

COUNCIL OF THE DISTRICT OF COLUMBIA


NOTICE

D.C. LAW 6-107

"District of Columbia Regional Interstate
Banking Act of 1985 Amendments Act of 1985".

Pursuant to Section 412 of the District of Columbia Self-Government and Governmental Reorganization Act, P. L. 93-198, "the Act", the Council of the District of Columbia adopted Bill No. 6-276 on first and second readings, January 14, 1986, and January 28, 1986, respectively. Following the signature of the Mayor on February 14, 1986, this legislation was assigned Act No. 6-136, published in the February 28, 1986, edition of the D.C. Register, (Vol. 33 page 1168) and transmitted to Congress on February 19, 1986 for a 30-day review, in accordance with Section 602 (c)(1) of the Act.

The Council of the District of Columbia hereby gives notice that the 30-day Congressional Review Period has expired, and therefore, cites this enactment as D.C. Law 6-107, effective April 11, 1986.


DAVID A. CLARKE
Chairman of the Council

Dates Counted During the 30-day Congressional Review Period:

February 19,20,21,24,25,26,27,28

March 3,4,5,6,7,10,11,12,13,14,17,18,19,20,21,24,25,26,27

April 8,9,10

LAW 6 - 107

AN ACT

RECEIVED APR 11 1986

D.C. ACT 6 - 136

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

FEB 14 1986

To amend the District of Columbia Regional Interstate Banking Act of 1985 to allow acquisitions by nonregional bank holding companies of District bank holding companies and District banks in order to foster greater economic development in the District, to establish an Office of Banking and Financial Institutions with responsibility for chartering and regulating financial institutions organized to do business in the District, to facilitate the expansion of financial services for District residents, including those who reside in underserved and low- and moderate-income areas; and for other purposes.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this act may be cited as the "District of Columbia Regional Interstate Banking Act of 1985 Amendments Act of 1985".

Sec. 2. The District of Columbia Regional Interstate Banking Act of 1985, effective November 23, 1985 (D.C. Law 6-63; to be codified at D.C. Code, sec. 26-801 et seq.), is amended as follows:

(a) Section 2 is amended to read as follows:

"Sec. 2. Definitions.

"For the purpose of this act, the term:

"(1) 'Acquire' means:

"(A) The merger or consolidation of 1 bank holding company with another bank holding company;

"(B) The acquisition by a bank holding

D.C. Code,
sec. 26-80
(1987 supp

company of direct or indirect ownership or control of voting shares of another bank holding company or a bank, if, after the acquisition, the bank holding company making the acquisition will directly or indirectly own or control more than 5% of any class of voting shares of the other bank holding company or the bank;

"(C) The direct or indirect acquisition by a bank holding company of all or substantially all of the assets of another bank holding company or of a bank; or

"(D) Any other action that would result in direct or indirect control by a bank holding company of another bank holding company or bank.

"(2) 'Bank' means any 'insured bank' as the term is defined in 12 U.S.C. 1813(h), or any institution eligible to become an insured bank as the term is defined therein, which, in either event:

"(A) Accepts deposits that the depositor has a legal right to withdraw on demand; and

"(B) Engages in the business of making commercial loans.

"(3) 'Bank holding company' has the meaning set forth in 12 U.S.C. 1841(a)(1).

"(4) 'Banking office' means any office or other location at which a bank accepts deposits. The term 'banking office' shall not mean:

"(A) Unmanned automatic teller machines, point of sale terminals, or other similar unmanned electronic banking facilities at which deposits may be

accepted;

"(B) Offices located outside the United States; or

"(C) Loan production offices, representative offices, or other offices at which deposits are not accepted.

"(5) 'Control' has the meaning set forth in 12 U.S.C. 1841(a)(2).

"(6) 'Deposits' means all demand, time, and savings deposits, without regard to the location of the depositor. The term 'deposits' shall not include any deposits by banks. For purposes of this act, determination of deposits shall be made with reference to regulatory reports of conditions or similar reports made by or to state and federal regulatory authorities.

"(7) 'District' means the District of Columbia.

"(8) 'District bank' or 'District of Columbia bank' means a bank that:

"(A) Is organized under the laws of the United States or a state; and

"(B) Has banking offices located only in the District.

"(9) 'District bank holding company' or 'District of Columbia bank holding company' means a bank holding company:

"(A) That has its principal place of business in the District of Columbia;

"(B) The District of Columbia bank and

regional bank subsidiaries of which hold more than 80% of the total deposits held by all of its bank subsidiaries, other than bank subsidiaries controlled by it in accordance with section 4; and

"(C) That is not controlled by a bank holding company other than a District bank holding company.

"For purposes of determining whether a bank holding company that had a District bank subsidiary on January 1, 1985, is and continues to be a District bank holding company, no consideration shall be given to the deposits of any bank subsidiary located outside the region that the bank holding company controlled on January 1, 1985.

"(10) 'Low- and moderate-income area' means any area within the District which the Superintendent designates in rules as a low- and moderate-income area after the Superintendent's consideration of the income levels of residents within the area, the mix of the levels of income in the area, and the location of the levels of income within the area. The Superintendent shall from time to time revise the Superintendent's designations to reflect changes in these factors. Once an area has been determined to be a low- and moderate-income area and identified by an applicant in any application which is considered approved pursuant to section 5, that determination is final for the applicant, and any future revision in the determination of low- and moderate-income areas shall have no effect on the applicant.

"(11) 'Nonregional bank holding company' means any bank holding company which is neither a District bank

holding company nor a regional bank holding company.

"(12) 'Principal place of business' of a bank holding company means the state in which the total deposits held by the banking offices of the bank holding company's bank subsidiaries are the largest.

"(13) 'Region' means the District of Columbia and the states of Alabama, Florida, Georgia, Louisiana, Maryland, Mississippi, North Carolina, South Carolina, Tennessee, Virginia, and West Virginia.

"(14) 'Regional bank' means a bank that:

"(A) Is organized under the laws of the United States or of 1 of the states in the region other than the District of Columbia; and

"(B) Has banking offices located only in states within the region.

"(15) 'Regional bank holding company' means a bank holding company:

"(A) That has its principal place of business in a state within the region other than the District of Columbia;

"(B) The regional bank and District of Columbia bank subsidiaries of which hold more than 80% of the total deposits held by all of its bank subsidiaries, other than bank subsidiaries controlled by it in accordance with section 4; and

"(C) That is not controlled by a bank holding company other than a regional bank holding company.

"For purposes of determining whether a bank

holding company that had a District of Columbia bank subsidiary on January 1, 1985, is and continues to be a regional bank holding company, no consideration shall be given to the deposits of any bank subsidiary located outside the region that the bank holding company controlled on January 1, 1985.

"(16) 'Small business' means a business with annual gross sales of \$5 million or less.

"(17) 'State' means any state of the United States or the District of Columbia.

"(18) 'Subsidiary' has the meaning set forth in 12 U.S.C. 1841(d).

"(19) 'Superintendent' means the Superintendent of Banking and Financial Institutions.

"(20) 'Target banking development area' means any low- and moderate-income area or any area which the Superintendent determines in rules is an underserved area. In determining whether an area is underserved, the Superintendent shall consult with the Council of the District of Columbia ("Council") and the District of Columbia Office of Business and Economic Development and shall consider the availability of deposit, loan, and credit services within the area to satisfy consumer and small business needs or the availability and need of other banking services within the area. Once an area has been determined to be a target banking development area and identified by an applicant in any application which is considered approved pursuant to section 6, that determination is final for the

applicant, and any future revision in the determination of target banking development areas shall have no effect on the applicant.

"(21) 'Target economic development project' means any commercial, industrial, residential real estate, business, or other economic development activity which the Superintendent decides in rules will benefit residents in low- and moderate-income areas or small businesses in low- and moderate-income areas. In reaching his or her decision, the Superintendent shall consult with the Council and the District of Columbia Office of Business and Economic Development, shall consider the policies set forth in the 1984 Comprehensive Plan for the National Capital, and subsequent amendments, and shall give special emphasis to economic development project activity in economically distressed areas which have been historically underinvested. Once a project has been determined to be a target economic development project and identified by an applicant in any application which is considered approved pursuant to section 5, that determination is final for the applicant, and any future revisions in the determination of a target economic development project shall have no effect on the applicant."

(b) A new section 3a is added to read as follows:

"Sec. 3a. Establishment of Office of Banking and Financial Institutions; Superintendent; Council review of rules.

"(a)(1) The Office of Banking and Financial Institutions is established and shall be under the direction

New,
D.C. Code,
26-802.1
(1987 supp.)

of the Superintendent of Banking and Financial Institutions.

"(2) The Mayor shall appoint the Superintendent, with the advice and consent of the Council, for a term of 4 years, except that the first term of the Superintendent shall terminate on January 1, 1987.

"(3) No person shall exercise the duties of the Superintendent in an acting capacity for more than 120 days.

"(b) The Superintendent shall:

"(1) Administer this act;

"(2) Promote a climate in which financial institutions will organize to do business in the District and contribute to the economic development of the District through the increased availability of capital and credit;

"(3) Expand advantageous financial services to the public in a nondiscriminatory manner;

"(4) Charter and regulate banks, savings banks, savings companies, trust companies, or other financial institutions seeking to establish, in accordance with section 713 of An Act To establish a code of law for the District of Columbia, approved March 3, 1901 (31 Stat. 1302; D.C. Code, sec. 26-101 et seq.), an office or banking house located within the District where deposits or savings are received;

"(5) Regulate, to the extent provided in section 715 of An Act To establish a code of law for the District of Columbia, approved March 3, 1901 (31 Stat. 1303; D.C. Code, sec. 26-401 et seq.), companies which are formed for the purpose of carrying on any 1 of the following 3 classes of