



February 26, 2024

**SUMMARY OF BILL AS AMENDED (014418):** Authorizes banks and savings institutions chartered by the state of Tennessee, with the approval of the Commissioner of the Department of Financial Institutions (Commissioner), to sell or transfer most of, if not all, its assets and liabilities to another bank, banking institution, savings institution or other entity approved by the shareholders if the buyer or transferee is a financial institution insured by the Federal Deposit Insurance Corporation. Specifies that such authorization 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.

**FISCAL IMPACT OF BILL AS AMENDED:**

**NOT SIGNIFICANT**

Assumptions for the bill as amended:

- Pursuant to Tenn. Code Ann. § 45-2-1305, a merger resulting in a state bank must meet several requirements. The merger must be approved by the shareholders of each merging state bank by a majority vote of the outstanding voting stock of each class eligible to vote for the merger, the vote must be held at a meeting to consider the action and appropriate notice must be provided, and the vote constitutes the adoption of the charter and bylaws of the continuing state bank.
- Pursuant to Tenn. Code Ann. § 45-3-1104, the sale or transfer of the assets of an association requires a resolution adopted by a majority of the existing members of the board of directors approving the sale, the Commissioner's approval, and the stockholders' or members' approval.
- The proposed legislation will not significantly impact the operations of the Department of Financial Institutions or fee assessments; therefore, any fiscal impact is estimated to be not significant.

**IMPACT TO COMMERCE OF BILL AS AMENDED:**

**NOT SIGNIFICANT**

Assumption for the bill as amended:

- The proposed legislation will not significantly impact commerce or jobs in this state.

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

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