SENATE DOCKET, NO. 1387 FILED ON: 1/19/2023

SENATE . . . . . No. 623

The Commonwealth of Massachusetts

PRESENTED BY:

Sal N. DiDomenico

To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:

The undersigned legislators and/or citizens respectfully petition for the adoption of the accompanying bill:

An Act relative to growth opportunities for state financial institutions.

PETITION OF:

NAME:	DISTRICT/ADDRESS:
Sal N. DiDomenico	*Middlesex and Suffolk*

SENATE DOCKET, NO. 1387 FILED ON: 1/19/2023

SENATE . . . . . No. 623

By Mr. DiDomenico, a petition (accompanied by bill, Senate, No. 623) of Sal N. DiDomenico for legislation to strengthen the state credit union charter. Financial Services.

[SIMILAR MATTER FILED IN PREVIOUS SESSION
SEE SENATE, NO. *656* OF 2021-2022.]

The Commonwealth of Massachusetts

In the One Hundred and Ninety-Third General Court
(2023-2024)

An Act relative to growth opportunities for state financial institutions.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

SECTION 1. Section 15 of Chapter 167I of the General Laws, as appearing in the 2020 Official Edition, is hereby amended by striking out the first paragraph and inserting in place thereof the following two paragraphs:-

Subject to the written approval of the commissioner, a bank may be dissolved and liquidate its affairs if authorized by a vote passed, at a meeting specially called to consider the subject, by at least 2/3 of the voting body of the bank. A committee of 3 members prescribed by the commissioner, shall liquidate the assets and after satisfying all debts of the bank shall distribute the remaining proceeds among those entitled thereon in proportion to their respective interests therein.

If the liquidation of a mutual bank or stock bank is to be effected in whole or in part through the sale of any of its assets to and the assumption of its deposit and other liabilities, including all contingent liabilities, by a bank in mutual form or by a credit union as part of a business combination, the purchase and sale agreement must also be approved pursuant to section 8 of this chapter. The commissioner shall establish expedited liquidation procedures for such business combination transactions whereby the mutual bank or stock bank is dissolved immediately after the combination. However, if any liabilities will remain in the mutual bank or stock bank, the standard liquidation procedures shall apply.

SECTION 2. Chapter 171 of the General Laws is hereby amended by adding after section 78A the following section:-

Section 78B. A credit union may purchase in whole or in part any of the assets of and assume the deposit liabilities of any mutual bank or stock bank pursuant to section 8 of chapter 167I and the mutual bank or stock bank may be liquidated under the expedited procedures for such business combination transactions under section 15 of said chapter 167I. If the main office and branches of such bank are purchased, they shall become branches of the credit union without any other approval required. The depositors of such bank shall become members of the credit union within 2 years after such transaction is approved or for such longer period as may be approved by the commissioner.