

A Bill for an Act Relating to the Hawaii Bank Act.

Be It Enacted by the Legislature of the State of Hawaii:

SECTION 1. Section 403-1, Hawaii Revised Statutes, is amended to read as follows:

“§403-1 Title and application of chapter. This chapter shall be known as the “Hawaii Bank Act [of 1931]” and shall be applicable to all corporations transacting any banking business in the State by virtue of any law of the State, and to such other corporations as shall subject themselves or be subject to special provisions and sections thereof, and to such other persons, associations, copartnerships, or corporations as shall, by violating any of its provisions, be subject to the penalties provided herein.”

SECTION 2. Section 403-53, Hawaii Revised Statutes, is amended to read as follows:

“§403-53 Branch banks[.]; electronic funds transfer terminals. No bank or any officer or director, agent, or employee thereof, shall open or maintain any branch in the State or receive deposits or pay checks other than at its principal place of business or its established branches or such subsidiary collection offices as the commissioner may approve, except as hereinafter authorized; provided that this section shall not apply to branch banks existent on July 1, 1931, and authorized to do business in the State; and provided further that nothing in this section shall authorize any bank to change the location of any branch bank except as authorized by the procedure hereinafter outlined for opening of branch banks.

Notwithstanding any other provision to the contrary, a bank or officer, director, agent or employee thereof, shall not be considered to have opened or to be maintaining a branch by reason of documentation of a purchase, loan, payment or contribution being made or obtained with a charge card or charge card account number or by reason of disbursement of cash or other proceeds.

[Except as provided in section 403-56, no bank shall be permitted to open or maintain in the district of Honolulu, in addition to the main office of the bank more than five branch banks through 1981, six branch banks through 1983, seven branch banks through 1985, and no limit on the number of branch banks effective January 1, 1986, (whether designated as branch banks or collection offices) within each of the zones described.

Zone I: extending from the western side of Nuuanu Avenue to the western limits of the district of Honolulu;

Zone II: extending from the eastern limits of Zone I to a line beginning at the sea and running along Kapahulu Avenue to the intersection of Kapahulu Avenue and Waialae Road, and thence following easterly on Waialae Road to St. Louis Drive, and thence along St. Louis Drive and Dole Street extension to the boundary between Manoa Valley and Palolo Valley, and thence along the boundary to the Koolau range;

Zone III: extending from the eastern limits of Zone II to the eastern limits of the district of Honolulu.]

The branch banking limitations of this section shall not apply to electronic funds transfer devices.

A bank or a service corporation of a bank holding company which provides electronic funds transfer terminals and services to its customers, at premises separate from its main office or duly authorized branch or facility, shall make such equipment or services available for use by customers of any other bank authorized to do business in this State upon the request of that other bank to share its use and the agreement of that other bank to share pro rata all costs incurred in connection with the installation and operation of such electronic funds transfer equipment and terminals. Such terminals shall identify with equal prominence all of the banking institutions which use the terminals.

The commissioner shall adopt rules pursuant to chapter 91 governing the placement of electronic funds transfer devices.”

SECTION 3. Section 403-55, Hawaii Revised Statutes, is amended to read as follows:

“§403-55 Procedure to open or maintain branch bank; application. Any bank desiring to open and maintain a branch bank or change the location of an established branch shall file [a petition in triplicate] an application in duplicate with the commissioner [of the State] in a form approved by the commissioner [and] which shall state:

- (1) The name of the bank;
- (2) The specific location of the proposed site of the branch bank office;
- (3) Facts showing that there is a reasonable assurance of sufficient volume of business so that opening and maintaining the proposed branch [is warranted;
- (4) Facts showing that the opening and maintenance of the proposed branch or change of location is justified;] will not jeopardize the solvency of the bank;
- [(5)] (4) Such other facts that the commissioner may from time to time prescribe.

[A petition] An application for a change of location shall be accompanied by a fee of \$150 and [a petition] an application for opening and maintaining a branch office shall be accompanied by a fee of \$500, which shall be deposited to the credit of the general fund of the State.

Upon receipt [by the commissioner] of [such petition] an application the commissioner shall make an investigation of the conditions and facts contained in [such petition pertinent thereto, and if in the commissioner’s judgment] the application. If the commissioner is satisfied that the establishment of the proposed branch or change of location is justified, the commissioner shall issue a certificate permitting the [organization and maintenance of such] branch or change of location of a branch.

Except as provided in this section and section 403-56, there shall be no restriction on the number of branches any bank may open or maintain.”

SECTION 4. Section 403-56, Hawaii Revised Statutes, is amended to read as follows:

“[§403-56] Branch bank at University of Hawaii Manoa Campus; procedure. (a) [In addition to the branch banks permitted by section 403-53, the] The commissioner may issue a certificate as herein provided permitting the organization and maintenance of one branch bank on the Manoa Campus of the University of Hawaii.

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(b) The commissioner shall adopt rules pursuant to chapter 91 establishing forms and procedures for competitive bidding by banks to obtain the certificate authorized by this section.

(c) The certificate shall be issued to the [petitioner] applicant that has been approved by the commissioner pursuant to section 403-55.”

SECTION 5. Statutory material to be repealed is bracketed. New statutory material is underscored.

SECTION 6. This Act shall take effect upon its approval.

(Approved June 25, 1990.)