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**Amending 14-17-2 and 14-17-5, Colorado Revised Statutes 1963, as Amended, Concerning an Increase in the Application Fees for an Industrial Bank Charter and the Capital Structure of Industrial Banks.**

Colorado General Assembly

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## CHAPTER 104

## BANKS AND BANKING

## INDUSTRIAL BANKS — FEES — CAPITALIZATION

SENATE BILL NO. 366. BY SENATORS DeBerard, Jackson, Minister, and Strickland; also REPRESENTATIVES Bryant, Hybl, Koster, Sack, and Webb.

## AN ACT

AMENDING 14-17-2 AND 14-17-5, COLORADO REVISED STATUTES 1963, AS AMENDED, CONCERNING AN INCREASE IN THE APPLICATION FEES FOR AN INDUSTRIAL BANK CHARTER AND THE CAPITAL STRUCTURE OF INDUSTRIAL BANKS.

*Be it enacted by the General Assembly of the State of Colorado:*

Section 1. 14-17-2 (1) (e), Colorado Revised Statutes 1963 (1965 Supp.), is amended to read:

**14-17-2. Charter — application — fee — insurance procedure.** (1) (e) An application fee of five hundred ONE THOUSAND dollars to cover the cost of investigation of the applicants, their proposed officers, directors, and stockholders, and obtaining other information required in connection with the charter applied for. ~~The applicants shall also deposit a sufficient amount to cover the cost of the transcripts of the hearing upon the application.~~ NO PORTION OF SUCH APPLICATION FEE SHALL THEREAFTER BE REFUNDABLE IN WHOLE OR IN PART; EXCEPT THAT SEVEN HUNDRED DOLLARS MAY BE REFUNDED TO THE INCORPORATORS BY THE BANK COMMISSIONER IF THE APPLICATION FOR CHARTER IS WITHDRAWN BY THE INCORPORATORS PRIOR TO THE DATE SET FOR THE PUBLIC HEARING ON SAID APPLICATION BY THE BANK COMMISSIONER AS PROVIDED IN SUBSECTION (2) OF THIS SECTION. The applicants shall also submit evidence, satisfactory to the bank commissioner, that the stock, in an amount not less than the minimum required by section 14-17-5, has been fully subscribed and paid in and that the subscribing stockholders have in addition thereto deposited an estimated amount to cover organizational expense.

Section 2. 14-17-5 (1), Colorado Revised Statutes 1963, as amended, is amended to read:

**14-17-5. Capital structure — impairment — no branches — change of address.** (1) (a) An industrial bank to be chartered under this article shall

*Capital letters indicate new material added to existing statutes; dashes through words indicate deletions from existing statutes and such material not part of act.*

have a bona fide minimum paid-in cash capital as follows: Fifty ONE HUNDRED thousand dollars when its place of business is to be located in a city or county having a population of ~~ten~~ FIFTY thousand or less; ~~one hundred thousand dollars~~ when its place of business is to be located in a city or county of ~~over ten thousand and less than fifty thousand~~; two hundred thousand dollars when its place of business is to be located in a city or county having a population of fifty thousand or more.

(b) In addition, such industrial bank to be chartered shall have a paid-in cash surplus of not less than ~~ten~~ TWENTY percent of its paid-in capital stock, and an undivided profits account paid-in of not less than ~~five~~ TEN percent of its paid-in capital stock; ~~provided~~ EXCEPT that industrial banks heretofore lawfully incorporated and now operating in the state of Colorado with less than the above specified cash capital, surplus, or undivided profits, or those industrial banks presently existing whose charters will hereafter expire by limitation of time, may renew their articles of incorporation and their charter without complying with the foregoing provisions relating to paid-in cash capital, surplus, or undivided profits.

(c) EVERY INDUSTRIAL BANK SHALL HAVE SUCH CAPITAL STRUCTURE AS THE COMMISSIONER DEEMS ADEQUATE TO PROMOTE AND MAINTAIN A SOUND INDUSTRIAL BANK, THE SECURITY OF DEPOSITS AND DEPOSITORS, AND THE PROTECTION OF ITS CUSTOMERS, BUT NOT LESS THAN THE SPECIFIED CASH CAPITAL, SURPLUS, OR UNDIVIDED PROFITS REQUIRED AT THE TIME SUCH BANK WAS CHARTERED.

(d) THE COMMISSIONER MAY DIRECT AN INDUSTRIAL BANK TO LEVY AN ASSESSMENT IN A DESIGNATED AMOUNT UPON THE HOLDERS OF RECORD OF ITS STOCK TO REMEDY AN IMPAIRMENT OF CAPITAL. UPON RECEIPT OF AN ORDER TO LEVY AN ASSESSMENT, THE DIRECTORS SHALL CAUSE TO BE SENT TO ALL HOLDERS OF STOCK, AT THEIR RESIDENCES AS LISTED ON THE BOOKS OF THE BANK, A NOTICE OF THE AMOUNT OF THE ASSESSMENT AND A COPY OF THIS SUBSECTION (I). IF AN ASSESSMENT IS NOT PAID WITHIN THIRTY DAYS AFTER THE NOTICE IS RECEIVED, THE INDUSTRIAL BANK SHALL OFFER THE SHARES OF THE DEFAULTING STOCKHOLDERS FOR SALE AT PUBLIC AUCTION AT A PRICE WHICH SHALL NOT BE LESS THAN THE AMOUNT OF THE ASSESSMENT AND THE COST OF THE SALE. ANY EXCESS SHALL BE PAID TO THE PRIOR OWNERS. THE METHOD OF COLLECTION PROVIDED IN THIS SECTION SHALL BE THE SOLE METHOD OF COLLECTING ASSESSMENTS.

Section 3. **Effective date.** This act shall take effect July 1, 1973.

Section 4. **Safety clause.** The general assembly hereby finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, and safety.

Approved: June 21, 1973