

CHAPTER 33

FINANCIAL INSTITUTIONS

SENATE BILL 07-040

BY SENATOR(S) Tochtrop;
also REPRESENTATIVE(S) Marshall, Carroll T., Kerr A., Labuda, Madden, McFadyen, McGihon, Solano, and Soper.

AN ACT

CONCERNING THE PROHIBITION OF A FINANCIAL INSTITUTION FROM CONDUCTING OPERATIONS ON THE PREMISES OF AN AFFILIATE ENGAGED IN NONFINANCIAL ACTIVITIES.

Be it enacted by the General Assembly of the State of Colorado:

SECTION 1. 11-101-401, Colorado Revised Statutes, is amended BY THE ADDITION OF THE FOLLOWING NEW SUBSECTIONS to read:

11-101-401. Definitions. As used in this code, unless the context otherwise requires:

(3.5) "AFFILIATE" MEANS ANY COMPANY THAT DIRECTLY OR INDIRECTLY CONTROLS, IS CONTROLLED BY, OR IS UNDER COMMON CONTROL WITH ANOTHER COMPANY.

(16.5) "COMMERCIAL ACTIVITIES" MEANS ACTIVITIES IN WHICH A BANK HOLDING COMPANY, A FINANCIAL HOLDING COMPANY, A NATIONAL BANK, OR A NATIONAL BANK FINANCIAL SUBSIDIARY MAY NOT ENGAGE UNDER FEDERAL LAW.

SECTION 2. 11-105-602 (3), Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW PARAGRAPH to read:

11-105-602. Financial branches allowed - conversion of financial institutions to branches - acquisitions. (3) (b.5) (I) NO FINANCIAL INSTITUTION MAY DIRECTLY OR INDIRECTLY ESTABLISH OR MAINTAIN OR CAUSE TO BE ESTABLISHED OR MAINTAINED ITS PRINCIPAL OFFICE, A LOAN PRODUCTION OFFICE, A DEPOSIT PRODUCTION OFFICE, AN ELECTRONIC COMMUNICATIONS DEVICE, OR A BRANCH IN THIS STATE ON OR WITHIN ONE AND ONE-HALF MILES FROM PREMISES OR PROPERTY OWNED, LEASED, OR OTHERWISE CONTROLLED, DIRECTLY OR INDIRECTLY, BY AN

Capital letters indicate new material added to existing statutes; dashes through words indicate deletions from existing statutes and such material not part of act.

AFFILIATE THAT ENGAGES IN COMMERCIAL ACTIVITIES.

(II) THIS PARAGRAPH (b.5) SHALL NOT APPLY WITH RESPECT TO ANY INDUSTRIAL BANK THAT:

(A) BECAME AN INSURED DEPOSITORY INSTITUTION BEFORE OCTOBER 1, 2003, OR PURSUANT TO AN APPLICATION FOR DEPOSIT INSURANCE THAT WAS APPROVED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION BEFORE SUCH DATE; AND

(B) IS A SUBSIDIARY OF A PARENT ENTITY, AT LEAST EIGHTY-FIVE PERCENT OF WHOSE GROSS REVENUES ON A CONSOLIDATED BASIS, INCLUDING AFFILIATES, WERE DERIVED FROM ENGAGING IN, ON AN ONGOING BASIS, ACTIVITIES THAT ARE FINANCIAL IN NATURE OR INCIDENTAL TO A FINANCIAL ACTIVITY, AS DEFINED BY THE FEDERAL "GRAMM-LEACH-BLILEY FINANCIAL MODERNIZATION ACT", PUB.L. 106-102, 113 STAT. 1388, DURING AT LEAST THREE OF THE PRIOR FOUR CALENDAR QUARTERS.

SECTION 3. Safety clause. The general assembly hereby finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, and safety.

Approved: March 16, 2007