

By: Representatives Turner, Brown (20th),
Stamps

To: Banking and Financial
Services

HOUSE BILL NO. 1360

1 AN ACT TO AMEND SECTION 81-5-85, MISSISSIPPI CODE OF 1972, TO
2 ALIGN BANK AND SAVINGS ASSOCIATION MERGER APPROVAL WITH PROVISIONS
3 OF THE MISSISSIPPI BUSINESS CORPORATION ACT; TO AMEND SECTION
4 81-5-97, MISSISSIPPI CODE OF 1972, TO CLARIFY WHEN THE
5 COMMISSIONER OF BANKING MAY APPROVE BANK OR BANK BRANCH CLOSURES;
6 AND FOR RELATED PURPOSES.

7 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

8 **SECTION 1.** Section 81-5-85, Mississippi Code of 1972, is
9 amended as follows:

10 81-5-85. * * * A bank * * * chartered * * * by the State of
11 Mississippi, may, with the approval of the commissioner, * * *
12 enter into a business combination with another bank, savings bank,
13 savings and loan association or other entity, on such terms and
14 conditions, as may be lawfully agreed upon, adopted and approved
15 in a * * * plan of merger or share exchange in accordance with
16 Article 11, Chapter 4 of Title 79, Mississippi Code of 1972, and
17 provided that the survivor is a financial institution insured by
18 the Federal Deposit Insurance Corporation. Following receipt of
19 the required corporate approvals and approval of the * * * plan of
20 merger or share exchange plan by the commissioner, the resulting



21 amendments to charters of * * * the survivor shall be approved and
22 filed with other state officials in accordance with Section
23 81-3-15. The capital stock of * * * the survivor shall not be
24 less than that required under * * * applicable law for the * * *
25 survivor. And all the rights, franchises and interests of the
26 institutions so consolidated in and to every species of property,
27 personal and mixed, and choses in action thereto belonging, shall
28 be deemed to be transferred to and vested in such * * * survivor
29 without any deed or other transfer, and the said * * * survivor
30 shall hold and enjoy the same and all rights of property,
31 franchises and interests in the same manner and to the same extent
32 as were held and enjoyed by the institutions so * * * combined.

33 A bank chartered by the State of Mississippi may, with the
34 approval of the commissioner, sell or transfer all, or
35 substantially all, of its assets, liabilities, and businesses only
36 to another bank, savings bank, savings and loan association or
37 other entity, in a transaction agreed upon, adopted and approved
38 in accordance with Article 12, Chapter 4, Title 79, Mississippi
39 Code of 1972, and provided that the buyer or transferee is a
40 financial institution insured by the Federal Deposit Insurance
41 Corporation.

42 Any national bank, state or federal savings and loan
43 association, or state or federal savings bank may apply for
44 conversion into a state-chartered bank upon the affirmative vote
45 of the shareholders owning at least two-thirds (2/3) of its



46 capital stock outstanding, or of fifty-one percent (51%) or more
47 of the total number of the members, at a meeting called by the
48 directors, notice of which, specifying the purpose, shall be given
49 the manner required by the bylaws, or in the absence of such
50 bylaw, then by sending the notice to each shareholder of record by
51 registered mail at least ten (10) days before the meeting. Upon
52 such affirmative vote, the converting institution may apply for a
53 certificate of authority by filing with the commissioner a
54 certificate signed by its president and cashier which sets forth
55 the corporate action herein prescribed and asserts that the
56 institution has complied with the provisions of the laws of the
57 United States. The converting institution shall also file with
58 the commissioner the plan of conversion and the proposed
59 amendments to its articles of incorporation as approved by the
60 stockholders for the operation of the institution as a state bank.
61 Upon receipt of the prescribed application, the commissioner shall
62 examine all facts associated with the conversion. The expenses
63 and cost incurred for such special examination shall be paid by
64 the institution applying for permission to convert. The
65 commissioner shall present his findings and recommendations to the
66 State Board of Banking Review for consideration. Upon approval by
67 the State Board of Banking Review, the commissioner shall issue a
68 certificate of authority to the applicant allowing the conversion
69 to proceed.



70 Any bank, savings and loan association or savings bank
71 chartered by the State of Mississippi is hereby authorized to
72 convert into, consolidate with, or merge with a national
73 bank * * *, with the national bank charter surviving, without
74 approval of the Department of Banking and Consumer Finance, the
75 Commissioner of Banking and Consumer Finance, or any state
76 authority whatsoever.

77 Notwithstanding any provision of law to the contrary, if any
78 bank, savings and loan association or savings bank chartered by
79 the State of Mississippi has or proposes to engage in a business
80 combination or sale or transfer of substantially all assets that
81 is not authorized under this section, the commissioner shall
82 enforce the provisions of this section by issuing a
83 cease-and-desist order.

84 The bank, savings and loan association or savings bank may
85 appeal such order to the First Judicial District of Hinds County,
86 Mississippi. Said appeal must be filed within thirty (30) days
87 from the date the order was issued.

88 **SECTION 2.** Section 81-5-97, Mississippi Code of 1972, is
89 amended as follows:

90 81-5-97. The commissioner of banking and consumer finance
91 may, from time to time, adopt and promulgate rules regulating
92 banking hours, and such rules shall have all the force and effect
93 of law. In addition thereto, the commissioner may permit a bank or
94 bank branches to close * * * for business at such time or times



95 during the week as the commissioner determines will not prevent
96 the rendering of proper and reasonable banking service to the
97 community and trade area in which the bank is located. Unless
98 emergency circumstances exist as determined by the commissioner,
99 the commissioner shall not authorize any bank to close for more
100 than * * * two (2) whole days during any week, state and federal
101 legal holidays and Sundays excepted * * *. However, * * * in the
102 event any state or federal legal holiday shall fall on a Saturday,
103 then * * * banks * * * may observe the preceding Friday as a legal
104 holiday, or if such holiday shall fall on Sunday, then * * *
105 banks * * * may observe the next following Monday as a legal
106 holiday.

107 **SECTION 3.** This act shall take effect and be in force from
108 and after July 1, 2022.

