C., Section 1841;

17 ~~18.~~ 19. "Converting bank" means a bank converting from a state
18 to a national bank, or the reverse;

19 ~~19.~~ 20. "Court" means a court of competent jurisdiction;

20 ~~20.~~ 21. "Currency" or "funds" means the coin and paper money of
21 the United States or of any other country that is designated as
22 legal tender and that circulates and is customarily used and
23 accepted as a medium of exchange in the country of issuance.

24 Currency includes U.S. silver certificates, U.S. notes, and Federal

1 Reserve notes. Currency also includes official foreign bank notes
2 that are customarily used and accepted as a medium of exchange in a
3 foreign country. This term shall not include a central bank digital
4 currency;

5 22. "Department" means the ~~Oklahoma State~~ Banking Department
6 created by this Code;

7 ~~21.~~ 23. "Deposits" means all demand, time and savings deposits
8 of individuals, partnerships, corporations, the United States and
9 states and political subdivisions of the United States, deposits of
10 banks, foreign governments, institutions, deposits held by foreign
11 banking offices or corporations organized pursuant to 12 U.S.C.,
12 Sections 601 through 604a, or Sections 611 through 631, as amended.
13 Determinations of deposits shall be made by the Commissioner by
14 reference to regulatory reports of condition or similar reports
15 filed by banks or savings associations with state or federal
16 regulatory agencies;

17 ~~22.~~ 24. "Emergency" means any condition or occurrence which may
18 interfere physically with the conduct of normal business operations
19 at one or more or all of the offices of a bank or an out-of-state
20 bank, or which poses an imminent or existing threat to the safety or
21 security of persons or property, or both. Without limiting the
22 generality of the foregoing, an emergency may arise as a result of
23 any one or more of the following: fires; floods; earthquakes;
24 hurricanes; wind, rain or snow storms; labor disputes and strikes;

1 power failures; transportation failures; interruptions of
2 communication facilities; shortages of fuel, housing, food,
3 transportation or labor; robberies or attempted robberies; actual or
4 threatened enemy attack; epidemics or other catastrophes; or riots,
5 civil commotions and other acts of lawlessness or violence, actual
6 or threatened;

7 ~~23.~~ 25. "Executive officer", when referring to a bank, out-of-
8 state bank, or trust company, means any person designated as such in
9 the bylaws and includes, whether or not so designated, the ~~chairman~~
10 chair of the board of directors, ~~chairman~~ chair of the executive
11 committee, the president, any ~~vice-president~~ vice president, the
12 trust officer, the treasurer, the cashier, the comptroller and the
13 secretary, or any person who performs the duties appropriate to
14 those offices;

15 ~~24.~~ 26. "Federal Reserve Act" means the Act of Congress
16 approved December 23, 1913, (38 Stat. 251), as amended;

17 ~~25.~~ 27. "Federal Reserve Bank" means the Federal Reserve Banks
18 created and organized under authority of the Federal Reserve Act;

19 ~~26.~~ 28. "Federal Reserve Board" means the Board of Governors of
20 the Federal Reserve System created and described in the Federal
21 Reserve Act, as amended;

22 ~~27.~~ 29. "Fiduciary" means original or successor trustee of an
23 expressed or implied trust, including, but not limited to, a
24 resulting or constructive trust, special administrator, executor,
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1 administrator, administrator common trust agreement, guardian,
2 guardian-trustee or conservator for a minor or other incompetent
3 person, receiver, trustee in bankruptcy, assignee for creditors or
4 any holder of a similar position of trust acting alone or with
5 others;

6 ~~28.~~ 30. "General obligation" means obligations of the State of
7 Oklahoma or a political subdivision of this state and of any other
8 state or political subdivision thereof supported by the full faith
9 and credit of the obligor. It includes all obligations payable from
10 a special fund when the full faith and credit of a state or any
11 political subdivision of a state is obligated for payment into the
12 fund of amounts which will be sufficient to provide for all required
13 payments in connection with the obligation. It implies an obligor
14 possessing resources sufficient to justify faith and credit;

15 ~~29.~~ 31. "Good faith" means honesty in fact in the transaction
16 and some reasonable ground for belief that the transaction is
17 rightful or authorized;

18 ~~30.~~ 32. "Insolvent" means that the actual cash market value of
19 a bank's assets is insufficient to pay its liabilities other than
20 its capital stock, surplus and undivided profits, or that the bank
21 is unable to meet the demands of its creditors in the usual course
22 of business;

1 ~~31.~~ 33. "Insured depository institution" means any bank or
2 savings association the deposits of which are insured by the Federal
3 Deposit Insurance Corporation;

4 ~~32.~~ 34. "Interstate merger transaction" means a merger between
5 two banks, two savings associations or a bank and a savings
6 association, one of which is chartered by or has its main office
7 located in this state, and the other of which is an out-of-state
8 bank as defined in this section;

9 ~~33.~~ 35. "Investment securities" means marketable obligations in
10 the form of bonds, notes or debentures which are commonly regarded
11 as investment securities. It does not include investments which are
12 predominantly speculative in nature;

13 ~~34.~~ 36. "Item" means any instrument for the payment of money
14 even though not negotiable, but does not include money;

15 ~~35.~~ 37. "Legal newspaper" means a newspaper qualified to
16 publish legal notices under the provisions of Section 106 of Title
17 25 of the Oklahoma Statutes;

18 ~~36.~~ 38. "Loan review committee" means a person or group of
19 persons who, on behalf of an insured depository institution, reviews
20 loans held by such institution for the purpose of assessing the
21 credit quality of the loans, compliance with the loan policies of
22 such institution, and compliance with the applicable state and
23 federal laws, regulations and rules;

24 ~~37.~~ 39. "Local media" means:
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1 a. any newspaper, radio station or television station
2 with its main office located in the same city or town
3 in which a particular main office of a bank is
4 located, and

5 b. other means or media of advertising, including without
6 limitation any outdoor signage on the premises of the
7 bank, billboards, bulk mailings and other
8 solicitations to persons who are not customers of the
9 bank, but only to the extent that any such advertising
10 is strictly limited in geographical location or
11 distribution to the same city or town, including the
12 immediate surrounding unincorporated rural area, where
13 the particular main office of the bank is located;

14 ~~38.~~ 40. "Main bank" means the office location which has been
15 designated by the State Banking Commissioner or Comptroller of the
16 Currency as the main office of a bank;

17 ~~39.~~ 41. "Main office" means either the main bank or the main
18 office location of a savings association;

19 ~~40.~~ 42. "Managing officer" means the chief executive officer of
20 the bank;

21 ~~41.~~ 43. "Member bank" means any national bank, state bank or
22 banking and trust company which becomes a member of the Federal
23 Reserve System;

24 ~~42.~~ 44. "Merger" includes consolidation;

1 ~~43.~~ 45. "Military banking facility" means a facility maintained
2 by a bank upon a military installation, provided the facility must
3 be within the confines of a military reservation and located upon
4 property owned or leased by the United States government;

5 ~~44.~~ 46. "Mobile" means the ability to be moved, picked up,
6 rolled, pulled or driven;

7 ~~45.~~ 47. "Multibank holding company" means an Oklahoma
8 corporation which directly or indirectly owns or controls two or
9 more banks, two or more bank holding companies, or one or more of
10 each as defined in this section;

11 ~~46.~~ 48. "National Bank Examiner" or "Federal Bank Examiner"
12 means any person employed as a bank examiner by the Comptroller of
13 the Currency, the Federal Deposit Insurance Corporation and the
14 Federal Reserve Board or Bank;

15 ~~47.~~ 49. "Office" means any place at which a bank or an out-of-
16 state bank transacts its business or conducts operations related to
17 its business;

18 ~~48.~~ 50. "Officer", when referring to a bank, out-of-state bank
19 or trust company, means any person designated as such in the bylaws
20 and includes, whether or not so designated, any executive officer,
21 the ~~chairman~~ chair of the board of directors, the ~~chairman~~ chair of
22 the executive committee, and any trust officer, assistant trust
23 officer, assistant ~~vice-president~~ vice president, assistant
24 treasurer, assistant cashier, assistant comptroller, assistant

1 secretary, auditor or any person who performs the duties appropriate
2 to those offices;

3 ~~49.~~ 51. "Order" means all, or any part, of the final
4 disposition, whether affirmative, negative, injunctive or
5 declaratory in form, by the Commissioner or the Banking Board, of
6 any matter other than the making of regulations of general
7 application;

8 ~~50.~~ 52. "Out-of-state bank" means a national bank or a state or
9 federal savings association which has its main office located in a
10 state other than Oklahoma, or a bank chartered by a state other than
11 Oklahoma;

12 ~~51.~~ 53. "Out-of-state bank holding company" means a bank
13 holding company which is not incorporated in this state and which
14 directly or indirectly owns or controls one or more banks or out-of-
15 state banks as defined in this section;

16 ~~52.~~ 54. "Person" means an individual, group of individuals,
17 board, committee, partnership, firm, association, corporation or
18 other entity;

19 ~~53.~~ 55. "Political subdivision" includes a county, city, town
20 or other municipal corporation, a public authority, and generally
21 any publicly owned entity which is an instrumentality of the state
22 or a municipal corporation;

23 ~~54.~~ 56. "Principal place of business of a bank or a bank
24 holding company" means the state in which the total deposits of the
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1 bank or the bank subsidiaries of the bank holding company are the
2 largest;

3 ~~55.~~ 57. "Reason to know" means that upon the information
4 available a person of ordinary intelligence in the particular
5 business, or of the superior intelligence or experience which the
6 person in question may have, would infer that the fact in question
7 exists or that there is such a substantial chance of its existence
8 that, if exercising reasonable care with reference to the matter in
9 question, conduct would be predicated upon the assumption of its
10 possible existence;

11 ~~56.~~ 58. "Resulting bank" means the combined banks and trust
12 companies carrying on business upon completion of a merger;

13 ~~57.~~ 59. "Retailer" means a person, corporation or partnership,
14 primarily engaged in the sale of goods at retail to the general
15 public;

16 ~~58.~~ 60. "Savings association" means any savings and loan
17 association or savings bank chartered under the laws of this state
18 or the laws of the United States authorized to engage in the savings
19 and loan business with its main office located in this state;

20 ~~59.~~ 61. "Savings association branch" means any place of
21 business separated from the main office of a savings association at
22 which deposits are received, checks paid or money lent;

23 ~~60.~~ 62. "Subsidiary" with respect to a specified bank holding
24 company or multibank holding company means a subsidiary as the term

1 is defined in the ~~Federal Reserve~~ federal Bank Holding Company Act
2 of 1956, as amended, 12 U.S.C., Section 1841; and

3 ~~61.~~ 63. "Trust company" means:

- 4 a. any person doing a trust company business as set forth
5 in this Code except an incorporated or unincorporated
6 organization which is organized under Section
7 501(c)(3) of the Internal Revenue Code as being
8 organized and operated exclusively for educational,
9 religious, charitable, or other eleemosynary purposes
10 when exercising powers pursuant to the Oklahoma
11 Charitable Fiduciary Act and the Oklahoma General
12 Corporation Act, and
- 13 b. the trust departments of banks authorized to engage in
14 the trust company business.

15 SECTION 2. This act shall become effective November 1, 2024.

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