

SENATE BILL 15

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01r0077

(PRE-FILED)

By: **Chair, Finance Committee (By Request – Departmental – Labor)**

Requested: September 30, 2019

Introduced and read first time: January 8, 2020

Assigned to: Finance

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: January 28, 2020

CHAPTER _____

1 AN ACT concerning

2 **Financial Institutions – Commissioner of Financial Regulation – Banking**
3 **Institution Powers**

4 FOR the purpose of altering the process for and circumstances under which a banking
5 institution may engage in any additional activity, service, or other practice that is
6 authorized for national banking associations; requiring a banking institution to
7 provide certain notice to the Commissioner of Financial Regulation at least a certain
8 number of days before engaging in any additional activity, service, or other practice;
9 authorizing a banking institution to engage in any additional activity, service, or
10 other practice on a certain day after the Commissioner receives a certain notice
11 unless the Commissioner specifies a different date or prohibits the activity, service,
12 or other practice; authorizing the Commissioner, under certain circumstances, to
13 extend a certain time period after which a banking institution may engage in any
14 additional activity, service, or other practice; authorizing the Commissioner to
15 prohibit a banking institution from engaging in any additional activity, service, or
16 other practice under certain circumstances; making stylistic changes; and generally
17 relating to the powers of banking institutions.

18 BY repealing and reenacting, with amendments,
19 Article – Financial Institutions
20 Section 5–504
21 Annotated Code of Maryland
22 (2011 Replacement Volume and 2019 Supplement)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



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

3 **Article – Financial Institutions**

4 5–504.

5 (a) Notwithstanding any other provision of the laws or regulations of this State[,
6 if the Commissioner approves,] **AND SUBJECT TO SUBSECTION (B) OF THIS SECTION, A**
7 **banking [institutions] INSTITUTION** may engage in any additional activity, service, or
8 other practice in which, under federal law, national banking associations may engage
9 **SUBJECT TO THE SAME CONDITIONS THAT FEDERAL LAW REQUIRES OR ALLOWS AS**
10 **TO NATIONAL BANKING ASSOCIATIONS.**

11 **(B) (1) A BANKING INSTITUTION SHALL PROVIDE THE COMMISSIONER**
12 **WITH WRITTEN NOTICE AT LEAST 45 CALENDAR DAYS BEFORE ENGAGING IN ANY**
13 **ACTIVITY, SERVICE, OR OTHER PRACTICE AUTHORIZED UNDER SUBSECTION (A) OF**
14 **THIS SECTION.**

15 **(2) THE NOTICE REQUIRED UNDER PARAGRAPH (1) OF THIS**
16 **SUBSECTION SHALL INCLUDE A DESCRIPTION OF THE PROPOSED ACTIVITY,**
17 **SERVICE, OR OTHER PRACTICE, INCLUDING:**

18 **(I) THE SPECIFIC AUTHORITY FOR THE ACTIVITY, SERVICE, OR**
19 **OTHER PRACTICE; AND**

20 **(II) ANY CONDITION THAT FEDERAL LAW REQUIRES OR ALLOWS**
21 **AS TO NATIONAL BANKING ASSOCIATIONS.**

22 **(3) THE BANKING INSTITUTION MAY BEGIN TO PERFORM THE**
23 **ACTIVITY, SERVICE, OR OTHER PRACTICE ON THE FIRST BUSINESS DAY AFTER THE**
24 **45TH CALENDAR DAY FROM THE DATE THE COMMISSIONER RECEIVES THE NOTICE**
25 **UNDER PARAGRAPH (1) OF THIS SUBSECTION UNLESS THE COMMISSIONER:**

26 **(I) SPECIFIES A DIFFERENT DATE; OR**

27 **(II) PROHIBITS THE ACTIVITY, SERVICE, OR OTHER PRACTICE.**

28 **(C) THE COMMISSIONER MAY EXTEND THE 45–DAY PERIOD UNDER**
29 **SUBSECTION (B)(3) OF THIS SECTION IF THE COMMISSIONER DETERMINES THAT**
30 **THE BANKING INSTITUTION’S NOTICE REQUIRES ADDITIONAL INFORMATION OR**
31 **ADDITIONAL TIME FOR ANALYSIS.**

32 **[(b)] (D) The Commissioner may [grant an approval under this section only]**
33 **PROHIBIT A BANKING INSTITUTION FROM PERFORMING THE ACTIVITY, SERVICE, OR**

1 OTHER PRACTICE DESCRIBED IN THE NOTICE PROVIDED UNDER SUBSECTION (B) OF
2 THIS SECTION if [:

3 (1) The] THE Commissioner determines that [approval is:] PERFORMING
4 THE ACTIVITY, SERVICE, OR OTHER PRACTICE WOULD:

5 (1) ADVERSELY AFFECT THE ~~CONDITION~~ SAFETY AND SOUNDNESS OF
6 THE BANKING INSTITUTION;

7 [(i)] (2) [Reasonably required] BE DETRIMENTAL to [protect] the
8 welfare of the general economy of this State [and of banking institutions]; or

9 [(ii)] (3) [Not] BE detrimental to the public interest or to banking
10 institutions]; and

11 (2) The approval imposes the same conditions that federal law requires or
12 permits as to national banking associations].

13 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
14 October 1, 2020.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.