

Chapter 498

(Senate Bill 14)

AN ACT concerning

**Financial Institutions – State Banks, Trust Companies, and Savings Banks –
Incorporators**

FOR the purpose of altering the number and qualifications of the incorporators required to form a commercial bank or a savings bank in the State; repealing certain provisions relating to additional and vacant directorships of certain commercial banks; making stylistic changes; and generally relating to financial institutions in the State.

BY repealing and reenacting, with amendments,
 Article – Financial Institutions
 Section 3–201, 3–202(b), 4–201, and 4–202(b)
 Annotated Code of Maryland
 (2011 Replacement Volume and 2019 Supplement)

BY repealing
 Article – Financial Institutions
 Section 3–407
 Annotated Code of Maryland
 (2011 Replacement Volume and 2019 Supplement)

BY renumbering
 Article – Financial Institutions
 Section 3–408 through 3–411, respectively
 to be Section 3–406 through 3–409, respectively
 Annotated Code of Maryland
 (2011 Replacement Volume and 2019 Supplement)

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

Article – Financial Institutions

3–201.

[Five] **THREE** or more adult individuals, each of whom is a citizen of [this State and] the United States, **AND AT LEAST ONE OF WHOM IS A CITIZEN OF THIS STATE**, may act as incorporators to form a State bank or a trust company under this subtitle.

3–202.

(b) The articles of incorporation shall include:

(1) The name and address of each incorporator;

(2) A statement that [each]:

(I) EACH incorporator is AT LEAST 18 years old [or older and a];

(II) EACH INCORPORATOR IS A citizen of [this State and] the United States; AND

(III) AT LEAST ONE OF THE INCORPORATORS IS A CITIZEN OF THIS STATE;

(3) A statement that the incorporators are associating to form a State bank or a trust company under this subtitle;

(4) The name of the State bank or trust company, which may not be similar in any material respect to the name of any other bank or trust company in this State;

(5) The municipal area and county where the principal banking office of the State bank or trust company is to be located;

(6) The number of directors and the names and residence addresses of those who will serve as directors until their successors are elected and qualify; and

(7) As to its capital stock:

(i) The total number of shares that the State bank or trust company has authority to issue;

(ii) The par value of the shares, which may not be less than \$10 a share; and

(iii) The total par value of all shares.

[3-407.

(a) Subject to the limitation in § 3-402 of this subtitle, at any meeting of the stockholders of a commercial bank, the stockholders may create up to two additional directorships.

(b) The stockholders may leave the two additional directorships vacant, to be filled in the discretion of the board of directors.]

4–201.

~~[Fifteen]~~ **THREE** or more adult individuals, each of whom is a citizen of ~~[this State and]~~ the United States, **AND AT LEAST ONE OF WHOM IS A CITIZEN OF THIS STATE**, may act as incorporators to form a savings bank under this subtitle.

4–202.

(b) The articles of incorporation shall include:

(1) The name and address of each incorporator;

(2) A statement that ~~[each]~~:

(I) EACH incorporator is **AT LEAST** 18 years old ~~[or older and a]~~;

(II) EACH INCORPORATOR IS A citizen of ~~[this State and]~~ the United States; **AND**

(III) AT LEAST ONE OF THE INCORPORATORS IS A CITIZEN OF THIS STATE;

(3) A statement that the incorporators are associating to form a savings bank under this subtitle;

(4) The name of the savings bank, which may not be similar in any material respect to the name of any other bank, savings bank, or trust company in this State;

(5) The municipal area and county where the principal banking office of the savings bank is to be located;

(6) The name and residence address of each member; and

(7) The number of directors and the names and residence addresses of those who will serve until their successors are elected and qualify.

SECTION 2. AND BE IT FURTHER ENACTED, That Section(s) 3–408 through 3–411, respectively, of Article – Financial Institutions of the Annotated Code of Maryland be renumbered to be Section(s) 3–406 through 3–409, respectively.

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2020.

Enacted under Article II, § 17(c) of the Maryland Constitution, May 8, 2020.