House Engrossed

State of Arizona
House of Representatives
Fifty-third Legislature
Second Regular Session
2018

CHAPTER 3

HOUSE BILL 2013

AN ACT

AMENDING SECTION 6-851, ARIZONA REVISED STATUTES; RELATING TO TRUST COMPANIES.

(TEXT OF BILL BEGINS ON NEXT PAGE)

Be it enacted by the Legislature of the State of Arizona:

Section 1. Section 6-851, Arizona Revised Statutes, is amended to read:

6-851. Definitions

A. In this chapter, unless the context otherwise requires:

1. "Trust business" means the holding out by a person to the public at large by advertising, solicitation or other means that the person is available to act as a fiduciary in this state and accepting and undertaking to perform the duties as such a fiduciary in the regular course of business.

2. "Trust company" means a corporation holding a certificate issued under this article.

B. In this article, unless the context otherwise requires:

1. "Agent" means a person who receives compensation to regularly perform services specifically related to the conduct of the trust business.

2. "Asset" means any property or property right held by a licensee for the benefit of another.

3. "Capital" means the total of outstanding common stock, preferred stock and surplus and undivided profits.

4. "Certificate" means a certificate of authority issued under this chapter to engage in trust business.

5. "Contingency plan" means a document stating a trust company's means of conducting business and preserving records in the event of any power outage, flood or other physical emergency.

6. "Discretionary assets" means those assets in which the trust company has the unilateral authority to determine investment strategies and execute investment transactions without seeking the concurrence, approval or authority from the customer or any other external party.

7. "Fiduciary" means a personal representative, administrator, guardian, conservator, trustee, agent or other person who acts in a fiduciary capacity and who is not exempt by section 6-852.

8. "Impaired" or "insolvent" means the trust company does not possess assets that are at least equal to liabilities, required reserves and total issued and outstanding capital.

9. "LEGAL TENDER" MEANS A MEDIUM OF EXCHANGE, INCLUDING SPECIE, THAT IS AUTHORIZED BY THE UNITED STATES CONSTITUTION OR CONGRESS FOR THE PAYMENT OF DEBTS, PUBLIC CHARGES, TAXES AND DUES.

~~9.~~ 10. "Liquid capital" means LEGAL TENDER, capital in the form of certificates of deposit issued by banks, savings banks or savings and loan associations doing business in this state and insured by the federal deposit insurance corporation or any successor institution, including deposits to a single depository where excess deposit insurance is provided through a reciprocal deposit arrangement by participating banks, or direct obligations of the United States government with maturity of not more than five years.

~~10.~~ 11. "Nondiscretionary assets" means those assets for which the trust company must obtain from the customer, broker or investment advisor specific direction and instructions regarding both investment strategies and investment executions.

12. "SPECIE" MEANS COINS HAVING PRECIOUS METAL CONTENT.

~~11.~~ 13. "Surplus" means the total amount paid by shareholders in excess of the par or stated value of the shares of capital stock of a trust business in consideration for the shares.

APPROVED BY THE GOVERNOR MARCH 16, 2018.

FILED IN THE OFFICE OF THE SECRETARY OF STATE MARCH 16, 2018.