

AMENDED IN ASSEMBLY MARCH 15, 2016

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

ASSEMBLY BILL

No. 1933

Introduced by Assembly Member ~~Travis Allen~~ *Travis Allen*

February 12, 2016

An act to amend Section 1100 of the Financial Code, relating to banking.

LEGISLATIVE COUNSEL'S DIGEST

AB 1933, as amended, ~~Travis Allen~~ *Travis Allen*. Banking.

~~Existing law~~

The Banking Law regulates the practice of banking in California and classifies these institutions as a commercial banks, industrial banks, and trust companies. ~~Existing~~ *That* law prescribes requirements for the articles of different classes of banks. *banks and requires the articles to specify the classification of the bank. Existing law authorizes the Commissioner of Business Oversight to enforce, among other provisions, compliance with the requirements of the Banking Law.*

~~This bill would make nonsubstantive changes to the requirements for bank articles, as described above.~~

This bill would require a bank to post its classification in a prominent location on the bank's Internet Web site.

Vote: majority. Appropriation: no. Fiscal committee: ~~no~~ *yes*.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 1100 of the Financial Code is amended
- 2 to read:

1 1100. ~~The~~(a) *The* articles of each bank shall contain the
2 applicable one of the following statements:

3 ~~(a)~~

4 (1) In case the bank is, or is proposed to be, a commercial bank
5 not authorized to engage in trust business, that the purpose of the
6 corporation is to engage in commercial banking business and any
7 other lawful activities that are not, by applicable laws or
8 regulations, prohibited to a commercial bank.

9 ~~(b)~~

10 (2) In case the bank is, or is proposed to be, a commercial bank
11 authorized to engage in trust business, that the purpose of the
12 corporation is to engage in commercial banking business and trust
13 business and any other lawful activities that are not, by applicable
14 laws or regulations, prohibited to a commercial bank authorized
15 to engage in trust business.

16 ~~(c)~~

17 (3) In case the bank is, or is proposed to be, an industrial bank
18 not authorized to engage in trust business, that the purpose of the
19 corporation is to engage in industrial banking business and any
20 other lawful activities that are not, by applicable laws or
21 regulations, prohibited to an industrial bank.

22 ~~(d)~~

23 (4) In case the bank is, or is proposed to be, an industrial bank
24 authorized to engage in trust business, that the purpose of the
25 corporation is to engage in industrial banking business and trust
26 business and any other lawful activities that are not, by applicable
27 laws or regulations, prohibited to an industrial bank authorized to
28 engage in trust business.

29 ~~(e)~~

30 (5) In case the bank is, or is proposed to be, a trust company,
31 other than a commercial bank authorized to engage in trust
32 business, that the purpose of the corporation is to engage in trust
33 business and any other lawful activities that are not, by applicable
34 laws or regulations, prohibited to a trust company.

35 (b) *A bank shall post the applicable statement included in the*
36 *articles of the bank from subdivision (a) in a prominent location*
37 *on the Internet Web site of the bank.*