

SENATE BILL 290

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2lr0024

By: **Chair, Finance Committee (By Request – Departmental – Labor,
Licensing and Regulation)**

Introduced and read first time: January 26, 2012

Assigned to: Finance

A BILL ENTITLED

1 AN ACT concerning

2 **Financial Institutions – Savings Banks – Conversions**

3 FOR the purpose of providing that a savings bank may convert to a capital stock
4 commercial bank under certain circumstances; requiring the Commissioner of
5 Financial Regulation to adopt regulations governing the conversion of savings
6 banks to capital stock commercial banks; establishing a certain fee for the
7 conversion of a savings bank to a capital stock commercial bank; providing for
8 the construction of this Act; and generally relating to conversions of savings
9 banks.

10 BY adding to

11 Article – Financial Institutions

12 Section 2–108(a)(10) and 4–703

13 Annotated Code of Maryland

14 (2011 Replacement Volume and 2011 Supplement)

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

17 **Article – Financial Institutions**

18 2–108.

19 (a) The Commissioner shall charge and collect, in advance, the following
20 nonrefundable fees:

21 **(10) AN APPLICATION FEE FOR CONVERSION OF A SAVINGS BANK**
22 **TO A CAPITAL STOCK COMMERCIAL BANK UNDER § 4–703 OF THIS**
23 **ARTICLE.....\$5,000**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 **4-703.**

2 (A) A SAVINGS BANK MAY CONVERT TO A CAPITAL STOCK COMMERCIAL
3 BANK WITH THE APPROVAL OF ITS MEMBERS AND THE COMMISSIONER.

4 (B) THE COMMISSIONER SHALL ADOPT REGULATIONS TO GOVERN THE
5 CONVERSION OF SAVINGS BANKS TO CAPITAL STOCK COMMERCIAL BANKS.

6 SECTION 2. AND BE IT FURTHER ENACTED, That the changes made to the
7 Financial Institutions Article under Section 1 of this Act may not be construed to:

8 (1) affect, modify, or invalidate the authority and powers of the
9 Commissioner of Financial Regulation under § 5-504 of the Financial Institutions
10 Article to approve the conversion or any portion of the conversion of a
11 Maryland-chartered savings bank to a Maryland-chartered capital stock commercial
12 bank; or

13 (2) invalidate any conversion of a Maryland-chartered savings bank to
14 a Maryland-chartered capital stock commercial bank that was consummated before
15 the effective date of this Act.

16 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
17 July 1, 2012.