**South Carolina General Assembly**

124th Session, 2021-2022

**A30, R43, S467**

**STATUS INFORMATION**

General Bill

Sponsors: Senators Cromer, Kimbrell and Bennett

Document Path: l:\council\bills\nbd\11136sa21.docx

Companion/Similar bill(s): 3583

Introduced in the Senate on January 13, 2021

Introduced in the House on March 10, 2021

Passed by the General Assembly on April 28, 2021

Governor's Action: May 6, 2021, Signed

Summary: Provide requirements for an applicant seeking to organize a bank

**HISTORY OF LEGISLATIVE ACTIONS**

 Date Body Action Description with journal page number

 1/13/2021 Senate Introduced and read first time ([Senate Journal‑page 7](file:///h%3A%5Csj%5C20210113.docx))

 1/13/2021 Senate Referred to Committee on **Banking and Insurance** ([Senate Journal‑page 7](file:///h%3A%5Csj%5C20210113.docx))

 2/25/2021 Senate Committee report: Favorable **Banking and Insurance** ([Senate Journal‑page 9](file:///h%3A%5Csj%5C20210225.docx))

 3/1/2021 Scrivener's error corrected

 3/4/2021 Senate Read second time ([Senate Journal‑page 16](file:///h%3A%5Csj%5C20210304.docx))

 3/4/2021 Senate Roll call Ayes‑42 Nays‑0 ([Senate Journal‑page 16](file:///h%3A%5Csj%5C20210304.docx))

 3/9/2021 Senate Read third time and sent to House ([Senate Journal‑page 9](file:///h%3A%5Csj%5C20210309.docx))

 3/10/2021 House Introduced and read first time ([House Journal‑page 4](file:///h%3A%5Chj%5C20210310.docx))

 3/10/2021 House Referred to Committee on **Labor, Commerce and Industry** ([House Journal‑page 4](file:///h%3A%5Chj%5C20210310.docx))

 4/22/2021 House Committee report: Favorable **Labor, Commerce and Industry** ([House Journal‑page 3](file:///h%3A%5Chj%5C20210422.docx))

 4/23/2021 Scrivener's error corrected

 4/27/2021 House Read second time ([House Journal‑page 99](file:///h%3A%5Chj%5C20210427.docx))

 4/27/2021 House Roll call Yeas‑107 Nays‑0 ([House Journal‑page 99](file:///h%3A%5Chj%5C20210427.docx))

 4/28/2021 House Read third time and enrolled ([House Journal‑page 7](file:///h%3A%5Chj%5C20210428.docx))

 5/6/2021 Signed By Governor

 5/4/2021 Ratified R 43

 5/13/2021 Effective date 05/06/21

 5/13/2021 Act No.  30

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**VERSIONS OF THIS BILL**

[1/13/2021](file:///p%3A%5Cpprever%5C2021-22%5C467_20210113.docx)

[2/25/2021](file:///p%3A%5Cpprever%5C2021-22%5C467_20210225.docx)

[3/1/2021](file:///p%3A%5Cpprever%5C2021-22%5C467_20210301.docx)

[4/22/2021](file:///p%3A%5Cpprever%5C2021-22%5C467_20210422.docx)

[4/23/2021](file:///p%3A%5Cpprever%5C2021-22%5C467_20210423.docx)

(A30, R43, S467)

**AN ACT TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, BY ADDING SECTION 34‑1‑150 SO AS TO PROVIDE REQUIREMENTS FOR AN APPLICANT SEEKING PERMISSION TO ORGANIZE A BANK; BY ADDING SECTION 34‑1‑160 SO AS TO PROVIDE CONDITIONS THAT MUST BE MET IN ORDER TO AUTHORIZE THE ORGANIZATION OF A PROPOSED BANK; BY ADDING SECTION 34‑1‑170 SO AS TO PROVIDE FOR THE REQUIREMENTS OF THE ARTICLES OF INCORPORATION OF A PROPOSED BANK; BY ADDING SECTION 34‑1‑180 SO AS TO PROVIDE THE REQUIREMENTS FOR THE BOARD OF FINANCIAL INSTITUTIONS TO APPROVE A CHARTER FOR A PROPOSED BANK; BY ADDING SECTION 34‑1‑190 SO AS TO PROVIDE THAT THE BOARD SHALL DECIDE WHETHER TO UPHOLD OR OVERTURN ITS APPROVAL OR DENIAL OF AN APPLICATION; BY ADDING SECTION 34‑1‑200 SO AS TO PROVIDE THE REQUIREMENTS FOR ISSUING A BANK CHARTER; BY ADDING SECTION 34‑1‑210 SO AS TO PROVIDE THAT A REMOTE SERVICE UNIT IS NOT CONSIDERED A BRANCH OF A BANK; BY ADDING SECTION 34‑1‑220 SO AS TO ALLOW CERTAIN DELEGATIONS TO THE COMMISSIONER OF BANKING, TO AMEND SECTION 34‑3‑350, RELATING TO THE REVIEW OF REPORTS OF EXAMINATIONS, SO AS TO PROVIDE THAT THE COMMISSIONER OF BANKING SHALL FORWARD A COPY OF THE REPORT TO THE CHIEF EXECUTIVE; TO AMEND SECTION 34‑3‑360, RELATING TO THE FORM OF NOTICE TO A CASHIER, SO AS TO REPLACE “STATE BOARD OF BANK CONTROL” WITH “COMMISSIONER OF BANKING” AND TO REPLACE “CASHIER” WITH “CHIEF EXECUTIVE”; TO AMEND SECTION 34‑3‑370, RELATING TO THE FORM OF REPORT TO THE STATE BOARD, SO AS TO REPLACE “STATE BOARD OF BANK CONTROL” WITH “COMMISSIONER OF BANKING” AND TO REPLACE “PRESIDENT OR CASHIER” WITH “CHIEF EXECUTIVE”; TO AMEND SECTION 34‑3‑380, RELATING TO REPORTS OF CONDITION, SO AS TO REPLACE “PRESIDENT OR CASHIER” WITH “CHIEF EXECUTIVE OR CHIEF FINANCIAL OFFICER” AND TO PROVIDE THAT TWO DIRECTORS SHALL VERIFY THE REPORT; TO AMEND SECTION 34‑3‑810, RELATING TO THE CONVERSION OF A NATIONAL BANK OR NON‑SOUTH CAROLINA STATE BANK INTO A SOUTH CAROLINA STATE BANK, SO AS TO PERMIT ANOTHER STATE’S BANK TO CONVERT INTO A SOUTH CAROLINA STATE BANK AND TO REQUIRE BOARD APPROVAL AND TO REQUIRE A NATIONAL OR OTHER STATE BANKING CORPORATION TO FILE AN APPLICATION OF CONVERSION; TO AMEND SECTION 34‑3‑820, RELATING TO THE TIMING OF THE CORPORATE EXISTENCE OF THE STATE BANK, SO AS TO INCLUDE REFERENCES TO A NON‑SOUTH CAROLINA STATE BANK CONVERTING TO A SOUTH CAROLINA STATE BANK; TO AMEND SECTION 34‑3‑830, RELATING TO THE TRANSFER OF ASSETS TO THE SOUTH CAROLINA STATE BANK, SO AS TO INCLUDE REFERENCES TO A NON‑SOUTH CAROLINA STATE BANK CONVERTING TO A SOUTH CAROLINA STATE BANK; TO AMEND SECTION 34‑3‑840, RELATING TO THE DIRECTORS AND ORGANIZATION OF A NATIONAL BANKING CORPORATION OR STATE BANKING CORPORATION, SO AS TO PROVIDE THAT UNLESS OTHERWISE ELECTED BY THE SHAREHOLDERS OF THE NATIONAL BANKING CORPORATION OR STATE BANKING CORPORATION, THE DIRECTORS AND OFFICERS IN OFFICE AT THE TIME OF ITS DISSOLUTION ARE THE DIRECTORS AND OFFICERS OF THE BANK CREATED; TO AMEND SECTION 34‑9‑10, RELATING TO THE AMOUNT OF CAPITAL STOCK TO BE PAID IN CASH, SO AS TO PROVIDE PAYMENT OF UNITED STATES CURRENCY AND TO DELETE A PROVISION THAT REQUIRES NO AUTHORIZED BUT UNISSUED CAPITAL STOCK MAY BE ISSUED WITHOUT APPROVAL BY THE BOARD; TO AMEND SECTION 34‑9‑40, RELATING TO MINIMUM CAPITAL STOCK REQUIREMENTS, SO AS TO PROVIDE THAT A BANKING COMPANY OR CORPORATION MUST HAVE MINIMUM CAPITAL IN THE AMOUNT REQUIRED BY THE STATE BOARD OF FINANCIAL INSTITUTIONS; TO AMEND SECTION 34‑11‑60, RELATING TO FRAUDULENT CHECKS, SO AS TO REMOVE THE REQUIREMENT THAT A HOME TELEPHONE NUMBER IS NECESSARY TO ESTABLISH PRIMA FACIE EVIDENCE AGAINST A DEFENDANT; TO AMEND SECTION 34‑13‑140, RELATING TO THE RESTRICTIONS ON LOAN OR DISCOUNT ON OR PURCHASE OF A BANK’S OWN STOCK, SO AS TO PROVIDE AN EXCEPTION TO THE RESTRICTION IF THE PURCHASE IS APPROVED BY THE BOARD OF FINANCIAL INSTITUTIONS OR IF THE BANKING ASSOCIATION HOLDS THE OUTSTANDING SHARES AS TREASURY STOCK; TO AMEND SECTION 34‑26‑350, RELATING TO THE PRINCIPAL PLACE OF BUSINESS OF A CREDIT UNION, SO AS TO PROVIDE THAT THE MAINTENANCE OF THE FACILITY MUST BE REASONABLY NECESSARY TO FURNISH SERVICE TO ITS MEMBERS OR POTENTIAL MEMBERS; TO AMEND SECTION 34‑26‑530, RELATING TO AN APPLICATION FOR MEMBERSHIP TO A CREDIT UNION, SO AS TO REMOVE A REQUIREMENT FOR MEMBERSHIP OFFICERS TO APPROVE APPLICATIONS; TO AMEND SECTION 34‑26‑640, RELATING TO BOARD MEETINGS, SO AS TO PROVIDE THAT THE BOARD MUST MEET AT LEAST QUARTERLY; TO AMEND SECTION 34‑26‑645, RELATING TO THE DUTIES OF THE BOARD, SO AS TO REMOVE THE DUTY TO ESTABLISH TITLES FOR SENIOR MANAGEMENT POSITIONS; TO AMEND SECTION 34‑26‑1220, RELATING TO THE CONVERSION OF A CREDIT UNION, SO AS TO PROVIDE THAT THE ASSETS AND LIABILITIES OF THE CREDIT UNION WILL VEST IN AND BECOME THE PROPERTY OF THE SUCCESSOR CREDIT UNION; TO REPEAL CHAPTERS 12 AND 27 OF TITLE 34 RELATING TO COUNTY AND MULTICOUNTY CHECK CLEARING HOUSES; TO REPEAL SECTION 34‑1‑70 RELATING TO THE APPROVAL OF CHARTERS OF BANKS, BUILDING AND LOAN ASSOCIATIONS, SAVINGS AND LOAN ASSOCIATIONS, AND SAVINGS BANKS; TO REPEAL SECTION 34‑3‑60 RELATING TO BRANCH BANK IDENTIFICATION; TO REPEAL SECTION 34‑9‑70 RELATING TO CERTAIN PAID‑IN CAPITAL REQUIREMENTS AND EXCEPTIONS; TO REPEAL SECTION 34‑9‑80 RELATING TO THE ISSUANCE OF PREFERRED STOCK; TO REPEAL SECTION 34‑11‑40 RELATING TO THE DUPLICATE FOR LOST OR DESTROYED TIME CERTIFICATE OF DEPOSITS; AND TO REPEAL SECTION 34‑11‑50 RELATING TO THE DUPLICATE FOR ANY LOST OR DESTROYED CERTIFICATE OF DEPOSIT OR SAVINGS ACCOUNT BOOK.**

Be it enacted by the General Assembly of the State of South Carolina:

**Bank organization**

SECTION 1. Chapter 1, Title 34 of the 1976 Code is amended by adding:

 “Section 34‑1‑150. (A) An applicant for permission to organize a bank, building and loan association, savings and loan association, or savings bank and for a charter shall file an application with the Board of Financial Institutions. The application must be in the form required by the board and must contain information as the board requires, set forth in sufficient detail to enable the board to evaluate the applicant’s satisfaction of the criteria set forth in Section 34‑1‑180. The applicant shall pay a nonrefundable application fee as prescribed by the board at the time of filing the application.

 (B) An applicant for permission to establish a branch bank, branch building and loan association, branch savings and loan association, or branch savings bank shall file an application with the board. The application must be in the form required by the board and must contain information, set forth in sufficient detail, to enable the board to evaluate whether the establishment of a branch would serve the public interest, taking into consideration local circumstances and conditions at the place where the applicant proposes to do business.

 (C) Upon receipt of an application to organize or to establish a branch of a bank, building and loan association, savings and loan association, or savings bank, the board shall conduct an examination of the applicant and any other matters considered relevant by the board. The board may require additional information and may require the amendment of the application in the course of the examination. An applicant’s failure to furnish all required information or to pay any required fee within thirty days after filing the application may be considered an abandonment of the application.

 Section 34‑1‑160. (A) With the approval of the board, the organizers may file articles of incorporation for the proposed bank, building and loan association, savings and loan association, or savings bank with the Secretary of State. The board shall authorize the organization of the proposed bank, building and loan association, savings and loan association, or savings bank if the commissioner is satisfied that each of the following conditions are met:

 (1) the application is complete;

 (2) the examination as provided for in Section 34‑1‑150(C) indicates that the requirements for the issuance of a charter to the applicant as described in Section 34‑1‑180 are reasonably likely to be satisfied; and

 (3) the proposed name of the proposed bank, building and loan association, savings and loan association, or savings bank is not likely to mislead the public as to its character or purpose and is not the same as a name already adopted by an existing depository institution or trust institution operating in this State.

 (B) If the board approves the organization of the proposed bank, building and loan association, savings and loan association, or savings bank, the board shall issue a certificate to the Secretary of State. The Secretary of State shall transmit to the board a certified copy of the filed articles of incorporation of the proposed bank, building and loan association, savings and loan association, or savings bank.

 (C)(1) Unless and until the board approves and issues a charter to the proposed bank, building and loan association, savings and loan association, or savings bank, it may not transact any business except as is incidental and necessary to its organization or the application for a charter or preparation for commencing the business of banking.

 (2) All funds, other than its operational expense fund from which to pay organizational expenses, and paid‑for shares of the proposed bank, building and loan association, savings and loan association, or savings bank must be placed in escrow under a written escrow agreement with a third‑party escrow agent satisfactory to the commissioner.

 (3) All funds for shares placed into escrow and all dividends or interest on the funds may be removed from escrow only with the commissioner’s approval except to the extent that the funds are refunded to subscribers or as otherwise required by law.

 (D) A proposed bank, building and loan association, savings and loan association, or savings bank is subject to the jurisdiction of the commissioner and the board.

 Section 34‑1‑170. (A) The articles of incorporation of a proposed bank, building and loan association, savings and loan association, or savings bank must be signed and acknowledged by or on behalf of an organizer and must contain the following:

 (1) the information required to be set forth in articles of incorporation under Title 33;

 (2) any provision consistent with Title 33 and other applicable law that the organizers elect to set forth for the regulation of the internal affairs of the proposed bank, building and loan association, savings and loan association, or savings bank and that the board authorizes or requires; and

 (3) any provision the board requires or authorizes as a substitute for a provision that otherwise would be required by Title 33.

 (B) Before the chartering of a proposed bank, building and loan association, savings and loan association, or savings bank, the articles of incorporation filed under the provisions of Section 34‑1‑160 must be sufficiently certified to the FDIC or any other applicable regulatory agencies that the proposed bank, building and loan association, savings and loan association, or savings bank is a legal entity.

 Section 34‑1‑180. (A) The board may approve a charter for a proposed bank, building and loan association, savings and loan association, or savings bank only when the board determines that all of the following requirements have been satisfied or are reasonably probable to be satisfied within a reasonable period of time specified by the board in the order of approval:

 (1) The proposed bank, building and loan association, savings and loan association, or savings bank has solicited or will solicit subscriptions for purchases of shares sufficient to provide an amount of required capital satisfactory to the board for the commencement of the business of banking.

 (2) All prior public solicitations for purchases of shares and all future solicitations will be solicited with appropriate disclosure, taking into account all the circumstances of the public solicitation, including a prominent statement in any solicitation document to the effect that the solicitation has not been approved by the board and that a representation to the contrary is a criminal offense.

 (3) All payments for purchases of shares in a bank, building and loan association, savings and loan association, or savings bank in organization are made in United States currency.

 (4) The proposed bank, building and loan association, savings and loan association, or savings bank has an operational expense fund from which to pay organizational expenses, in an amount determined by the board to be sufficient for the safe and sound operation of the proposed bank, building and loan association, savings and loan association, or savings bank while the charter application is pending.

 (5) The proposed bank, building and loan association, savings and loan association, or savings bank has been formed for legitimate and lawful business purposes.

 (6) The character, competence, and experience of the organizers, proposed directors, proposed officers, and initial holders of more than ten percent of the voting securities of the proposed bank, building and loan association, savings and loan association, or savings bank will command the confidence of the public.

 (7) The proposed officers and directors, as a group, have degrees of character, competence, and experience sufficient to justify a belief that the proposed bank, building and loan association, savings and loan association, or savings bank is free from improper or unlawful influence and otherwise will operate safely, soundly, and in compliance with law.

 (8) The anticipated volume and nature of business of the proposed bank, building and loan association, savings and loan association, or savings bank projected in the application are reasonable and indicate a reasonable probability of safe, sound, and profitable operation of the proposed bank, building and loan association, savings and loan association, or savings bank.

 (9) If the proposed bank, building and loan association, savings and loan association, or savings bank intends to conduct ‘trust business’, trust powers should be granted based on consideration of the various factors set forth in Chapter 21, Title 34 for considering applications and setting capital for a trust institution.

 (B) The board’s determination that the requirements described in subsection (A) are reasonably probable of satisfaction may be based on partial satisfaction of the requirements at a level set by the board as a prerequisite for approval of the charter, and also may be based on presentation of a plan for the full satisfaction of the requirements.

 (C) If the board determines that the proposed bank, building and loan association, savings and loan association, or savings bank has satisfied or is reasonably probable to satisfy the requirements for issuance of a charter, the board shall issue an order approving the application for a charter. The board may, in the order approving the proposed bank, building and loan association, savings and loan association, or savings bank’s charter, impose other reasonable conditions or restrictions upon the proposed bank, building and loan association, savings and loan association, or savings bank or the new bank, building and loan association, savings and loan association, or savings bank, consistent with this chapter.

 (D) If the board determines that the proposed bank, building and loan association, savings and loan association, or savings bank has not satisfied and is not reasonably probable of satisfying the requirements for issuance of a charter or if the board determines that the application to establish a branch does not meet the requirements, the board shall issue an order denying approval of the application, pending a request for a hearing by the applicant. The applicant may, within ten days of issuance of the order, give notice of appeal of this decision to the board.

 Section 34‑1‑190. (A) The board shall decide whether to uphold or overturn its denial of an application within sixty days after receipt of the applicant’s request for a hearing. However, if the board requests additional information from the applicant following receipt, the time limit for decision by the board must be the later of:

 (1) the date set forth in this subsection; or

 (2) thirty days after the board’s receipt of the requested additional information.

 (B) The board shall consider oral testimony and any other information and evidence it considers appropriate, either written or oral. The board’s review must be limited to a determination of whether the criteria pursuant to Section 34‑1‑180 has been met and whether the provisions of this chapter have been followed.

 (C) The board in its discretion may hold a public hearing in connection with its review if a significant issue of law or fact has been raised with respect to the proposed applicant.

 (D) If the board holds a public hearing within ninety days after receipt of the applicant’s request for a hearing, the time limit specified in subsection (A) must be extended to thirty days after the conclusion of the public hearing.

 (E) If the board denies an application for a charter, the applicant may appeal the denial or approval containing the conditions to the Administrative Law Court pursuant to the rules of that court.

 Section 34‑1‑200. (A) A proposed bank, building and loan association, savings and loan association, or savings bank may not engage in business except as allowed under Section 34‑1‑160 until the board approves the charter. In addition to the requirements set forth in Section 34‑1‑180, the board may not issue the charter until the board is satisfied that the proposed bank, building and loan association, savings and loan association, or savings bank has done each of the following:

 (1) received payment in United States currency for the purchase of shares and will have required satisfactory capital upon commencing business, in each case in at least the amount required by the board’s order approving the application;

 (2) elected the proposed officers and directors named in the application or other officers and directors approved by the board;

 (3) secured deposit insurance from the FDIC;

 (4) complied with all requirements of the board’s order approving the application for a charter; and

 (5) made preparations that would indicate readiness to commence the business of banking in the reasonable discretion of the board upon a preopening examination.

 (B) The charter approved by the board must set forth any trust powers of the bank, building and loan association, savings and loan association, or savings bank that may be full or partial trust powers.

 (C) If a bank, building and loan association, savings and loan association, or savings bank does not open and engage in the business of banking within six months after the date its charter is issued or within such longer period as may be permitted by the board, the board shall revoke the charter.

 (D) If the board determines that a charter should not be issued following board approval, the board shall issue an order revoking the charter, and the applicant may appeal that decision to the board. If the board upholds the revocation, the applicant may appeal the revocation to the Administrative Law Court pursuant to the rules of that court.

 (E) Following the exhaustion of all appeals, the board may dissolve and liquidate the proposed bank, building and loan association, savings and loan association, or savings bank, or order the organizers to dissolve and liquidate the proposed bank, building and loan association, savings and loan association, or savings bank, if any one of the following occurs:

 (1) the board does not issue a charter;

 (2) the board denies approval of a charter; or

 (3) the charter is revoked by the board pursuant to subsection (C) or other applicable law.

 Section 34‑1‑210. A remote service unit as defined in Section 34‑28‑30 is not considered a branch of a bank, building and loan association, savings and loan association, or a savings bank and is not subject to any of the provisions of this chapter applicable to branch applications.

 Section 34‑1‑220. For purposes of the provisions of this chapter, the board may delegate to the Commissioner of Banking its authority to receive applications, develop necessary forms, issue certificates or correspondence on behalf of the board, conduct examinations, request additional information or documentation from applicants, approve articles of incorporation, and establish capital requirements and other standards for the safety and soundness of bank operations. Any such delegation may be revoked by the board at any time.”

**Commissioner of Banking**

SECTION 2. Section 34‑3‑350 of the 1976 Code is amended to read:

 “Section 34‑3‑350. Upon the examination of any state banking institution, the Commissioner of Banking shall, as soon as he can conveniently do so, forward a copy of the report of the examination to the chief executive of the bank who shall, within thirty days of receipt of the report, call a meeting of the directors of the bank for the purpose of reviewing the report and taking such action as is necessary. In forwarding such report to the chief executive, the commissioner shall use the form of notice contained in Section 34‑3‑360 and in certifying that such reports have been reviewed by the directors, the banking institution shall use the form contained in Section 34‑3‑370, and all directors who were present at the meeting shall sign the form contained in Section 34‑3‑370, certifying that they have received the report of the commissioner.”

**Conforming changes**

SECTION 3. Section 34‑3‑360 of the 1976 Code is amended to read:

 “Section 34‑3‑360. The form of notice from the Commissioner of Banking to the chief executive of the bank referred to in Section 34‑3‑350 must be as follows:

 To the Chief Executive: In accordance with the law I enclose a copy of the report of examination of your bank made \_\_\_\_\_\_\_\_\_\_, 20\_\_\_, by the Commissioner of Banking, \_\_\_\_\_\_\_\_\_\_, with the request that it be considered at a meeting of your directors to be held within thirty days from this date and a record of the action taken thereon entered upon the minutes. Please also fill out and return the form attached.

 Commissioner of Banking.”

**Conforming changes**

SECTION 4. Section 34‑3‑370 of the 1976 Code is amended to read:

 “Section 34‑3‑370. The form of report to the Commissioner of Banking referred to in Section 34‑3‑350 shall be as follows:

 To the Commissioner of Banking:

 The report of the recent examination of this bank has been received, was submitted to the directors at a board meeting held \_\_\_\_\_\_\_\_\_\_ and was duly considered and a record of the action taken made upon the minutes.

 ( Chief Executive)

Name and location of bank.

 We, the undersigned directors of \_\_\_\_\_\_\_\_\_\_ bank, have reviewed the report of the Commissioner of Banking under date of \_\_\_\_\_\_\_\_\_\_.”

**Reporting requirements**

SECTION 5. Section 34‑3‑380 of the 1976 Code is amended to read:

 “Section 34‑3‑380. All institutions doing business in this State in lending money and receiving deposits, under acts of incorporation granted by the State, under penalty of a forfeiture of their charters, shall provide when and as called for by the State Board of Financial Institutions, without previous notice, a correct report of the condition and business of the institution. The report must contain a statement under oath by the chief executive or chief financial officer of the institution of the amount of the capital stock paid in, the institution’s total capital as compared to the minimum capital set forth in Section 34‑9‑40, deposits, discounts, property, and liabilities of the institution verified by two of the directors. This section applies to all private banking institutions whether chartered or not. The board shall accept in lieu of the report required by this section a report of condition filed with the federal banking agencies.”

**National banks**

SECTION 6. Section 34‑3‑810 of the 1976 Code is amended to read:

 “Section 34‑3‑810. (A) Subject to approval by the board, any banking corporation organized under the laws of the United States or under the laws of any other state and doing business in this State may become an incorporated bank of this State with all the powers and subject to all the obligations and duties of banks incorporated under the laws of this State, provided such banking corporation has authority by virtue of the laws of the United States to dissolve its organization as a national banking corporation or of the laws of the other state to dissolve its organization as a state banking corporation of such state.

 (B) A national banking corporation or a banking corporation of another state desiring to become such an incorporated bank under the laws of this State shall proceed in the following manner:

 (1) file an application of conversion to a state bank with the board;

 (2) take such action in the manner prescribed or authorized by the laws of the United States or other such state as shall make its dissolution as a national banking corporation or as a state banking corporation effective at a specified future date; and

 (3) A majority of its directors shall thereafter and before the time when its dissolution becomes effective execute under their hands and seals in duplicate, upon the authority of a resolution adopted by the owners of at least two-thirds of its capital stock at a meeting held after ten days’ notice thereof given to each stockholder by registered mail, a certificate setting forth the following facts:

 (a) its name and place of business as a national banking association or a state banking association and the name that it proposes to use as its corporate name after becoming a banking corporation under the laws of this State;

 (b) the principal place of business in South Carolina for the state banking association;

 (c) the amount of its capital stock and the number of shares into which it is divided and the par value of each;

 (d) the names of its directors and of its officers at the date of its dissolution as a national bank and who will constitute its directors and officers as a state bank; and

 (e) the date upon which its dissolution as a national banking association or state banking association shall become effective and upon which date it shall commence business as a bank under the laws of this State.

 (C) Such certificate in duplicate must be thereupon lodged with the Secretary of State, who shall endorse on the certificate in duplicate the date of its filing in his office. One duplicate of the certificate must be filed in the office of the Secretary of State and the other so endorsed must be issued to the bank and be recorded in the office of the register of deeds in the county in which the principal place of business of the bank is located.”

**Conforming changes**

SECTION 7. Section 34‑3‑820 of the 1976 Code is amended to read:

 “Section 34‑3‑820. After the issuance of such certificate by the Secretary of State and the payment to him of the same fees as would be payable for the incorporation of a bank under the laws of this State with a similar capital stock, the corporate existence of such bank as a state bank shall begin as soon as its dissolution as a national banking corporation or state banking corporation becomes effective.”

**Conforming changes**

SECTION 8. Section 34‑3‑830 of the 1976 Code is amended to read:

 “Section 34‑3‑830. At the time the corporate existence of such state bank begins all the property of the former national banking corporation or state banking corporation, including all of its right, title, and interest in and to all property of whatsoever kind, whether real, personal or mixed, and things in action and every right, privilege, interest, and asset of any conceivable value or benefit then existing, belonging, or appertaining to it or which would inure to it shall immediately by act of law and without any conveyance or transfer and without any further act or deed be vested in and become the property of such state bank, which shall have, hold, and enjoy them in its own right as fully and to the same extent as they were possessed, held, and enjoyed by the national banking corporation or state banking corporation. The State bank shall be deemed to be a continuation of the entity and of the identity of the national banking corporation or state banking corporation operating under and pursuant to the laws of this State, and all the rights, obligation, and relations of the national banking corporation or state banking corporation to or in respect to any person, estate, creditor, depositor, trustee, or beneficiary of any trust and in or in respect to any executorship or trusteeship or other trust or fiduciary function shall remain unimpaired, and such state bank, as of the beginning of its corporate existence, shall by operation of this section succeed to all such rights, obligations, relations, and trust and the duties and liabilities connected therewith and shall execute and perform each and every such trust or relation in the same manner as if such state bank had itself assumed the trust or relation, including the obligations and liabilities connected therewith. If such national banking corporation or such state banking corporation is acting as administrator, coadministrator, executor, coexecutor, or cotrustee of or in respect to any estate or trust being administered under the laws of this State such relation, as well as any other similar fiduciary relation, and all rights, privileges, duties, and obligations connected therewith shall remain unimpaired and shall continue into and in the state bank, from and as of the beginning of its corporate existence, irrespective of the date when such relation may have been created or established and irrespective of the date of any trust agreement relating thereto or the date of the death of any testator or decedent whose estate is being so administered. Neither the act of the national banking corporation or state banking corporation, under Section 34‑3‑810 in fixing the date of or providing for its liquidation or dissolution, nor its liquidation or dissolution under the national banking laws or other state banking laws, nor any other thing done in connection with the change from a national bank or other state bank to a state bank shall, in respect to any such executorship, trusteeship, or similar fiduciary relation, be deemed to be or to effect, under the laws of this State, a renunciation or revocation of any letters of administration or letters testamentary to such relation, nor a removal or resignation for any such executorship or trusteeship, nor shall they be deemed to be of the same effect as if the executor or trustee had died or otherwise become incompetent to act.”

**Conforming changes**

SECTION 9. Section 34‑3‑840 of the 1976 Code is amended to read:

 “Section 34‑3‑840. Unless otherwise elected by the shareholders of the national banking corporation or state banking corporation, the directors and officers of the national banking corporation or state banking corporation in office at the time of its dissolution shall be the directors and officers of the bank created in pursuance of this article until the first annual election of directors and officers thereafter and may take all necessary measures to perfect its organization and to adopt such bylaws and regulations concerning its business and management as may be proper and not inconsistent with law.”

**Conforming changes**

SECTION 10. Section 34‑9‑10 of the 1976 Code is amended to read:

 “Section 34‑9‑10. No bank may be organized as a banking corporation or company under the laws of this State unless there has been first paid in United States currency the full subscription price of so much of the authorized capital stock as required by the State Board of Financial Institutions. Notes of stockholders, and other notes and mortgages on property, real, personal or mixed, may not be considered and accepted as cash in payment for shares of capital stock of any such bank.”

**Minimum capital**

SECTION 11. Section 34‑9‑40 of the 1976 Code is amended to read:

 “Section 34‑9‑40. Every banking company or corporation hereafter organized shall have a minimum capital in the amount required by the State Board of Financial Institutions. In determining the minimum amount the State Board of Financial Institutions shall give due consideration to the location of the proposed bank, the proposed bank’s business plan, and the economic environment in which the proposed bank will operate.”

**Conforming changes**

SECTION 12. Section 34‑11‑60(b)(1) of the 1976 Code is amended to read:

 “(1) To establish this prima facie evidence, the full name, residence address, and telephone number of the person presenting the check, draft, or other written order must be obtained by the party receiving the instrument. This information may be provided by having the information recorded on the check or instrument itself, or the number of a check‑cashing identification card issued by the receiving party may be recorded on the check. The check‑cashing identification card must be issued only after the full name, residence address, and telephone number of the person presenting the check, draft, or other written order has been placed on file by the receiving party.”

**Board approval**

SECTION 13. Section 34‑13‑140 of the 1976 Code is amended to read:

 “Section 34‑13‑140. (A) It is unlawful for any banking institution to make any loan or discount on the security of the shares of its own capital stock or to be the purchaser or holder of any such shares unless such security or purchase is necessary to prevent loss upon a debt previously contracted in good faith, unless the purchase is approved by the board, or except as permitted in subsection (B).

 (B) Subject to the approval of the board, a South Carolina state‑chartered banking association may acquire its own outstanding shares and hold them as treasury stock in the same manner as a corporation pursuant to Title 33.”

**Potential members**

SECTION 14. Section 34‑26‑350(2) of the 1976 Code is amended to read:

 “(2) A credit union may maintain and dispose of other service facilities, including automated terminals, at locations other than its principal office upon approval of the commissioner. The maintenance of such facilities must be reasonably necessary to furnish service to its members or potential members.”

**Applications**

SECTION 15. Section 34‑26‑530 of the 1976 Code is amended to read:

 “Section 34‑26‑530. Persons wishing to join a credit union must do so by written application which shall be acted upon in accordance with credit union procedure. A person denied membership may appeal the denial to the credit union board.”

**Board meetings**

SECTION 16. Section 34‑26‑640(A) of the 1976 Code is amended to read:

 “(A) The board of directors shall meet as often as necessary and at least quarterly.”

**Conforming changes**

SECTION 17. Section 34‑26‑645(13) of the 1976 Code is amended to read:

 “(13) establish titles for all elected officers; and”

**Assets and liabilities of credit unions**

SECTION 18. Section 34‑26‑1220 of the 1976 Code is amended to read:

 “Section 34‑26‑1220. (1) A credit union incorporated under the laws of this State may be converted to a credit union organized under the laws of any state or under the laws of the United States, or a credit union organized under the laws of the United States or of any other state may convert to a credit union incorporated under the laws of this State.

 (2) To effect such a conversion, a credit union must receive the approval of a majority of the members voting in accordance with the credit union’s bylaws on the question of a charter conversion and upon the approval of the credit union’s current and future regulator.

 (3) The assets and liabilities of the predecessor credit union will vest in and become the property of the successor credit union subject to all existing liabilities against the predecessor credit union. Members of the predecessor credit union may become members of the successor credit union pursuant to this chapter.”

**Repeals**

SECTION 19. Chapters 12 and 27 of Title 34, and Sections 34‑1‑70, 34‑3‑60, 34‑9‑70, 34‑9‑80, 34‑11‑40, and 34‑11‑50 of the 1976 Code are repealed.

**Time effective**

SECTION 20. This act takes effect upon approval by the Governor.

Ratified the 4th day of May, 2021.

Approved the 6th day of May, 2021.

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