

CHAPTER 177

(House Bill 1242)

AN ACT to repeal and re-enact, with amendments, Section 51 of Article 11 of the Annotated Code of Maryland (1968 Replacement Volume), title "Banks and Trust Companies," subtitle "Savings Institutions"; and to repeal and re-enact, with amendments, Section 161U of Article 23 of the Annotated Code of Maryland (1966 Replacement Volume and 1971 Supplement), title "Corporations," subtitle "III. Particular Classes of Corporations," subheading "Building or Homestead Associations," to provide for merger or consolidation of a mutual savings institution with a savings and loan association.

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That Section 51 of Article 11 of the Annotated Code of Maryland (1968 Replacement Volume), title "Banks and Trust Companies," subtitle "Savings Institutions" be and it is hereby repealed and re-enacted, with amendments, to read as follows:

51.

Every savings institution incorporated under this article or heretofore incorporated with the written consent of the Commissioner, may merge or consolidate with any other banking institution in this State, OR WITH A FEDERAL OR STATE SAVINGS AND LOAN ASSOCIATION IN THIS STATE, by a vote, in person or by proxy, of two thirds of its corporate members or like governing bodies, and in event there is no such body, by a vote of the Board of Directors, such vote to be taken at a meeting duly called for that purpose as provided by law. A copy of the agreement setting forth the terms and conditions of the proposed plan, executed before a public officer, qualified to take acknowledgments, by the president and treasurer of the associations entering into the agreements, must be filed with the Commissioner.

SECTION 2. AND BE IT FURTHER ENACTED, That Section 161U of Article 23 of the Annotated Code of Maryland (1966 Replacement Volume and 1971 Supplement), title "Corporations," subtitle "III. Particular Classes of Corporations," subheading "Building or Homestead Associations" be and it is hereby repealed and re-enacted, with amendments, to read as follows:

161U.

(a)

Any association shall have power to consolidate or merge with or sell or transfer all or substantially all of its property and assets to any other incorporated association in this State as provided by this article for corporations having capital stock, upon first filing its proposed plan of consolidation or merger or sale or transfer with the Director and securing his approval thereof. Whenever any association shall transfer all or substantially all of its property and assets subject to all or substantially all of its liabilities to another association and shall then dissolve in accordance with a plan filed with the Director hereunder, such plan shall constitute a statutory merger. Any such plan of transfer must be approved by the Board of Directors of the transferee association and the Board of Directors of the transferor association. The plan must also be submitted for action thereon at either an annual or special meeting of the members of the transferor association and must be approved by the members of the transferor association by the affirmative vote of two thirds of all the votes entitled to be cast thereon. Any association of this State shall have the power to partially liquidate, dissolve or reorganize pursuant to the provisions of this article pertaining to corporations of this State,