

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That section(s) of the Annotated Code of Maryland be repealed, amended, or enacted to read as follows:

Article 11 - Banks and Trust Companies

108G.

(a) [Whenever] SIXTY DAYS BEFORE (1) a change occurs [or is about to occur] in the outstanding voting stock of any State bank [or], trust company OR BANK HOLDING COMPANY IN THIS STATE which will result in a change in the control of the A BANKING institution OR BANK HOLDING COMPANY, or (2) any sales or ~~transfers~~ PURCHASES by or to any one person, PERSONS, corporation or other legal entity WHICH WILL GIVE THE PURCHASER CONTROL of the aggregate of ~~twenty-five percent--(25%)~~ 25 PERCENT or more of the voting stock of any State bank or trust company [is about to be consummated or has been consummated], the ~~president--or--other--chief executive-officer-of-such institution~~ PURCHASER [immediately upon obtaining knowledge of such change in the control of the institution or such contemplated or consummated sale or transfer of such stock] shall ~~report-such-facts-to-the--Bank Commissioner~~ REQUEST PRIOR APPROVAL OF THE BANK COMMISSIONER TO MAKE THE PURCHASE. THE BANK COMMISSIONER MAY DENY THE OWNERSHIP CHANGES IF THE ACQUISITION IS REGARDED AS ANTICOMPETITIVE OR THREATENING TO THE SAFETY OR SOUNDNESS OF THE INSTITUTION. VOTING STOCK ACQUIRED IN VIOLATION HEREOF OF THIS SECTION MAY NOT BE VOTED FOR 5 YEARS.

Whenever application is made for a loan from any State bank or trust company or a loan is made by any such institution, which loan is, or is to be, secured by twenty-five percent (25%) or more of the voting stock of any State bank or trust company, the president or other chief executive officer of the institution to which the application is made or which makes the loan shall report such fact to the Bank Commissioner, except when the applicant or borrower has been the owner of record of the stock for a period of one year or more, or the stock is of a newly organized State bank or trust company prior to its opening.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 1979.

Approved May 14, 1979.

CHAPTER 295

(Senate Bill 983)