

Senate Bill 20

By: Senators Rhett of the 33rd, Ligon, Jr. of the 3rd, Harbison of the 15th and Lucas of the 26th

A BILL TO BE ENTITLED  
AN ACT

1 To amend Chapter 60 of Title 36 of the Official Code of Georgia Annotated, relating to  
2 general provisions relative to provisions applicable to counties and municipal corporations,  
3 so as to provide for the establishment of banking improvement zones to encourage opening  
4 of banks in areas underserved by banks; to provide for definitions; to provide for application  
5 and standards of approval for a banking improvement zone; to provide for the establishment  
6 of an agreement for the deposit of public funds in banks within a banking improvement zone;  
7 to provide for related matters; to repeal conflicting laws; and for other purposes.

8 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

9 style="text-align:center">**SECTION 1.**

10 Chapter 60 of Title 36 of the Official Code of Georgia Annotated, relating to general  
11 provisions relative to provisions applicable to counties and municipal corporations, is  
12 amended by adding a new Code section to read as follows:

13 "36-60-27.

14 (a) As used in this Code section, the term:

15 (1) 'Bank' shall have the same meaning as provided in paragraph (7) of Code Section  
16 7-1-4.

17 (2) 'Department' means the Department of Community Affairs.

18 (3) 'Local government' means any county or municipality of this state.

19 (b) Upon submission of an application by a local government, the department may  
20 designate a banking improvement zone within the jurisdiction of such local government for  
21 the purpose of encouraging the establishment of branches or representative offices of a  
22 bank within an area which is underserved by banking services. Application to establish a  
23 banking improvement zone shall be made to the department in such form as shall be  
24 prescribed by the department. The department may exercise its discretion in its  
25 consideration to approve a local government as eligible for a banking improvement zone;  
26 provided, however, that prior to the designation of a banking improvement zone, the

27 department shall make a determination whether any potential gains to a bank from a below  
28 rate interest agreement authorized pursuant to subsection (c) of this Code section is ample  
29 consideration for a substantial public benefit in compliance with Article III, Section VI,  
30 Paragraph VI(a) of the Georgia Constitution. Such decision shall also take into  
31 consideration:

32 (1) The location, number, and proximity of sites where banking services are available in  
33 the proposed banking improvement zone;

34 (2) Consumer needs for banking services in the proposed banking improvement zone;

35 (3) The economic viability and local credit needs of the local government in the  
36 proposed banking improvement zone;

37 (4) The existing commercial development in the proposed banking improvement zone;  
38 and

39 (5) The impact additional banking services would have on potential economic  
40 development in the proposed banking improvement zone.

41 (c) Upon approval of a banking improvement zone, the governing body of a local  
42 government may, through ordinance or resolution, designate a bank to be located within  
43 a banking improvement zone as the depository for local government funds, provided that  
44 applicable standards for deposits of public funds set forth in Chapter 8 of Title 45 have  
45 been satisfied. Subject to agreement between the governing body of a local government  
46 and a bank, such ordinance or resolution shall designate a fixed interest rate that is at or  
47 below the posted two-year certificate of deposit rate at the bank."

48 **SECTION 2.**

49 All laws and parts of laws in conflict with this Act are repealed.