

CHAPTER 175

FINANCIAL INSTITUTIONS

HOUSE BILL 93-1030

BY REPRESENTATIVE Schauer;
also SENATORS Mutzebaugh and Tebedo.

AN ACT

**CONCERNING THE REGULATION OF FINANCIAL INSTITUTIONS, AND, IN CONNECTION THEREWITH,
PROVIDING FOR TRUST COMPANY REGULATION.**

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

SECTION 1. Article 23 of title 11, Colorado Revised Statutes, 1987 Repl. Vol., as amended, is amended BY THE ADDITION OF A NEW SECTION to read:

11-23-102.3. Use of words "trust" or "trust company". (1) IT IS UNLAWFUL FOR ANY PERSON, FIRM, ASSOCIATION, OR CORPORATION TO USE OR ADVERTISE THE WORDS "TRUST" OR "TRUST COMPANY" IN THE CONDUCT OF ITS BUSINESS IN SUCH A MANNER AS IS LIKELY TO CAUSE THE PUBLIC TO BE CONFUSED, DECEIVED, OR MISTAKEN THAT SUCH PERSON, FIRM, ASSOCIATION, OR CORPORATION HAS BEEN AUTHORIZED TO TRANSACT BUSINESS AS A REGULATED FINANCIAL INSTITUTION UNLESS SUCH PERSON, FIRM, ASSOCIATION, OR CORPORATION IS ORGANIZED UNDER THE "COLORADO BANKING CODE OF 1957", ARTICLES 1 TO 11 AND 22 AND 23 OF THIS TITLE, THE "COLORADO TRUST COMPANY ACT", ARTICLE 23 OF THIS TITLE, ARTICLE 70 OF THIS TITLE, OR THE NATIONAL BANKING LAWS AND IS AUTHORIZED TO USE THE WORDS "TRUST" OR "TRUST COMPANY" AS PART OF ITS NAME.

(2) THE PROVISIONS OF SUBSECTION (1) OF THIS SECTION SHALL NOT APPLY TO STATE BANKS WITH TRUST POWERS, NATIONAL BANKING ASSOCIATIONS LOCATED IN COLORADO THAT HAVE TRUST POWERS, AND TRUST COMPANIES INCORPORATED IN COLORADO.

SECTION 2. 11-23-109 (2), Colorado Revised Statutes, 1987 Repl. Vol., as amended, is amended BY THE ADDITION OF A NEW PARAGRAPH to read:

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

11-23-109. Procedure for granting or denying charter. (2) Within ninety days of the filing of the application, the banking board shall conduct a public hearing to consider the application. At least thirty days prior to such hearing, the banking board shall give written notice thereof to all persons doing a trust business in the community in which the proposed trust company is to be located and to such other persons as it may designate. At such hearing, the applicants shall have the burden of proving that:

(e) THE BOOKS AND RECORDS OF THE PROPOSED TRUST COMPANY WILL BE MAINTAINED IN COLORADO AND A SUBSTANTIAL PORTION OF THE PROPOSED TRUST COMPANY'S OPERATIONS WILL BE CONDUCTED IN COLORADO.

SECTION 3. Effective date. This act shall take effect July 1, 1993.

SECTION 4. 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: April 30, 1993