11 6lr3715 CF 6lr3700

By: Delegates Moe and D. Davis

Rules suspended

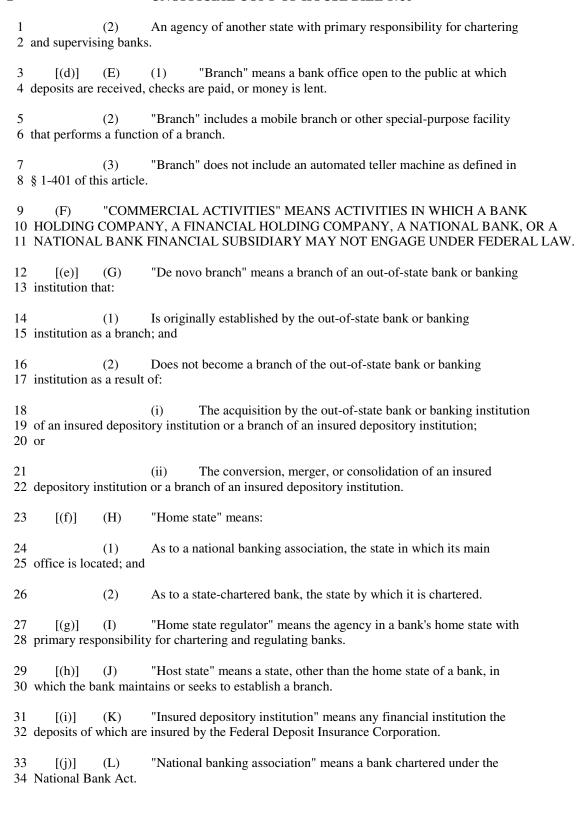
Introduced and read first time: March 16, 2006 Assigned to: Rules and Executive Nominations

## A BILL ENTITLED

1 AN ACT concerning

## 2 Branching by Banks

- 3 FOR the purpose of prohibiting a banking institution or out-of-state bank from
- 4 establishing or maintaining a branch in this State on the premises or property of
- 5 an affiliate if the affiliate engages in commercial activities; defining certain
- 6 terms; altering the definition of a certain term; and generally relating to
- 7 branching by banks.
- 8 BY repealing and reenacting, with amendments,
- 9 Article Financial Institutions
- 10 Section 5-1001 and 5-1003
- 11 Annotated Code of Maryland
- 12 (2003 Replacement Volume and 2005 Supplement)
- 13 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
- 14 MARYLAND, That the Laws of Maryland read as follows:
- 15 Article Financial Institutions
- 16 5-1001.
- 17 (a) In this subtitle the following words have the meanings indicated.
- 18 (B) "AFFILIATE" MEANS ANY COMPANY THAT CONTROLS, IS CONTROLLED BY,
- 19 OR IS UNDER COMMON CONTROL WITH ANOTHER COMPANY.
- 20 [(b)] (C) "Bank" has the meaning stated [in § 2(c) of the federal Bank Holding
- 21 Company Act] IN THE FEDERAL DEPOSIT INSURANCE ACT, 12 U.S.C. § 1813(A)(1).
- 22 [(c)] (D) "Bank supervisory agency" means:
- 23 (1) The Office of the Comptroller of the Currency, the Federal Deposit
- 24 Insurance Corporation, the Board of Governors of the Federal Reserve System, or any
- 25 successor to these agencies; or



## **UNOFFICIAL COPY OF HOUSE BILL 1735**

1 2	[(k)] by another st	(M) tate.	"Other-state bank" means a bank chartered and primarily regulated
3	[(1)]	(N)	"Out-of-state bank" means:
4 5	than this Stat	(1) te; or	A national banking association with its main office in a state other
6		(2)	An other-state bank.
7	5-1003.		
8 9	(A) this State by:		ng institution or an out-of-state bank may establish a branch in
10		(1)	Opening a de novo branch;
11 12	institution; o	(2) or	Purchasing an existing branch from a bank or an insured depository
13 14	following:	(3)	Converting former headquarters or retaining former branches
15 16		lepository	(i) The purchase of all or substantially all of the assets of a bank or institution; or
17 18	depository i	nstitution	(ii) A merger or a consolidation with a bank or an insured .
	ESTABLIS	H OR MA	KING INSTITUTION OR AN OUT-OF-STATE BANK MAY NOT AINTAIN A BRANCH IN THIS STATE ON THE PREMISES OR PROPERTY HE THE AFEIL LATE ENGAGES IN COMMERCIAL ACTIVITIES

- Y
- 21 OF AN AFFILIATE IF THE AFFILIATE ENGAGES IN COMMERCIAL ACTIVITIES.
- SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
- 23 June 1, 2006.