

By: Senator(s) Mettetal

To: Business and Financial
Institutions

COMMITTEE SUBSTITUTE
FOR
SENATE BILL NO. 2853

1 AN ACT TO AMEND SECTION 81-5-1, MISSISSIPPI CODE OF 1972, TO
2 REMOVE THE REQUIREMENT OF LOAN COMMITTEE APPROVAL ON CERTAIN
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

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

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

41 (6) Any bank may, at its option, pay all checks drawn on it
42 with currency or valid exchange drawn on a bank in a reserve city
43 not more than five hundred (500) miles distant from such bank; but
44 each depositor is entitled to have his checks paid each day in
45 currency to the total extent of ten percent (10%) of his deposit
46 if it exceeds One Thousand Dollars (\$1,000.00) and at least One
47 Hundred Dollars (\$100.00) each day if his balance is over One
48 Hundred Dollars (\$100.00) and less than One Thousand Dollars
49 (\$1,000.00), and may demand his entire balance in currency at any
50 time if One Hundred Dollars (\$100.00) or less.

51 * * *

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

58 (8) Any state bank may purchase, lease or otherwise acquire
59 automatic data processing computers and related machinery and
60 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 its passage.