

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2015

H.B. 889  
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HOUSE PRINCIPAL CLERK

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HOUSE DRH10327-MM-15 (01/20)

Short Title: Banking Development Districts.

(Public)

Sponsors: Representative R. Moore.

Referred to:

1 A BILL TO BE ENTITLED  
2 AN ACT TO ENCOURAGE BANKS TO ESTABLISH BRANCHES IN GEOGRAPHIC  
3 LOCATIONS IN THE STATE WHERE THERE IS A DEMONSTRATED UNMET  
4 NEED FOR BANKING SERVICES.

5 The General Assembly of North Carolina enacts:

6 SECTION 1. The General Statutes are amended by adding a new Chapter to read:

7 **"Chapter 54D.**

8 **"Banking Development Districts.**

9 **"§ 54D-1. Short title.**

10 This act shall be cited as the "Banking Development District Act."

11 **"§ 54D-2. Definitions.**

12 The following definitions apply in this Chapter:

- 13 (1) Bank. – A State- or federally chartered bank, savings bank, savings and loan  
14 association, or credit union doing business in this State.  
15 (2) Banking services. – Deposit taking, check cashing, sale of money orders,  
16 and origination of residential or commercial mortgages, consumer loans, and  
17 commercial loans.  
18 (3) Branch. – A full-service branch office of a bank with a physical location,  
19 providing banking services with tellers, customer service representatives,  
20 and loan officers available at least 40 hours per week.  
21 (4) Commission. – As defined in G.S. 53C-1-4(18).  
22 (5) Commissioner. – As defined in G.S. 53C-1-4(19).  
23 (6) District. – A Banking Development District approved under this Chapter.  
24 (7) Program. – The Banking Development District Program established pursuant  
25 to this Chapter.

26 **"§ 54D-3. Banking Development District Program.**

27 (a) There is established in the Office of Commissioner of Banks the Banking  
28 Development District Program.

29 (b) The Commissioner shall administer and monitor the program to encourage the  
30 establishment of bank branches in geographic locations in this State where there is a  
31 demonstrated need for banking services by the establishment of Banking Development  
32 Districts.

33 (c) The Commission shall adopt rules and specify the criteria for the establishment of  
34 Banking Development Districts. The criteria shall include, but not be limited to, the following:

- 35 (1) The location, number, and proximity of sites where banking services are  
36 currently available within the district;



- 1           (2)    The identification of consumer needs for banking services within the district;  
2           (3)    The economic viability and local credit needs of the community within the  
3           district;  
4           (4)    The existing commercial development within the district;  
5           (5)    The impact additional banking services would have on potential economic  
6           development in the district; and  
7           (6)    Such other criteria that the Commissioner shall identify as appropriate.

8    **"§ 54D-4. Application for designation of Banking Development District.**

9           (a)    A municipality, in conjunction with a bank, may submit an application to the  
10          Commissioner for the designation of a Banking Development District within a specified  
11          geographic area.

12          (b)    The Commissioner shall issue a determination as to an application for designation as  
13          a district within 60 days of receipt of the application. If an application is approved, the  
14          Commissioner shall transmit notification of the approval to the municipality requesting the  
15          district, the State Treasurer, and any bank that has or will have a branch located in the district.

16          (c)    A bank may submit an application to open a branch in the requested Banking  
17          Development District, subject to all applicable federal and State laws regarding the  
18          establishment of branch offices, simultaneously with the submission of the application for the  
19          designation of a Banking Development District.

20    **"§ 54D-5. Selection of bank as depository for public funds.**

21          (a)    Notwithstanding the provisions of G.S. 147-69 and G.S. 147-69.1 or any other law  
22          to the contrary, the State Treasurer may select a bank in a district as a depository for public  
23          monies or funds that are otherwise in the custody of the State Treasurer.

24          (b)    Subject to an agreement between the State Treasurer and the bank, funds of the  
25          State deposited in the bank may earn a fixed rate of interest that is at or below the bank's posted  
26          rate for a mutually agreeable depository product, for a mutually agreeable term.

27    **"§ 54D-6. Selection of bank as depository for municipal or county funds.**

28          (a)    The governing body of a municipality in which a Banking Development District has  
29          been designated by the Commissioner may, by resolution, select a bank in the district as a  
30          depository for funds of the municipality, provided the bank shall be subject to the requirements  
31          for a public depository. The resolution shall state the maximum amount that may be on deposit  
32          at any time with the bank and such other terms and conditions as are determined to be  
33          necessary by the governing body of the municipality.

34          (b)    Subject to an agreement between the governing body of the municipality and the  
35          bank, funds of the municipality deposited in the bank may earn a fixed rate of interest that is at  
36          or below the bank's posted rate for a mutually agreeable depository product, for a mutually  
37          agreeable term.

38          (c)    The selection of a bank, deposit amount, and the terms and conditions of a deposit  
39          may be changed at any time by the governing body of the municipality by further resolution."

40          **SECTION 3.** This act becomes effective October 1, 2015.