HOUSE BILL NO. 1443

1   AN ACT TO AMEND SECTION 81-5-1, MISSISSIPPI CODE OF 1972, TO
2   DELETE THE REQUIREMENT FOR LOAN COMMITTEE APPROVAL OF CERTAIN BANK
3   LOANS; AND FOR RELATED PURPOSES.

4   BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

5   **SECTION 1.** Section 81-5-1, Mississippi Code of 1972, is

6   amended as follows:

7   81-5-1. (1) All banking corporations are prohibited, either

8   through their officers or as a banking agency, from participating,

9   directly or indirectly, in the operation of any underwriting

10 syndicate which handles securities for resale. However, this

11 inhibition shall not apply to bonds issued by federal, state,

12 county or other governmental agencies.

13   (2) The executive officers of banking corporations now

14 existing or hereafter organized under the laws of the State of

15 Mississippi, are prohibited from owning stock in private banking

16 houses or other agencies engaged in the business of underwriting

17 securities for resale.

18   (3) The Commissioner of Banking and Consumer Finance is

19 authorized, empowered and directed to promulgate rules and

20 regulations, relative to withdrawals of deposits from savings

21 banks, trust companies and other banking institutions, and the

22 commissioner may, in cases of emergency, declare bank holidays and

23 do any and all things necessary to insure, protect and conserve

24 the resources of such banks.

25   (4) All state banking corporations are prohibited from

26 making loans to state, county, municipal and district governmental

27 agencies, unless such loans are made in strict compliance with

legal enactments and regulations which govern, and such banking
corporations are further prohibited from transferring funds from
one state, county, municipal or district account to another unless
authorized by warrant issued by proper authority, and such banking
corporations are prohibited from discounting state, county,
municipal, district or other public certificates and warrants, but
such certificates and warrants may be used as collateral to
guarantee the payment of notes or other obligations.

(5) The board of directors of any banking corporation
created under the laws of this state may, at its option, require
any or all employees of such to file with the board of directors a
sworn financial statement semiannually or more often if it so
desires.

(6) Any bank may, at its option, pay all checks drawn on it
with currency or valid exchange drawn on a bank in a reserve city
not more than five hundred (500) miles distant from such bank; but
each depositor is entitled to have his checks paid each day in
currency to the total extent of ten percent (10%) of his deposit
if it exceeds One Thousand Dollars ($1,000.00) and at least One
Hundred Dollars ($100.00) each day if his balance is over One
Hundred Dollars ($100.00) and less than One Thousand Dollars
($1,000.00), and may demand his entire balance in currency at any
time if One Hundred Dollars ($100.00) or less.

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(7) All state banking corporations may purchase for the
account of their customers bonds, stocks and other securities, and
such banking corporations may charge for their service in
connection with the handling of such transactions only actual
expenses plus the usual broker's fees allowed for similar service
by national banks.

(8) Any state bank may purchase, lease or otherwise acquire
automatic data processing computers and related machinery and
equipment, and such bank may utilize and operate such computers,

61 machinery and equipment in performing for itself, its customers or

62 any other bank such services as may be desired including, but not

63 limited to, check and deposit sorting and posting, computation and

64 posting of interest and other credits and charges, preparation and

65 mailing of checks, statements, notices and similar items, or any

66 other clerical, bookkeeping, accounting, statistical or similar

67 functions performed by and for a bank. Corporations may be

68 organized under the laws of the State of Mississippi for the

69 purpose of owning and operating, by purchase, lease or otherwise,

70 such computers, related machinery and equipment as aforesaid, and

71 such corporations may perform for any bank those services as above

72 mentioned; and stock of such corporations shall be legal

73 investments for state banks to the same extent that stock of bank

74 service corporations is eligible for acquisition by national banks

75 under the provisions of the Bank Service Corporation Act, Public

76 Law 87-856, 76 Stat. 1132.

77   (9) In addition to other powers, a state-chartered bank

78 shall have and possess such of the rights, powers, privileges,

79 immunities, duties and obligations of a national bank having its

80 principal place of business in this state as may be prescribed by

81 the State Board of Banking Review by general regulation under the

82 circumstances and conditions set out therein. In the event of a

83 conflict between the provisions of this subsection (9) and the

84 provisions of any other act or acts, directly or indirectly,

85 governing or regulating the activities of state-chartered banks,

86 the provisions of this subsection (9) shall control, and insurance

87 activities of all banks, their subsidiaries, affiliates, branches,

88 officers and employees doing business in this state shall be

89 governed by the provisions of Title 83, Mississippi Code of 1972,

90 only to the extent that Title 83, Mississippi Code of 1972,

91 applies to national banks in Mississippi.

92   **SECTION 2.** This act shall take effect and be in force from

93 and after July 1, 2006.

H. B. No. 1443   *HR03/R1492*
06/HR03/R1492   ST: Loans; delete requirement for loan
PAGE 3 (RF\LH)   committee approval of certain bank loans.