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HOUSE BILL 954

43RD LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 1997

INTRODUCED BY

KIP W. NICELY

AN ACT

RELATING TO FINANCIAL INSTITUTIONS; AMENDING SECTION 58-9-8.1
NMSA 1978 (BEING LAWS 1979, CHAPTER 190, SECTION 5, AS AMENDED)
TO ALLOW TRUST COMPANIES TO HAVE BRANCH OFFICES THROUGHOUT THE
STATE.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. Section 58-9-8.1 NMSA 1978 (being Laws 1979,
Chapter 190, Section 5, as amended) is amended to read:

"58-9-8.1. PRINCIPAL AND BRANCH OFFICES. --

A. A trust company may establish its principal
office in any county.

B. A trust company actively engaged in trust
business may establish one or more branch offices subject to the
restrictions in Subsection D of this section and after obtaining
the approval of the director ~~[of the financial institutions~~

Underscored material = new
[bracketed material] = delete

Underscored material = new
[bracketed material] = delete

1 ~~division~~] as provided in Subsection C of this section.

2 C. A trust company seeking to establish a branch
3 office shall submit an application, together with an
4 investigation fee of two hundred dollars (\$200), to the director
5 [~~of the financial institutions division~~]. After considering the
6 financial condition of the trust company, the adequacy of its
7 capital structure, its future earnings and prospects, the
8 general character of its management and any other matter he
9 deems relevant, the director may approve the application if he
10 finds:

11 (1) that the establishment of the branch will
12 meet the needs and promote the convenience of the community to
13 be served; and

14 (2) that the probable volume of business and
15 reasonable public demand in the community are sufficient to
16 assure and maintain the solvency of the branch and the trust
17 company.

18 D. Except as provided in Subsection G of this
19 section, branch offices shall be

20 [~~(1)~~] operated as branches of and under the
21 name of the parent trust company and under the control and
22 direction of the board of directors and executive officers of
23 the parent trust company [~~and~~

24 [~~(2) located in the same county in which the~~
25 ~~principal office is located~~].

Underscored material = new
[bracketed material] = delete

1 E. The provisions of this section shall not apply to
2 branch offices in existence on the effective date of this
3 section.

4 F. For the purposes of this section, "branch office"
5 means an office, other than a principal office, used for the
6 conduct of trust business and includes any additional house,
7 office, agency or place of business which is open to the public
8 for the conduct of such business and further includes any office
9 connected to the principal office by subterranean or overhead
10 passageways through which trust company personnel may pass.

11 G. The furnishing of trust services by a trust
12 company affiliate of a bank holding company in the building in
13 which any banking subsidiary of the bank holding company has its
14 principal office or a manned branch office shall not constitute
15 the operation of a branch office as prohibited by this section.
16 As used in this subsection:

17 (1) "banking subsidiary" means a bank eighty
18 percent or more of the voting shares of which are owned by the
19 bank holding company; and

20 (2) "affiliate", with respect to a bank holding
21 company, means any company eighty percent or more of the voting
22 shares of which are owned by the bank holding company.

23 H. Copies of all records of accounts may be
24 maintained at the principal office of the trust company or may
25 be maintained at a branch office of the trust company where the

1 accounts are administered, if appropriate safety and security is
2 provided.

3 I. Nonprofit corporations shall be exempt from the
4 requirements of this section."

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State of New Mexico
House of Representatives

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FORTY-THIRD LEGISLATURE
FIRST SESSION, 1997

March 15, 1997

Mr. Speaker:

Your **BUSINESS AND INDUSTRY COMMITTEE**, to whom has
been referred

HOUSE BILL 954

has had it under consideration and reports same with
recommendation that it **DO PASS**.

Respectfully submitted,

Fred Luna, Chairman

FORTY-THIRD LEGISLATURE
FIRST SESSION, 1997

HB/C/HB 954

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Adopted _____ Not Adopted _____

(Chief Clerk)

(Chief Clerk)

Date _____

The roll call vote was 7 For 0 Against

Yes: 7

Excused: Alwin, Getty, Gubbels, Rodella, J. G. Taylor, Varela

Absent: None

M \H0954

Underscored material = new
[bracketed material] = delete

FORTY-THIRD LEGISLATURE
FIRST SESSION, 1997

1 HB C/HB 954

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5 FORTY-THIRD LEGISLATURE
6 FIRST SESSION, 1997

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March 18, 1997

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10 Mr. President:

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12 Your CORPORATIONS & TRANSPORTATION COMMITTEE, to

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whom has been referred

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HOUSE BILL 954

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16 has had it under consideration and reports same with

17

recommendation that it DO PASS.

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Respectfully submitted,

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Roman M. Maes, III, Chairman

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FORTY-THIRD LEGISLATURE
FIRST SESSION, 1997

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3 Adopted _____ Not Adopted _____

4 (Chief Clerk)

(Chief Clerk)

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Date _____

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10 The roll call vote was 7 For 0 Against

11 Yes: 7

12 No: 0

13 Excused: Fidel, Howes, Robinson

14 Absent: None

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