

Department of Legislative Services
Maryland General Assembly
2004 Session

FISCAL AND POLICY NOTE
Revised

House Bill 423
Economic Matters

(Delegate Moe)

Finance

Banking Institutions - Savings Banks

This bill authorizes a savings bank to have any State banking institution, any other bank in the State, or any State or federal savings and loan association in the State merge into it if the Commissioner of Financial Regulation gives written consent to the transaction after receiving the advice of the State Banking Board. The bill also reduces the proportion of stock shares that a parent mutual holding company must hold of its subsidiary savings bank from 100% to 50% of the shares.

The bill takes effect June 1, 2004.

Fiscal Summary

State Effect: Enforcement could be handled with the existing budgeted resources of the Commissioner of Financial Regulation.

Local Effect: None.

Small Business Effect: Minimal.

Analysis

Current Law: Generally, a savings bank may consolidate with, merge into, or transfer its assets to any banking institution in the State, any other bank in the State, or any State or federal savings and loan association in the State, if the commissioner gives written consent to the transaction after receiving the advice of the State Banking Board. A

mutual holding company that is the parent of a subsidiary savings bank must hold all of the stock of the subsidiary savings bank.

Additional Information

Prior Introductions: None.

Cross File: SB 408 (Senator Klausmeier) – Finance.

Information Source(s): Department of Labor, Licensing, and Regulation; Department of Legislative Services

Fiscal Note History: First Reader - February 16, 2004
ncs/mdr Revised - Enrolled Bill - April 22, 2004

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