

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 1986.

Approved May 13, 1986.

CHAPTER 355

(Senate Bill 669)

AN ACT concerning

Savings Bank Holding Companies

FOR the purpose of permitting the reorganization of a savings bank into a mutual holding company and subsidiary savings bank under certain circumstances; altering the definition of a "savings bank" and defining certain related terms; allowing issuance of capital stock by subsidiary savings banks; providing procedures for reorganization, including requirements for approval by the board of the savings bank and by the Bank Commissioner; establishing criteria for approval by the Bank Commissioner; providing for the transfer of assets and the assumption of liabilities between the mutual holding company and its subsidiary savings bank; providing for the qualifications of the incorporators of a subsidiary savings bank and requiring that the articles of incorporation be filed with the Department of Assessments and Taxation; providing for the effects of that filing; providing for the perpetual existence of the subsidiary savings bank; prohibiting a subsidiary savings bank from doing business until the subsidiary savings bank receives a certificate of authority to do business and until the required capital stock and surplus is paid in full; authorizing the board of directors of a subsidiary savings bank to declare a cash dividend from certain surplus or profits; authorizing the Bank Commissioner to evaluate the assets of a subsidiary savings bank using certain methods; providing the procedure for dissolution of a subsidiary savings bank; establishing the respective rights, powers, and privileges of the mutual holding company and its subsidiary savings banks; providing for annual meetings and the election of directors of a subsidiary savings bank; providing for the filling of vacancies on the board of directors of a subsidiary savings bank; permitting officers, employees, directors, or trustees of a mutual holding company to serve in the same or similar capacities of one or more subsidiaries capacity with its subsidiary savings bank; permitting savings bank mutual holding companies to acquire the assets or stock of a savings and loan association under certain circumstances and with certain approvals; requiring that examiners be given access to the records of a banking institution's mutual holding company or other related entity