

Preamble

WHEREAS, To address the savings and loan crisis the Governor has convened a second special session in October, 1985 at which time the General Assembly will consider the passage of legislation that would establish a new framework for out-of-state bank holding companies to engage in the banking business through the acquisition and conversion of specified State-chartered savings and loan associations; and

WHEREAS, To address the savings and loan crisis, prevent deterioration of the situation, protect depositors and taxpayers, and stabilize the savings and loan industry, this Act is proposed; and

WHEREAS, It is the purpose of this Act to establish a single State set of procedures for out-of-state bank holding company acquisitions of Maryland financial institutions; and

WHEREAS, In order to implement the legislative intent of this Act, it is necessary to limit the provisions of Subtitle 9 of Title 5 of the Financial Institutions Article so as to preclude any out-of-state bank holding company, other than one that has acquired the stock of a bank incorporated in Maryland under Section 5-903(b) of the Financial Institutions Article, and has met the requirements of Section 5-903(b) and (c) of that article; and

WHEREAS, Such a limitation will establish a single set of procedures through which an out-of-state bank holding company may obtain the privilege of conducting banking business in Maryland; now, therefore,

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

Article - Financial Institutions

5-903.

(c) (1) Subject to the provisions of this subsection, the Commissioner may exempt any bank whose stock has been acquired by an out-of-state bank holding company or its subsidiary, under subsection (b) of this section, from the restrictions set forth in subsections (b)(1) and (b)(4) of this section if the requirements of subsection (b) have otherwise been met ~~PRIOR TO THE EFFECTIVE DATE OF THIS ACT~~ and the bank and its out-of-state bank holding company execute an agreement requiring them to do the following:

(i) Acquire or commence construction of a facility meeting the requirements of subparagraphs (ii) through (iv) of this paragraph and located within an enterprise zone designated under Article 41, § 266KK-2 of the Code;