

**Banking Bill of the State of \_\_\_\_\_**  
**Bill Authorizing the Establishment of**  
**Citizen Owned Banks in the**  
**State of \_\_\_\_\_.**

An Act Declaring the Authorization of Citizen Banks in the State of \_\_\_\_\_ to Engage in the Banking Business and Establish a System of Banks outside of the Federal Reserve System.

This act is authorized according to the 10<sup>th</sup> Amendment to the Constitution:

"The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people.

Be it enacted by the Legislature of the State of \_\_\_\_\_:

Section 1. For the purpose of encouraging and promoting banking to enable commerce and industry, these banks shall engage in the business of banking, and for that purpose shall, and hereby, establish a system of banks owned, controlled and operated by the citizens of the State of \_\_\_\_\_ under the authority the State of \_\_\_\_\_.

Section 2. These banks shall be properly registered in the State following the requirements established by the Department of Commerce and shall be required to comply with all of the established banking laws of the State as they are or shall be in the future.

Section 3. To accomplish the purposes of this Act, these banks will be required to establish a capital account of \$\_\_\_\_\_ prior to opening to insure there are proper funds to safely and securely begin operations.

Section 4. To the end that there is proper experience the bank will hire a manager with ample banking experience. This manager may appoint such subordinate officers and employees as he may judge expedient. He shall employ such contractors, architects, builders, attorneys, cashiers, tellers, clerks, accountants, and other experts, agents and servants such that in his judgment the interests of the citizens of the state will be secured. He will define the duties, designate the titles, and fix the compensation and bonds of all such persons so engaged. The total compensation of all managers and employees, together, with other expenditures for the operation and

maintenance of the Bank, shall remain within the earnings and expenses normally paid to individuals assuming these or similar types of employment. All officers, and employees of the Bank engaged in its financial functions shall, before entering upon their duties, furnish good and sufficient bonds to the state in such amount and upon such conditions as are appropriate; but the bond of the Manager shall not be less than \_\_\_\_\_ dollars. Such bonds shall be filed with the Secretary of State.

Section 5. These banks are hereby authorized to perform any and all activities normally performed by any other banks within the normal banking requirements and laws of the State.

Section 6. The State of \_\_\_\_\_ recommends that all state, county, township, municipal and school district funds, all funds of all penal, educational and industrial institutions and all other public funds be, by the person having control of such funds, deposited in these banks.

Section 7. These banks may receive deposits from any source, including the United States Government and any foreign or domestic individual, Corporation, association, municipality, bank or government.

Section 8. All deposits in these banks are hereby guaranteed by the state. Income derived from these deposits shall be exempt from any taxes levied by any \_\_\_\_\_ State, County or Municipal Government.

Section 9. All profits of these banks remain in the State of \_\_\_\_\_ to assist the citizens and the governments of the state.

Section 10. As the state of \_\_\_\_\_ guarantees the deposits of these banks it is hereby required that at least 30% of all profits of the bank be paid to the treasurer of the State of \_\_\_\_\_. The receipts generated by the profits of the bank and provided to the State are to be earmarked to replace Federal monies received by the State so the State can regain its sovereignty. This provision will compensate the State for the risk provided by the guarantee in Section 8.

Section 11. The chief bank of the citizens banking system, after being properly designated, will serve as a citizens bank reserve depositary and may perform the functions and render the services of a clearing house, including all facilities for providing domestic and foreign exchange, and may re-discount paper on such terms as are expedient.

Section 12. The State Banking Examiner shall personally or through deputy examiners visit these banks at least twice annually, and shall inspect and verify the assets in its possession and under its control, with sufficient thoroughness of investigation to ascertain with reasonable certainty whether the valuations are, correctly carried on its books. He shall investigate its methods of operation and accounting. He shall report the results of each such examination and investigation to the State Auditor as soon as practicable.

Section 13. All Acts and parts of Acts inconsistent with this Act are hereby repealed.

Section 14. This Act is hereby declared to be an emergency measure and shall take effect and be in force immediately from and after its passage and approval.

Approved: