

Amendment No. 1 to HB1241

Vaughan  
Signature of Sponsor

**AMEND Senate Bill No. 1293**

**House Bill No. 1241\***

by deleting all language after the enacting clause and substituting:

SECTION 1. Tennessee Code Annotated, Section 45-2-107, is amended by deleting the section and substituting:

(a)

(1) As used in this subsection (a), unless the context otherwise requires:

(A) "Bank" means a company that accepts deposits in this state that are eligible for insurance under the Federal Deposit Insurance Act (12 U.S.C. § 1811 et seq.);

(B) "Bank holding company" means a company that is a bank holding company as defined in 12 U.S.C. § 1841;

(C) "Banking institution" means an institution organized under this title, or under 12 U.S.C. §§ 21-220, as amended;

(D) "Company" has the meaning set forth in subsection 2(b) of the Bank Holding Company Act of 1956 (12 U.S.C. § 1841(b)); and

(E) "Control" has the meaning as set forth in subdivisions 2(a)(2) and (3) of the Bank Holding Company Act of 1956 (12 U.S.C. § 1841(a)(2) and (3)).

(2) A bank holding company or other banking institution shall not acquire, form, or control a bank, as defined in this subsection (a), unless the bank:

(A) Accepts deposits in this state that the depositor has a legal right to withdraw on demand; and

(B) Engages in the business of making commercial loans in this state.

(3) A company that is not a bank holding company shall not acquire, form, or control a bank.

(4) A bank chartered by the state may, with the approval of the commissioner, sell or transfer all, or substantially all, of its assets and liabilities to another bank, banking institution, or entity, in a transaction approved by the shareholders in the manner set forth in § 45-2-1305; provided, that the buyer or transferee is a financial institution insured by the federal deposit insurance corporation. This subdivision (a)(4) does not apply to a transaction arising out of an agreement that was originally executed prior to January 1, 2024, or to any subsequent amendment or modification to such agreement.

(5) If a person has engaged or proposes to engage in a transaction that is not permitted under this section, then the commissioner must apply, and any other interested person, which includes, but is not limited to, a bank in this state or bank holding company in this state, may apply for equitable relief, including, but not limited to, a permanent or temporary injunction or restraining order, to the chancery court of Davidson County, or another chancery court having jurisdiction or a court of the United States having jurisdiction.

(6) This section does not prohibit the ownership or control of a bank by an entity that is not a bank holding company, if:

(A) The bank received a charter under this chapter, or its predecessor, prior to January 1, 1920; and

(B) The ownership or control of the bank by the entity that is not a bank holding company existed prior to July 1, 1983.

(b)

(1) As used in this subsection (b), as distinguished from subsection (a) relating to banks, unless the context otherwise requires:

(A) "Company" has the meaning set forth in subdivision (a)(1)(C) of the Savings and Loan Holding Company Amendments of 1967 (12 U.S.C. § 1730a et seq.);

(B) "Control" has the meaning set forth in subdivision (a)(2) of the Savings and Loan Holding Company Amendments of 1967;

(C) "Savings and loan holding company" means any company that is a savings and loan holding company under the Savings and Loan Holding Company Amendments of 1967; and

(D) "Savings institutions" means:

(i) Any institution organized under chapter 3 of this title, or under 12 U.S.C. §§ 1461-1470, as amended; and

(ii) A savings and loan association or a savings bank, state or federal, eligible for insurance under the Federal Savings and Loan Insurance Act (12 U.S.C. § 1724 et seq.).

(2) A savings and loan holding company or other savings institution shall not acquire, form, or control a savings institution unless the savings institution:

(A) Accepts deposits in this state that the depositor has a legal right to withdraw on demand; and

(B) Engages in the business of making commercial loans in this state.

(3) A company that is not a savings and loan holding company shall not acquire, form, or control a savings institution.

(4) A savings institution chartered by the state may, with the approval of the commissioner, sell or transfer all or substantially all, of its assets and liabilities to another savings institution or other entity, in a transaction approved

by the shareholders or members in the manner set forth in § 45-3-1104; provided, that the buyer or transferee is a financial institution insured by the federal deposit insurance corporation. This subdivision (b)(4) does not apply to a transaction arising out of an agreement that was originally executed prior to January 1, 2024, or to any subsequent amendment or modification to such agreement.

(5) If a person has or proposes to engage in a transaction that is not permitted under this section, then the commissioner must apply, and any other interested person, which includes, but is not limited to, savings institutions in this state or savings and loan holding companies in this state, may apply for equitable relief, including, but not limited to, a permanent or temporary injunction or restraining order, to the chancery court of Davidson County or another chancery court having jurisdiction, or a court of the United States having jurisdiction.

SECTION 2. This act takes effect upon becoming a law, the public welfare requiring it.