

A Bill for an Act Relating to Interstate Banking.

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

SECTION 1. Section 412:2-503, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

“(a) If the failing financial institution is a bank, savings bank, or depository financial services loan company that is a Hawaii financial institution, or if the institution to result from the acquisition proposed in the application is to be any of the foregoing, the commissioner may accept an application under this part only from:

- (1) A Hawaii financial institution;
- (2) A federal financial institution whose operations are principally conducted in this State (unless the operations of any holding company of such an applicant are principally conducted in a state other than Hawaii or a qualifying state);
- (3) A financial institution whose operations are principally conducted in a qualifying state (unless the operations of any holding company of such an applicant are principally conducted in a state other than Hawaii or a qualifying state);
- (4) The holding company of any of the foregoing, if any (unless the operations of such holding company or any holding company of such holding company are principally conducted in a state other than Hawaii or a qualifying state); [and]
- (5) A person that is not a company[.]; and
- (6) Notwithstanding any other limitations in this section, a bank holding company as defined under the Bank Holding Company Act of 1956, as amended, that is adequately capitalized and adequately managed.”

SECTION 2. Section 412:2-505, Hawaii Revised Statutes, is amended to read as follows:

“**§412:2-505 [Granting of applications; priorities.** In considering applications under this part, the commissioner shall give priority to the following tiers:

- (1) First, to Hawaii financial institutions and federal financial institutions whose operations are principally conducted in this State (unless the operations of any holding company of any such Hawaii financial institution or federal financial institution are principally conducted in a state other than Hawaii), to holding companies of the foregoing (unless the operations of any such holding company or the operations of any holding company of such holding company are principally conducted in a state other than Hawaii), and to persons that are not companies;
- (2) Second, to financial institutions whose operations are principally conducted in a qualifying state and to holding companies of the foregoing (unless the operations of any such holding company or the operations of any holding company of such holding company are principally conducted in a state other than Hawaii or a qualifying state); and
- (3) Third, to any other person whose application may be approved under this part.

Before a financial institution, holding company, or person described in paragraph (2) or (3) may be considered, all Hawaii institutions and holding compa-

nies which the commissioner deems to be qualified to submit any proposal to acquire not less than substantially all of the deposits or federally insured deposits of the failing financial institution must affirmatively decline to submit any proposal to acquire only the deposits of the failing financial institution.] **Waiver of statewide concentration limits under the Bank Holding Company Act of 1956, as amended.** **If the commissioner finds that waiver of the statewide concentration limits under section 3(d) of the Bank Holding Company Act of 1956, as amended, is necessary to prevent probable failure of the Hawaii financial institution, the commissioner shall have the power to issue a waiver of those statewide concentration limits.”**

SECTION 3. Statutory material to be repealed is bracketed. New statutory material is underscored.

SECTION 4. This Act shall take effect upon its approval.

(Approved April 24, 1995.)