

AN ACT concerning

Tax Exempt Financial Institutions -
Supervision and Examination - Termination

FOR the purpose of repealing a certain provision which allows certain tax exempt financial institutions to terminate the Bank Commissioner's power to examine and supervise them under certain circumstances; requiring the Bank Commissioner to supervise and examine certain financial institutions; and generally relating to tax exempt financial institutions.

BY repealing and reenacting, with amendments,

Article - Financial Institutions
Section 12-701 and 12-705
Annotated Code of Maryland
(1986 Replacement Volume and 1988 Supplement)

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

Article - Financial Institutions

12-701.

(A) A financial institution may apply to the Bank Commissioner to be supervised and examined by the Bank Commissioner to the same extent that a banking institution is supervised and examined under Title 5, Subtitle 2 of this article, other than § 5-203, if:

(1) The financial institution is a nonstock corporation under Title 5, Subtitle 2 of the Corporations and Associations Article which is recognized by the Internal Revenue Service as exempt from tax under § 501(c)(3) of the Internal Revenue Code of 1954, as amended;

(2) A majority and all controlling members of the financial institution are persons designated and approved by any banking institutions or national banking associations; and

(3) The financial institution is engaged solely in the extension of credit, making of loans and arranging of financing for socially or economically disadvantaged businesses for the purpose of: