

2015 Regular Session

SENATE BILL NO. 64

BY SENATOR MARTINY

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

BANKS/BANKING. Provides relative to the sale and purchase of excess reserves by banks.
(8/1/15)

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AN ACT

To amend and reenact R.S. 6:303(A), relative to banks and banking; to provide for the sale of excess reserves; to provide certain terms and conditions; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 6:303(A) is hereby amended and reenacted to read as follows:

§303. Sale and purchase of excess reserves; reports

A.~~(1)~~ A state bank may sell any of its excess reserves to any other bank or banks in an amount to each bank that is equal to twice the sum of the capital stock and the surplus of the vendor bank.

(2) Notwithstanding any other provision of law to the contrary, a state bank may sell any of its excess reserves without limitation as to amount, to any other bank acting as agent, so long as the amount of cash reserves held by each individual bank acting as principal does not exceed the amount provided in Paragraph (1) of this Subsection.

(3) The provisions of this Subsection shall not apply to the sale of excess reserves to the Federal Reserve Bank or any Federal Home Loan Bank.

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The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Michelle Ridge.

DIGEST

SB 64 Engrossed

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Martiny

Present law provides that a state bank may sell any of its excess reserves to any other bank or banks in an amount to each bank that is equal to twice the sum of the capital stock and the surplus of the vendor bank.

Proposed law retains present law and provides that notwithstanding any other provision of law to the contrary, a state bank may sell any of its excess reserves without limitation as to amount, to any other bank acting as agent, so long as the amount of cash reserves held by each individual bank acting as principal does not exceed the amount provided in present law.

Proposed law provides that the limit on the amount of excess reserves a bank can sell to any other bank provided in present law shall not apply to the sale of excess reserves to the Federal Reserve Bank or any Federal Home Loan Bank.

Effective August 1, 2015.

(Amends R.S. 6:303(A))