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By: **Chairman, Finance Committee**  
Introduced and read first time: February 1, 2001  
Assigned to: Finance

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Committee Report: Favorable with amendments  
Senate action: Adopted  
Read second time: February 20, 2001

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CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Commissioner of Financial Regulation and the Banking Board - Sunset**  
3 **Extension and Program Evaluation**

4 FOR the purpose of continuing the office of the Commissioner of Financial Regulation  
5 and the Banking Board in accordance with the provisions of the Maryland  
6 Program Evaluation Act (Sunset Law) by extending to a certain date the  
7 termination provisions relating to the statutory and regulatory authority of the  
8 Commissioner and Board; requiring the Commissioner to submit a certain  
9 annual report to the Governor and General Assembly; requiring that an  
10 evaluation of the Commissioner and Board and the statutes and regulations  
11 that relate to them be performed on or before a certain date; requiring the  
12 Commissioner and Board to submit a certain report to the General Assembly by  
13 certain dates; and generally relating to the office of the Commissioner of  
14 Financial Regulation and the Banking Board.

15 BY adding to  
16 Article - Financial Institutions  
17 Section 2-107  
18 Annotated Code of Maryland  
19 (1998 Replacement Volume and 2000 Supplement)

20 BY repealing and reenacting, with amendments,  
21 Article - Financial Institutions  
22 Section 2-401 and 2-402  
23 Annotated Code of Maryland  
24 (1998 Replacement Volume and 2000 Supplement)

1 BY repealing and reenacting, without amendments,  
2 Article - State Government  
3 Section 8-403(a)  
4 Annotated Code of Maryland  
5 (1999 Replacement Volume and 2000 Supplement)

6 BY repealing and reenacting, with amendments,  
7 Article - State Government  
8 Section 8-403(b)(8) and (26)  
9 Annotated Code of Maryland  
10 (1999 Replacement Volume and 2000 Supplement)

11 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
12 MARYLAND, That the Laws of Maryland read as follows:

13 **Article - Financial Institutions**

14 2-107.

15 ON OR BEFORE DECEMBER 31 OF EACH YEAR, THE COMMISSIONER SHALL  
16 SUBMIT TO THE GOVERNOR, AND AS PROVIDED UNDER § 2-1246 OF THE STATE  
17 GOVERNMENT ARTICLE, THE GENERAL ASSEMBLY, AN ANNUAL REPORT THAT  
18 INCLUDES, AT A MINIMUM, THE FOLLOWING INFORMATION CONCERNING THE MOST  
19 RECENTLY COMPLETED FISCAL YEAR ENDING JUNE 30:

20 (1) OPERATIONS OF THE OFFICE OF THE COMMISSIONER;

21 (2) AMENDMENTS PROPOSED BY THE COMMISSIONER REGARDING THE  
22 LAWS THE COMMISSIONER ADMINISTERS;

23 (3) FAILURES OF LICENSED PERSONS AND STATE-CHARTERED  
24 FINANCIAL INSTITUTIONS;

25 (4) A SUMMARY OF THE ~~CAPITAL, ASSETS, MANAGEMENT, EARNINGS,~~  
26 ~~LIQUIDITY, AND SENSITIVITY RATINGS (CAMELS) OF STATE-CHARTERED FINANCIAL~~  
27 ~~INSTITUTIONS~~ COMPOSITE RATINGS OF BANKING INSTITUTIONS AND  
28 STATE-CHARTERED CREDIT UNIONS; AND

29 (5) A BREAKDOWN BY LICENSE CATEGORY OF THE NUMBER OF  
30 PENALTIES ASSESSED AND INSTANCES OF CONSUMER RECOVERY.

31 2-401.

32 Subject to the evaluation and reestablishment provisions of the Program  
33 Evaluation Act, the provisions of this article that create the office of the  
34 Commissioner of Financial Regulation or relate to the powers and duties of the  
35 Commissioner and any regulations adopted under these provisions shall terminate  
36 and be of no effect after July 1, [2002] 2012.

1 2-402.

2 Subject to the evaluation and reestablishment provisions of the Program  
3 Evaluation Act, the following provisions of this article that create or relate to the  
4 Banking Board and any regulations adopted under these provisions shall terminate  
5 and be of no effect after July 1, [2002] 2012:

- 6 (1) Title 2, Subtitle 2 ("Banking Board");  
7 (2) § 3-607 ("Reserves"); and  
8 (3) § 5-801 ("Removal of director or officer for unsafe or unsound  
9 practices").

10 **Article - State Government**

11 8-403.

12 (a) On or before December 15 of the 2nd year before the evaluation date of a  
13 governmental activity or unit, the Legislative Policy Committee, based on a  
14 preliminary evaluation, may waive as unnecessary the evaluation required under this  
15 section.

16 (b) Except as otherwise provided in subsection (a) of this section, on or before  
17 the evaluation date for the following governmental activities or units, an evaluation  
18 shall be made of the following governmental activities or units and the statutes and  
19 regulations that relate to the governmental activities or units:

20 (8) Banking Board (§ 2-201 of the Financial Institutions Article: July 1,  
21 [2001] 2011);

22 (26) Financial Regulation, Office of the Commissioner of (§ 2-101 of the  
23 Financial Institutions Article: July 1, [2001] 2011);

24 SECTION 2. AND BE IT FURTHER ENACTED, That the Commissioner of  
25 Financial Regulation and the Banking Board shall report to the General Assembly on  
26 or before October 1, 2001 and on or before October 1, 2002, in accordance with §  
27 2-1246 of the State Government Article, on the implementation status of the  
28 recommendations made by the Department of Legislative Services in the  
29 Department's report, "Sunset Review: Evaluation of the Office of the Commissioner of  
30 Financial Regulation and Banking Board", dated October, 2000.

31 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take  
32 effect July 1, 2001.

