

By: Senator(s) Caughman, Sparks

To: Business and Financial  
Institutions

SENATE BILL NO. 2640

1 AN ACT TO AMEND SECTION 81-5-85, MISSISSIPPI CODE OF 1972, TO  
2 REVISE THE LAW PROVIDING FOR THE CONSOLIDATION, CONVERSION OR  
3 MERGER OF BANKS, SAVINGS AND LOAN ASSOCIATIONS, AND SAVINGS BANKS  
4 IN ORDER TO BE CONSISTENT WITH THE MISSISSIPPI BUSINESS  
5 CORPORATION ACT; TO AMEND SECTION 81-5-97, MISSISSIPPI CODE OF  
6 1972, TO CLARIFY WHEN THE COMMISSIONER MAY APPROVE BANK OR BANK  
7 BRANCH CLOSURES; AND FOR RELATED PURPOSES.

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

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

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



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

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

43 Any national bank, state or federal savings and loan  
44 association, or state or federal savings bank may apply for  
45 conversion into a state-chartered bank upon the affirmative vote



46 of the shareholders owning at least two-thirds (2/3) of its  
47 capital stock outstanding, or of fifty-one percent (51%) or more  
48 of the total number of the members, at a meeting called by the  
49 directors, notice of which, specifying the purpose, shall be given  
50 the manner required by the bylaws, or in the absence of such  
51 bylaw, then by sending the notice to each shareholder of record by  
52 registered mail at least ten (10) days before the meeting. Upon  
53 such affirmative vote, the converting institution may apply for a  
54 certificate of authority by filing with the commissioner a  
55 certificate signed by its president and cashier which sets forth  
56 the corporate action herein prescribed and asserts that the  
57 institution has complied with the provisions of the laws of the  
58 United States. The converting institution shall also file with  
59 the commissioner the plan of conversion and the proposed  
60 amendments to its articles of incorporation as approved by the  
61 stockholders for the operation of the institution as a state bank.  
62 Upon receipt of the prescribed application, the commissioner shall  
63 examine all facts associated with the conversion. The expenses  
64 and cost incurred for such special examination shall be paid by  
65 the institution applying for permission to convert. The  
66 commissioner shall present his findings and recommendations to the  
67 State Board of Banking Review for consideration. Upon approval by  
68 the State Board of Banking Review, the commissioner shall issue a  
69 certificate of authority to the applicant allowing the conversion  
70 to proceed.



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

78 Notwithstanding any provision to the contrary, if any bank,  
79 savings and loan association or savings bank chartered by the  
80 State of Mississippi has or proposes to engage in a business  
81 combination or sale or transfer of substantially all assets that  
82 is not authorized under this section, the commissioner shall  
83 enforce the provisions of this section by issuing a  
84 cease-and-desist order. The bank, savings and loan association or  
85 savings bank may appeal such order to the First Judicial District  
86 of Hinds County, Mississippi. Such appeal must be filed within  
87 thirty (30) days 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  
94 or 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.

