

a branch in another location which would not be authorized any place else in statute. The traditional forms of expansion in this state are to either start a new charter in a new location and then merge after 18 months, or to acquire a chartered...to acquire a branch some place else under the, let's say the distressed bank situation where you're buying out a branch of a failing institution. These...since then, two nontraditional methods have arisen this summer, one is where the charter is opened and then what you do is you have two charters then you merge the old charter into the new one, and do that immediately without waiting the 18 months, or to acquire an S & L charter and then merge that immediately without the 18 months requirement. What we do in both cases is to establish the need for an 18-month period of time for both charters to exist, that is the bank in location one and the bank in location two, or the bank in location one and the S & L in location two. That 18 months, then, returns the statutes to what we always thought they were. And what it does is it takes out the inadvertent consequences that were discovered this summer by the bank lawyers who went through and made applications. This closing of the loophole is done prospectively, not retrospectively, and any charter applications which are now on file will be handled by the department. They won't be knocked off the calendar, they'll be handled by the department. This rule will come into effect, then, upon passage of the bill and towards the future. It will not undo any relationships or rights that have vested up until then. That's the nature of the bill.

SPEAKER WITHEM: Thank you, Senator Landis. It's my understanding you have an amendment, is that correct, Mr. Clerk?

CLERK: Mr. President, Senator Landis amendment on page 909 of the Journal. (AM3295)

SPEAKER WITHEM: Senator Landis, to open on your amendment.

SENATOR LANDIS: Thank you, Mr. Speaker, members of the Legislature. The Banking Department reminded us that there needs to be a special rule written or special language that allows for the acquisition of branches which we now allow for a healthy institution. And so this additional language is stated, "For purposes of this subsection, financial institution means a bank, savings bank, building and loan association, or savings and loan association organized under the laws of this state or