

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.



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

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

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

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

81-5-97. The commissioner of banking and consumer finance may, from time to time, adopt and promulgate rules regulating banking hours, and such rules shall have all the force and effect of law. In addition thereto, the commissioner may permit a bank 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.

