

the Banking Board, gives written consent to the transaction. It requires a plan of reorganization of a savings bank, to provide that as a result of the reorganization, the mutual holding company shall hold more than 50% of the stock of the subsidiary savings bank.

House Bill 423, which was passed by the General Assembly and signed by me on May 11, 2004, accomplishes the same purpose. Therefore, it is not necessary for me to sign Senate Bill 408.

Very truly yours,
Robert L. Ehrlich, Jr.
Governor

Senate Bill No. 408

AN ACT concerning

Banking Institutions - Savings Banks

FOR the purpose of authorizing a savings bank to have any banking institution in this State, any other bank in this State, or any State or federal savings and loan association in this State merge into the savings bank if the Commissioner, after receiving the advice of the Banking Board, gives written consent to the transaction; requiring a plan of reorganization of a savings bank to provide that as a result of the reorganization, the mutual holding company shall hold more than a certain percentage of the stock of the subsidiary savings bank; prohibiting the Commissioner of Financial Regulation in the Department of Labor, Licensing, and Regulation from approving an application for reorganization unless the Commissioner determines that if the reorganization is pursuant to an acquisition by the mutual holding company of all the stock of a savings and loan association, then certain conditions are met; requiring that a mutual holding company hold more than a certain percentage of the stock of a subsidiary savings bank or savings and loan association; requiring the articles of incorporation of a subsidiary savings bank to include a statement that more than a certain percentage of the shares of capital stock issued be held by the mutual holding company; altering a certain definition; and generally relating to savings banks.

BY repealing and reenacting, with amendments,

Article - Financial Institutions

Section 4-101(d), 4-701(b), 4-802(c), 4-803(e), 4-804(c), and 4-902(b)

Annotated Code of Maryland

(2003 Replacement Volume)

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

Article - Financial Institutions