



COLORADO

Department of
Regulatory Agencies

Division of Banking

1560 Broadway, Suite 975
Denver, CO 80202

August 18, 2016

**STATE BANKING BOARD
RULE CB 101.66
PERTAINING TO TITLE 11, ARTICLE 103, SECTION 502
COLORADO REVISED STATUTES**

STATEMENT OF BASIS, PURPOSE, AND SPECIFIC AUTHORITY

Statement of Basis

An emergency rulemaking is necessary to convey to state-chartered banks the requirements, as interpreted by the Colorado State Banking Board (Banking Board), of Senate Bill 16-126, Concerning Parity of State-Chartered Banks with Federally Chartered Banks Regarding Frequency of Meetings (SB16-126), which was adopted to maintain parity with federally regulated institutions and becomes effective August 10, 2016.

The proposed emergency rule establishes a procedure for a bank that wants to change the frequency of its board of directors (board) meetings and provides reinstatement requirements regarding directors who are absent for consecutive meetings. Without the emergency rule in place, a four-month period would exist between SB16-126 going into effect and finalization of the promulgated rule through the regular rulemaking process, during which no official guidance would be available for state-chartered banks.

Specific Purpose of this Rulemaking

The purpose of this proposed emergency rule promulgation is to mitigate the possibility of misinterpretation of the amendments to Section 11-103-502 C.R.S., and possible violation by a state-chartered bank should it revise its meeting frequency or prematurely remove a board member prior to receiving official guidance from the Banking Board and Division of Banking. The proposed emergency rule establishes a procedure for a Colorado state-chartered bank's board to change its board meeting frequency to less than monthly and provides reinstatement requirements for a director with consecutive board meeting absences.

Rulemaking Authority

11-101-102. Declaration of policy.

11-102-104. Powers and duties of banking board.

