

HB 927 -- FINANCIAL INSTITUTIONS

SPONSOR: Thompson

This bill modifies numerous provisions relating to financial institutions.

STATE BANKING AND SAVINGS AND LOAN BOARD (Section 361.097)

Under current law, two members of the State Banking and Savings and Loan Board are required to have at least five years of active bank management experience. This bill requires at least three members to have at least 5 years of active bank or association management experience in institutions chartered under state law.

BANKING REGULATIONS (Sections 362.044 to 362.765)

This bill permits bank stockholders' meetings to be conducted electronically if authorized pursuant to the institution's bylaws.

Current law requires notice of annual or special stockholders' meetings to be published. This bill repeals such requirement and instead permits electronic notification of such meetings.

Current law requires any director who is not physically present within the common area for a meeting of the board of directors and wishes to be counted toward a quorum for such meeting to sign an affidavit under penalty of perjury making certain acknowledgments. This bill repeals the affidavit requirement and instead requires the director to make a confirmation. Such confirmation will be recorded in the minutes of the meeting.

Current law requires the oath taken by every elected director of a bank or trust company to be immediately transmitted to the Director of Finance, within the Department of Commerce and Insurance, to be filed and preserved in that office. This bill repeals that requirement and requires the oath to be retained with the official records of the board of directors.

The bill permits a bank or trust company to merge with one or more of its nonbank subsidiaries or affiliates pursuant to an agreement of merger. The agreement merger must be presented to the Director of Finance and the Director must act upon the agreement of merger within 30 days of the submission. If the agreement is declined, the bank or trust company may appeal the decision to the State Bank and Savings and Loan Board.

SAVINGS AND LOAN REGULATIONS (Sections 369.049 to 369.705)

Current law requires the name of every savings and loan association to include either the words "Savings Association" or "Savings and Loan Association". This bill removes such requirement and instead permits it. The bill further repeals the prohibition on using the following words in an association name: "National", "Federal", "United States", "Insured", "Guaranteed", "Government", and "Official".

The bill permits a savings and loan institution or savings bank to merge with one or more of its nonbank subsidiaries or affiliates pursuant to an agreement of merger. The agreement merger must be presented to the Director of Finance and the Director must act upon the agreement of merger within 30 days of the submission. If the agreement is declined, the bank or trust company may appeal the decision to the State Bank and Savings and Loan Board.