

TITLE 26
BANKS AND BANKING

CHAPTER 16
IDAHO INTERSTATE BRANCHING ACT

26-1601. SHORT TITLE. This chapter shall be known, and may be cited as the "Idaho Interstate Branching Act."

[26-1601, added 1995, ch. 99, sec. 9, p. 305.]

26-1602. STATEMENT OF PURPOSE. It is the policy of the state of Idaho to allow out-of-state banks, chartered either by other states or by the federal government, to branch within the state of Idaho on the terms and conditions set out in this chapter, chapter 3, title 26, Idaho Code, and federal law; further, it is the policy of the state of Idaho to allow banks chartered by or located in this state to establish, operate, and maintain branches in other states in any manner authorized by this act, the law of such other states, and federal law. It is an express purpose of this chapter to authorize mergers between banks in Idaho and banks located in other states.

[26-1602, added 1995, ch. 99, sec. 9, p. 306; am. 2015, ch. 204, sec. 23, p. 631.]

26-1603. DEFINITIONS. As used in this chapter, and unless the context otherwise requires:

(1) "Home state" means:

(a) With respect to a state chartered bank, the state from which the bank received the charter under which it operates;

(b) With respect to a national bank, the state in which the main office of the national bank is located.

(2) "Host state" means, with respect to any bank, a state other than the home state of the bank in which the bank maintains, or seeks to establish and maintain a branch.

[26-1603, added 1995, ch. 99, sec. 9, p. 306.]

26-1604. MERGER AND BRANCHING APPROVAL. (1) A bank whose home state is a state other than Idaho may acquire control of, acquire all or part of the assets of, or merge with a bank whose home state is Idaho. Except as authorized in this chapter, chapter 3, title 26, Idaho Code, or federal law, no bank, the home state of which is a state other than Idaho, may establish or maintain an office or branch in this state, or conduct the business of banking in this state.

(2) A bank whose home state is Idaho may acquire control of, acquire all or part of the assets of, or merge with a bank whose home state is a state other than Idaho. Except as authorized in this chapter, chapter 3, title 26, Idaho Code, or federal law, no bank, the home state of which is Idaho, may establish or maintain an office or branch in other states.

(3) A bank whose home state is a state other than Idaho may establish a branch in Idaho if the bank's primary federal regulator and home state regulator have approved the bank's application to do the same. At least thirty (30) days prior to opening a branch in Idaho, a bank whose home state is a state other than Idaho shall:

(a) Provide a copy of its branch application to the director;

(b) File or register with the Idaho secretary of state as a foreign corporation and provide a copy of such registration and any certificate of authority issued by the Idaho secretary of state to the director; and

(c) Appoint a registered agent for service of process in Idaho and provide the director and the Idaho secretary of state with the name and address of such registered agent.

(4) A bank with a home state other than Idaho shall apply to and receive the approval of the director prior to any acquisition transaction which, if approved, would result in a bank, the home state of which is Idaho, becoming a branch or branches of the out-of-state bank. The director may accept copies of applications for such transactions made to other state or federal bank supervisory agencies. Without the prior approval of the director pursuant to this chapter, any merger transaction between a bank chartered in this state and any out-of-state bank is unlawful.

(5) A bank, the home state of which is Idaho, shall apply to and receive the approval of the director prior to any merger transaction which, if approved, would result in a bank chartered by or located in another state becoming a branch or branches of the bank whose home state is Idaho.

[26-1604, added 1995, ch. 99, sec. 9, p. 306; am. 1997, ch. 225, sec. 4, p. 663; am. 2015, ch. 204, sec. 24, p. 631.]

26-1605. CONDITIONS. (1) The director shall not approve the acquisition of a bank, the home state of which is Idaho, if the statutes of the home state of the acquiring bank would not expressly allow a bank chartered in this state to acquire a bank in such state.

(2) Upon notification by a bank, the home state of which is Idaho, that such bank intends to operate a branch in another state, the department will have thirty (30) days within which to object or otherwise act upon such an acquisition.

(3) If the director finds a violation of Idaho law concerning the activities of a bank which has Idaho as a host state, or that such a bank is operating in an unsafe and unsound condition, the director may take any enforcement or corrective action authorized under the Idaho bank act. The director may limit the authority of any bank operating in Idaho to accept or retain deposits originating in Idaho if the bank is operating in an unsafe or unsound manner.

[26-1605, added 1995, ch. 99, sec. 9, p. 307; am. 2015, ch. 204, sec. 25, p. 632.]

26-1606. DEPOSIT CONCENTRATIONS. (1) There shall be under the Idaho bank act, including this chapter and chapter 26, title 26, Idaho Code, no deposit cap or concentration limit in Idaho.

(2) The director may, by order, waive any federal deposit concentration limit that has the effect of being more limiting than subsection (1) of this section. In determining to waive the federal concentration limit, the director shall apply a standard that does not discriminate against out-of-state banks, out-of-state bank holding companies, or subsidiaries thereof, upon a finding that the waiver promotes:

- (a) Availability of financial services;
- (b) The marketability of Idaho banks; or
- (c) Other public interest.

(3) This section is not intended to affect the applicability, if any, of federal or state antitrust laws.

[26-1606, added 1995, ch. 99, sec. 9, p. 307.]