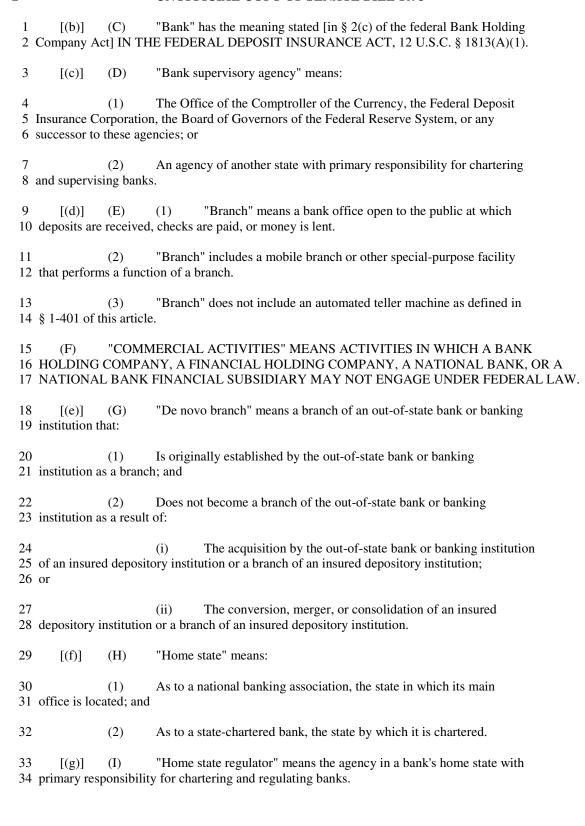
## **UNOFFICIAL COPY OF SENATE BILL 1093**

**EMERGENCY BILL** 

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By: Senator Astle Constitutional Requirements Complied with for Introduction in the last 35 Days of Session Introduced and read first time: March 16, 2006 Assigned to: Rules Re-referred to: Finance, March 20, 2006 Committee Report: Favorable with amendments Senate action: Adopted Read second time: March 29, 2006 CHAPTER\_\_\_\_ 1 AN ACT concerning 2 **Branching by Banks** FOR the purpose of prohibiting a banking institution or out-of-state bank from 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 terms; altering the definition of a certain term; making this Act an emergency 6 7 measure; and generally relating to branching by banks. 8 BY repealing and reenacting, with amendments, Article - Financial Institutions 9 Section 5-1001 and 5-1003 10 11 Annotated Code of Maryland 12 (2003 Replacement Volume and 2005 Supplement) SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF 13 14 MARYLAND, That the Laws of Maryland read as follows: **Article - Financial Institutions** 15 16 5-1001. 17 In this subtitle the following words have the meanings indicated. (a) 18 "AFFILIATE" MEANS ANY COMPANY THAT CONTROLS, IS CONTROLLED BY, 19 OR IS UNDER COMMON CONTROL WITH ANOTHER COMPANY.



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1 [(h)]**(J)** "Host state" means a state, other than the home state of a bank, in which the bank maintains or seeks to establish a branch. 3 (K) "Insured depository institution" means any financial institution the 4 deposits of which are insured by the Federal Deposit Insurance Corporation. 5 "National banking association" means a bank chartered under the (L) [(j)]6 National Bank Act. "Other-state bank" means a bank chartered and primarily regulated 7 [(k)](M)8 by another state. "Out-of-state bank" means: 9 [(1)](N) 10 (1) A national banking association with its main office in a state other 11 than this State; or 12 (2) An other-state bank. 13 5-1003. A banking institution or an out-of-state bank may establish a branch in 14 (A) 15 this State by: 16 (1) Opening a de novo branch; 17 (2)Purchasing an existing branch from a bank or an insured depository 18 institution; or 19 (3) Converting former headquarters or retaining former branches 20 following: 21 The purchase of all or substantially all of the assets of a bank or 22 an insured depository institution; or 23 A merger or a consolidation with a bank or an insured (ii) 24 depository institution. 25 A BANKING INSTITUTION OR AN OUT-OF-STATE BANK MAY NOT (B) 26 ESTABLISH OR MAINTAIN A BRANCH IN THIS STATE ON THE PREMISES OR PROPERTY 27 OF AN AFFILIATE IF THE AFFILIATE ENGAGES IN COMMERCIAL ACTIVITIES. 28 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect 29 June 1, 2006 is an emergency measure, is necessary for the immediate preservation of 30 the public health or safety, has been passed by a yea and nay vote supported by 31 three-fifths of all the members elected to each of the two Houses of the General 32 Assembly, and shall take effect from the date it is enacted.