

Amendments to the State Banking Code; SB 283

SB 283 amends several sections of the State Banking Code.

Change of Terminology – Collective Investment Funds

On and after July 1, 2018, the bill changes the terminology, from “common trust” funds to “collective investment” funds, for the establishment and investment of such funds by a bank or trust company authorized to act as a fiduciary.

Notification Requirements for Acquiring Control and Change of Control

The bill updates the notice requirements for acquiring control and change of control provided to the State Bank Commissioner (Commissioner). The bill specifies that a person acting directly, indirectly, or directly or indirectly in concert with one or more persons is prohibited from engaging in any activity that may result or does result in acquiring control of any bank, bank holding company, or trust company without notifying the Commissioner at least 30 days prior to acquiring control. The bill permits the Commissioner to determine whether an activity may result or does result in a change of control. Additionally, the bill requires the board of directors of any privately held bank, bank holding company, or trust company to notify the Commissioner, at least 30 days prior to the date the change of control becomes effective, of any change of control of the bank, bank holding company, or trust company.

Waiver of Notice Requirement

On and after July 1, 2018, the bill amends the requirement that a person proposing to acquire control, or a bank or trust company undertaking a merger transaction submit an application 60 days prior to the proposed change of control or merger transaction. The bill permits the Commissioner to waive this 60-day prior notice requirement if the acquired bank or trust company is under a formal corrective action.

Qualifications of the Deputy Commissioner of the Banking Division

The bill amends the required qualifications for an individual to serve as Deputy Commissioner of the Banking Division (Deputy Commissioner). The bill permits an individual to serve as Deputy Commissioner if the individual has five years of experience as an officer of a state bank holding company or a wholly-owned subsidiary conducting business that is related to banking, or has a combination of experience.