

HOUSE BILL No. 6329

September 17, 2002, Introduced by Rep. Hummel and referred to the Committee on Insurance and Financial Services.

A bill to amend 1978 PA 232, entitled

"An act to permit banks and savings and loan associations to suspend business in the event of an existing or impending emergency; to prescribe the powers and duties of bank and savings and loan association officers and certain state officials; and to declare the legal effect of the suspensions of business authorized by this act,"

by amending the title and sections 1, 2, 3, 4, 5, and 6

(MCL 487.941, 487.942, 487.943, 487.944, 487.945, and 487.946).

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1

TITLE

2

An act to permit ~~banks and savings and loan associations~~

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FINANCIAL INSTITUTIONS to suspend business in the event of an

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existing or impending emergency; to prescribe the powers and

5

duties of ~~bank and savings and loan association~~ FINANCIAL

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INSTITUTION officers and certain state AGENCIES AND officials;

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1 and to declare the legal effect of the suspensions of business
2 authorized by this act.

3 Sec. 1. As used in this act:

4 (a) "Commissioner" means the commissioner of the ~~financial~~
5 ~~institutions bureau of the department of commerce or his or her~~
6 ~~authorized representative~~ OFFICE OF FINANCIAL AND INSURANCE
7 SERVICES IN THE DEPARTMENT OF CONSUMER AND INDUSTRY SERVICES.

8 ~~(b) "Bank" means a bank organized or reorganized under Act~~
9 ~~No. 319 of the Public Acts of 1969, as amended, being sections~~
10 ~~487.301 to 487.598 of the Michigan Compiled Laws, or an indus-~~
11 ~~trial bank or trust company incorporated under previously exist-~~
12 ~~ing state law, a branch or agency of a foreign banking organiza-~~
13 ~~tion, and, to the extent that this act is not inconsistent with~~
14 ~~and does not infringe upon paramount federal law, includes a~~
15 ~~national bank.~~

16 ~~(c) "Association" means a state chartered savings and loan~~
17 ~~association and to the extent that this act is not inconsistent~~
18 ~~with and does not infringe upon paramount federal law, includes a~~
19 ~~federal savings and loan association.~~

20 ~~(d) "Officer" means a person designated by the board of~~
21 ~~directors of a bank or association to carry out this act.~~

22 ~~(e) "Office" means a place at which a bank or association~~
23 ~~transacts its business or conducts operations related to its~~
24 ~~business.~~

25 (B) ~~(f)~~ "Emergency" means a condition or occurrence
26 ~~which~~ THAT HAS OR may interfere physically with the conduct of
27 normal business operations ~~at an office of a bank or~~

1 ~~association~~ OF 1 OR MORE OFFICES OF A FINANCIAL INSTITUTION, or
 2 which poses an imminent or existing threat to the safety and
 3 security of a person or property, or both. An emergency may
 4 arise as a result of a fire, ~~ia~~ flood, ~~ian~~ earthquake, ~~i~~
 5 ~~a~~ hurricane, ~~ia~~ tornado, ~~ia~~ wind, rain, ~~or snow storm; a~~
 6 SNOWSTORM, labor dispute or strike, ~~ia~~ power failure, ~~ia~~
 7 transportation failure, ~~ian~~ FUEL SHORTAGE, interruption of a
 8 communication facility, ~~ia~~ shortage of ~~fuel,~~ housing ~~,~~ OR
 9 food, ~~or transportation; a~~ robbery or attempted robbery, ~~ian~~
 10 actual or threatened enemy OR TERRORISM attack, ~~ian~~ epidemic
 11 or other catastrophe, ~~ia~~ riot, civil commotion, ~~and~~ OR ANY
 12 other act of lawlessness or violence.

13 (C) "FINANCIAL INSTITUTION" MEANS A NATIONALLY, FEDERALLY,
 14 OR STATE CHARTERED BANK, SAVINGS BANK, CREDIT UNION, OR SAVINGS
 15 AND LOAN ASSOCIATION.

16 (D) "OFFICE" MEANS A PLACE AT WHICH A FINANCIAL INSTITUTION
 17 TRANSACTS ITS BUSINESS OR CONDUCTS OPERATIONS RELATED TO ITS
 18 BUSINESS.

19 (E) "OFFICER" MEANS A PERSON DESIGNATED BY THE BOARD OF
 20 DIRECTORS OF A BANK OR ASSOCIATION TO CARRY OUT THIS ACT.

21 Sec. 2. (1) The commissioner may ~~,~~ by proclamation ~~,~~
 22 authorize ~~banks or associations~~ A FINANCIAL INSTITUTION to
 23 close an office OR OFFICES when it appears to the commissioner
 24 that the action is required because an emergency exists. ~~,~~ ~~or~~
 25 ~~may be impending, in this state which directly or indirectly, may~~
 26 ~~interfere with the conduct of normal operations of a bank or~~
 27 ~~association in the affected area.~~ The office ~~so~~ OR OFFICES

1 closed shall remain closed until the commissioner proclaims that
2 the emergency is ended. ~~In connection with a proclamation~~
3 ~~issued under this section, the~~ THE commissioner shall promptly
4 advise the governor of the issuance of ~~such a~~ THE proclamation
5 UNDER THIS ACT.

6 (2) The commissioner may authorize ~~banks and associations~~
7 A FINANCIAL INSTITUTION to close on a day designated by proclama-
8 tion of the president of the United States or the governor of
9 this state as a day of national mourning, rejoicing, or other
10 special observance. ~~The governor of this state by proclamation,~~
11 ~~in connection with a day of national mourning, rejoicing, or~~
12 ~~other special observance, may authorize banks and associations to~~
13 ~~close on a day the governor designates.~~

14 Sec. 3. ~~When the chief executive~~ IF THE COMMISSIONER HAS
15 NOT ISSUED AND DOES NOT ISSUE A PROCLAMATION OF EMERGENCY AND THE
16 DESIGNATED officer of a ~~bank or association, or, in his absence~~
17 ~~the officer serving as chief executive officer is of the opinion~~
18 FINANCIAL INSTITUTION HAS DETERMINED that an emergency exists,
19 ~~or is impending, which affects, or may affect its offices, the~~
20 ~~officer may determine, in the reasonable and proper exercise of~~
21 ~~the officer's discretion, not to open the office on a business or~~
22 ~~banking day or, if having opened, to close the office during the~~
23 ~~continuation of the emergency, even if the commissioner has not~~
24 ~~issued and does not issue a proclamation of emergency. The~~
25 ~~office so closed shall remain closed until the chief executive~~
26 ~~officer of a bank or association, or, in his absence the officer~~
27 ~~serving as chief executive officer determines that the emergency~~

1 ~~has ended~~ THE OFFICER MAY ORDER THAT AN OFFICE OR OFFICES OF THE
2 FINANCIAL INSTITUTION BE CLOSED OR NOT OPEN.

3 Sec. 4. A ~~bank or association~~ FINANCIAL INSTITUTION clos-
4 ing an office ~~pursuant to this act~~ OR OFFICES UNDER SECTION 3
5 shall give ~~as prompt~~ notice ~~of its action, as conditions~~
6 ~~permit and by any means available,~~ to the commissioner ~~, or, in~~
7 ~~the case of a national bank, to the comptroller of the currency,~~
8 ~~or, in the case of a federal association, to the federal home~~
9 ~~loan bank board~~ AND ANY OTHER APPROPRIATE GOVERNMENTAL ENTITY AS
10 REQUIRED BY LAW.

11 Sec. 5. The period during which a ~~bank or association is~~
12 ~~closed pursuant to the authorization granted~~ FINANCIAL INSTITU-
13 TION IS CLOSED under this act ~~shall be~~ IS a legal holiday and a
14 bill, check, or note otherwise presentable for acceptance of pay-
15 ment ~~shall be deemed to be~~ IS CONSIDERED payable and present-
16 able for acceptance or payment on the next ~~secular or~~ business
17 day following the holiday.

18 Sec. 6. This act ~~shall not be construed to~~ DOES NOT alter
19 any of the obligations under law of a ~~bank or association~~
20 FINANCIAL INSTITUTION to its employees or to the employees of
21 another employer.