

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

A BILL ENTITLED

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)

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

25 **Article – Financial Institutions**

26 5–504.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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

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

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

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

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

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

(I) SPECIFIES A DIFFERENT DATE; OR

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

(C) THE COMMISSIONER MAY EXTEND THE 45-DAY PERIOD UNDER SUBSECTION (B)(3) OF THIS SECTION IF THE COMMISSIONER DETERMINES THAT THE BANKING INSTITUTION'S NOTICE REQUIRES ADDITIONAL INFORMATION OR ADDITIONAL TIME FOR ANALYSIS.

[(b)] (D) The Commissioner may [grant an approval under this section only] PROHIBIT A BANKING INSTITUTION FROM PERFORMING THE ACTIVITY, SERVICE, OR OTHER PRACTICE DESCRIBED IN THE NOTICE PROVIDED UNDER SUBSECTION (B) OF THIS SECTION if [:

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

1 (1) ADVERSELY AFFECT THE CONDITION OF THE BANKING
2 INSTITUTION;

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

5 [(ii)] (3) [Not] **BE** detrimental to the public interest or to banking
6 institutions[]; and

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

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