

286.3-180 Banking business, where done -- Branch banks -- Application for change in principal office or branch location.

- (1) Except as provided in KRS 286.3-820, state banks may exercise the following powers necessary to carry on the business of banking at their principal office or a branch:
 - (a) Discounting and negotiating notes, drafts, bills of exchange, and other evidences of debt;
 - (b) Purchasing bonds, receiving deposits, and allowing interest on these items;
 - (c) Buying and selling exchange, coin, and bullion; and
 - (d) Lending money on personal or real security.
- (2) Subject to subsection (3) of this section and KRS 286.3-920, a state bank may establish or acquire a branch within any state, the District of Columbia, or a territory of the United States.
- (3)
 - (a) Except for a bank that the commissioner may designate by the promulgation of administrative regulations or as provided in subsections (4) and (5) of this section, a state bank shall apply to the commissioner for permission to establish or acquire a branch.
 - (b) The commissioner shall approve an application made under this subsection if the commissioner determines that:
 1. The public convenience and advantage will be served and promoted by operation of the branch; and
 2. There is reasonable probability of the successful operation of the branch based upon the financial and managerial impact of the branch on the bank establishing or acquiring the branch.
 - (c) The following conditions shall apply to applications for branches under this subsection:
 1. Permission to open a branch shall lapse one (1) year after the commissioner has rendered a final order, as defined in KRS 13B.010, approving the application. If, for reasons beyond the control of the applicant, the branch is not opened and business is not actually begun in good faith within this time period, permission to open the branch may, with the approval of the commissioner, be extended for any period of time the commissioner deems to be necessary; and
 2. An application to establish or acquire a branch shall be approved or disapproved by the commissioner based upon the facts existing on the date the application is filed, except for the financial condition of the bank proposing to establish a branch, which condition shall be subject to review until a final order ruling on the application is made.
- (4) Any corporation which on January 1, 1966, was engaged in operating a branch bank may continue to retain and operate the branch bank under the general banking laws, and the requirements set forth in this section in respect to capital shall not apply to any existing branch bank but only as to those branch banks which may be established in the future in accordance with the terms of this section.

- (5) Except as otherwise expressly provided in this subtitle, the provisions of subsection (3) of this section shall not apply to the conversion, merger, consolidation, acquisition, or combination of any bank or branch that is authorized under another provision of this subtitle.
- (6) Any national banking association whose principal office is located in this state may do all things and perform all acts that state banks are permitted to do or perform under this section, subject to the conditions and restrictions provided for state banks as to exercise of these powers.
- (7) Except as provided in subsection (9) of this section, when a branch has been established, any operation of the branch shall not be discontinued or closed unless:
 - (a) The bank provides at least ninety (90) days' notice of the branch's discontinuance or closure in writing to the commissioner; and
 - (b) If requested by the commissioner, the bank provides the commissioner notice of the date when the branch will be discontinued or closed.
- (8)
 - (a) Except as provided in subsection (9) of this section, a state bank shall apply to the commissioner for permission to change the location of its principal office or a branch.
 - (b) The commissioner shall approve a change of location if the commissioner determines that:
 - 1. The public convenience and advantage will be served and promoted by the proposed change of location; and
 - 2. There is a reasonable probability of the successful operation of the principal office or branch at the new location.
- (9)
 - (a) The commissioner may exempt a bank from compliance with subsection (7) or (8) of this section, or both, through the promulgation of administrative regulations.
 - (b) The consolidation of two (2) or more branches into a single location, or the relocation of a branch, within the same vicinity or immediate neighborhood shall not be considered a branch closure or change of location subject to the provisions of subsection (7) or (8) of this section if the consolidation or relocation does not substantially affect the nature of the business or customers served.
- (10)
 - (a) Except as provided in paragraph (b) of this subsection, a state bank, out-of-state bank, or national bank shall use at all times the same name for all of its branches in Kentucky.
 - (b) Upon written request, the commissioner shall permit the limited use of a different name at one (1) or more branches when necessary to avoid customer confusion.

Effective: July 15, 2024

History: Amended 2024 Ky. Acts ch. 152, sec. 24, effective July 15, 2024. -- Amended 2010 Ky. Acts ch. 24, sec. 628, effective July 15, 2010; and ch. 28, sec. 13, effective July 15, 2010. -- Amended 2001 Ky. Acts ch. 112, sec. 1, effective June 21, 2001. -- Amended 2000 Ky. Acts ch. 135, sec. 1, effective July 14, 2000; and ch. 279, sec. 4, effective July 14, 2000. -- Amended 1996 Ky. Acts ch. 318, sec. 215, effective July

15, 1996; and ch. 338, sec. 14, effective July 15, 1996. -- Amended 1990 Ky. Acts ch. 73, sec. 1, effective July 13, 1990. -- Amended 1986 Ky. Acts ch. 444, sec. 7, effective July 15, 1986. -- Amended 1984 Ky. Acts ch. 324, sec. 17, effective July 13, 1984. -- Amended 1982 Ky. Acts ch. 366, sec. 1, effective July 15, 1982. -- Amended 1976 Ky. Acts ch. 234, sec. 3. -- Amended 1966 Ky. Acts ch. 11, sec. 2. -- Amended 1962 Ky. Acts ch. 252, sec. 1. -- Amended 1954 Ky. Acts ch. 182, sec. 1. - - Recodified 1942 Ky. Acts ch. 208, sec. 1, effective October 1, 1942, from Ky. Stat. sec. 579.

Formerly codified as KRS 287.180.

Legislative Research Commission Note (7/12/2006). In accordance with 2006 Ky. Acts ch. 247, secs. 38 and 39, this statute has been renumbered as a section of the Kentucky Financial Services Code, KRS Chapter 286.

Legislative Research Commission Note (7/14/2000). This section was amended by 2000 Ky. Acts chs. 135 and 279. Where these Acts are not in conflict, they have been codified together. Where a conflict exists, Acts ch. 279, which was last enacted by the General Assembly, prevails under KRS 446.250.