

By: Senator(s) Parks, Jackson (11th)

To: Business and Financial
Institutions

SENATE BILL NO. 2520

1 AN ACT TO AMEND SECTION 81-1-81, MISSISSIPPI CODE OF 1972, TO
2 AUTHORIZE THE COMMISSIONER OF BANKING AND CONSUMER FINANCE TO JOIN
3 AN EXAMINATION OR ISSUE A JOINT REPORT OF EXAMINATION WITH THE
4 FEDERAL RESERVE BANK OF CERTAIN BANK HOLDING COMPANIES; TO AMEND
5 SECTION 81-14-401, MISSISSIPPI CODE OF 1972, IN CONFORMITY
6 THERETO; AND FOR RELATED PURPOSES.

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

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

10 81-1-81. (1) It shall be the duty of the commissioner to
11 apportion the work of examining banks among the examiners in such
12 a way that each bank, under the provisions of law, shall be
13 examined at least once during an eighteen-month period and more
14 often, if necessary, in the discretion of the commissioner, at
15 irregular intervals and without prior notice. However, neither
16 the commissioner nor any examiner shall examine one (1) bank twice
17 in succession unless the commissioner, for cause, so determines.
18 In the event the commissioner's office, because of workload or
19 other good sufficient cause, is unable to conduct an examination
20 of a bank as provided for in this section, the commissioner is



21 hereby authorized to accept the examination of any state bank
22 performed by the Federal Deposit Insurance Corporation or the
23 Federal Reserve Bank in lieu of the examination provided for in
24 this section. However, in no case shall the commissioner be
25 authorized to accept any such examination of any state bank
26 performed by either the Federal Deposit Insurance Corporation or
27 the Federal Reserve Bank for any two (2) consecutive
28 eighteen-month periods.

29 (2) The commissioner may join an examination and/or issue a
30 joint report of examination with the Federal Reserve Bank of any
31 bank holding company, including any foreign-owned bank holding
32 company, with more than One Billion Dollars (\$1,000,000,000.00) in
33 assets that owns a Mississippi state-chartered bank. The
34 commissioner shall not perform an examination independent of the
35 Federal Reserve Bank. The commissioner may accept any examination
36 report of a bank holding company performed solely by the Federal
37 Reserve Bank in lieu of conducting a joint examination. Further,
38 the commissioner may join in related supervisory orders issued by
39 the Federal Reserve Bank. There shall be no cost to a bank or a
40 bank holding company as a result of the commissioner's
41 participation in a joint examination of a bank holding company as
42 authorized by this subsection. The provisions of this subsection
43 (2) shall stand repealed on July 1, 2022.

44 **SECTION 2.** Section 81-14-401, Mississippi Code of 1972, is
45 amended as follows:



46 81-14-401. (1) Notwithstanding any other provision of law,
47 any stock savings bank may simultaneously with its incorporation
48 or conversion to a stock savings bank provide for its ownership by
49 a holding company. In the case of a conversion, members of the
50 converting savings bank shall have the right to purchase capital
51 stock of the holding company in lieu of capital stock of the
52 converted savings bank in accordance with Section 81-14-107(3)(f).

53 (2) Notwithstanding any other provision of law, any stock
54 savings bank may reorganize its ownership to provide for ownership
55 by a holding company, upon adoption of a plan of reorganization by
56 a favorable vote of not less than two-thirds (2/3) of the members
57 of the board of directors of the savings bank and approval of such
58 plan of reorganization by the holders of not less than a majority
59 of the issued and outstanding shares of stock of the savings bank.
60 The plan of reorganization shall provide that (a) the resulting
61 ownership shall be vested in a Mississippi corporation; (b) all
62 stockholders of the stock savings bank shall have the right to
63 exchange shares; (c) the exchange of stock shall not be subject to
64 state or federal income taxation; (d) stockholders not wishing to
65 exchange shares shall be entitled to dissenters' rights as
66 provided under Section 79-4-13.01 et seq., Mississippi Code of
67 1972 * * *; and (e) the plan of reorganization is fair and
68 equitable to all stockholders.

69 (3) Notwithstanding any other provision of law, any mutual
70 savings bank may reorganize its ownership to provide for ownership



71 by a holding company upon adoption of a plan of reorganization by
72 favorable vote of not less than two-thirds (2/3) of the members of
73 the board of directors of the savings bank and approval of the
74 plan of reorganization by a majority of the voting members of the
75 savings bank. The plan of reorganization shall provide: (a) the
76 resulting ownership of one * * * or more subsidiary savings banks
77 shall be evidenced by stock shares; (b) the substantial portion of
78 the assets and all of the insured deposits and part or all of the
79 other liabilities shall be transferred to one * * * or more
80 subsidiary savings banks; (c) the reorganization shall not be
81 subject to state or federal income taxation; and (d) the plan of
82 reorganization is fair and equitable to all members of the savings
83 bank. The commissioner shall promulgate rules regarding the
84 formation of the subsidiary savings banks and the holding company,
85 including the rights of members, levels of investment in the
86 holding company subsidiaries, and stock sales.

87 (4) A holding company may invest in any investment
88 authorized by its board of directors, except as limited by
89 regulations promulgated by the commissioner pursuant to this
90 chapter.

91 (5) Any entity which controls a stock savings bank, or
92 acquires control of a stock savings bank, is a holding company.
93 As used in this section, "entity" means an individual,
94 corporation, partnership, joint venture, trust, estate or
95 unincorporated association.



96 (6) Holding companies shall be under the supervision of the
97 commissioner. The commissioner shall exercise all powers and
98 responsibilities with respect to holding companies which he
99 exercises with respect to savings banks. * * *

100 **SECTION 3.** This act shall take effect and be in force from
101 and after its passage.

