

HOUSE BILL NO. HB0006

Trust company amendments.

Sponsored by: Joint Minerals, Business & Economic
Development Interim Committee

A BILL

for

1 AN ACT relating to trust companies; establishing procedures
2 for mergers and acquisitions of supervised trust companies;
3 authorizing supervised trust company branching related to
4 mergers and acquisitions; amending the composition of the
5 state banking board to include public trust company
6 members; amending the definition of "trust company";
7 amending other trust company definitions; authorizing
8 bankruptcy filing requirements; amending applicability of
9 organization requirements; amending meeting requirements
10 for chartered family trust companies; authorizing
11 rulemaking; and providing for an effective date.

12

13 *Be It Enacted by the Legislature of the State of Wyoming:*

14

15 **Section 1.** W.S. 13-5-426 is created to read:

1

2 **13-5-426. Mergers and acquisitions of supervised**
3 **trust companies.**

4

5 (a) As used in this section:

6

7 (i) "Consummation" means the moment when a
8 merger or acquisition becomes effective;

9

10 (ii) "Former trust company" means a trust
11 company or business entity that will cease operations after
12 a merger or acquisition;

13

14 (iii) "Resulting trust company" means the trust
15 company or business entity that will continue operations
16 after a merger or acquisition under an existing trust
17 company charter or other authority to operate as specified
18 by the laws of another state;

19

20 (iv) "Supervised trust company" means as defined
21 by W.S. 13-5-301(a)(xv) and shall include a trust company
22 substantially similar to a supervised trust company that is

1 chartered or otherwise operating under the laws of another
2 state, as determined by rule of the commissioner.

3

4 (b) A supervised trust company seeking to acquire or
5 merge with another trust company, including a trust company
6 chartered or otherwise operating under the laws of another
7 state shall acquire or merge with another trust company as
8 provided by this section.

9

10 (c) A supervised trust company that is proposed to
11 become a resulting trust company after a merger or
12 acquisition pursuant to subsection (b) of this section
13 shall apply for a certificate of merger or acquisition not
14 less than seventy-five (75) days before the proposed
15 consummation date. The commissioner may conduct an
16 investigation, examination or hearing into the application
17 as the commissioner deems necessary. The commissioner shall
18 approve or deny the application not later than sixty (60)
19 days after receipt of the application.

20

21 (d) An application filed under subsection (c) of this
22 section shall include the following information in a form
23 determined by the commissioner:

1

2 (i) Information relating to the character of the
3 parties to the proposed merger or acquisition, including
4 current business operations, organizational structure,
5 management, affiliations and any pending judicial or
6 administrative proceedings;

7

8 (ii) The financial statements of all parties to
9 the proposed merger or acquisition for each of the parties'
10 current fiscal year and each of the four (4) preceding
11 fiscal years;

12

13 (iii) The final plan, terms and conditions of
14 the merger or acquisition;

15

16 (iv) All records and certifications required by
17 subsection (f) of this section;

18

19 (v) A description of any proposed material
20 changes to the former trust company and resulting trust
21 company, including business operations, structure,
22 management, affiliations, name or location, including any

1 contemplated liquidation, asset sales or further mergers or
2 acquisitions;

3

4 (vi) The identification of any person
5 compensated to make solicitations or recommendations
6 related to the proposed merger or acquisition, except for
7 any person who provides legal advice related to the merger
8 or acquisition;

9

10 (vii) Copies of all invitations, tenders or
11 advertisements making a tender offer for the purchase of
12 stock or ownership positions related to the proposed merger
13 or acquisition;

14

15 (viii) The source of funds for the proposed
16 merger or acquisition, including any terms and conditions
17 related to those funds;

18

19 (ix) Any other information material to the
20 proposed merger or acquisition that the commissioner
21 requests or requires.

22

1 (e) The commissioner shall approve or deny an
2 application filed under this section upon consideration of
3 the following factors, if applicable:
4

5 (i) The projected impact of the proposed merger
6 or acquisition on competition for trust company business in
7 Wyoming;

8
9 (ii) Whether the proposed merger or acquisition
10 would prejudice the interests of trust company customers;

11
12 (iii) The character and financial status of the
13 parties to the proposed merger or acquisition, including
14 the resulting trust company;

15
16 (iv) Whether the proposed merger or acquisition,
17 once completed, would comply with all applicable laws;

18
19 (v) The results of any investigation,
20 examination, hearing or request for information conducted
21 as provided by this section.

22

1 (f) Before filing an application under this section,
2 the terms and conditions of the acquisition or the plan of
3 merger shall be approved and documented in writing by the
4 shareholders or members and the board of directors or
5 managers of each trust company participating in the merger
6 or acquisition. Approval for the terms and conditions or
7 plan of merger shall be sought as required by the governing
8 documents of each trust company and other applicable law.
9 The appropriate officers of each trust company shall
10 certify compliance with this subsection with the
11 commissioner.

12

13 (g) Upon approval of a merger or acquisition by the
14 commissioner and upon consummation of the merger or
15 acquisition:

16

17 (i) A former trust company shall surrender its
18 charter and, if required by the commissioner, dissolve the
19 underlying business entity and take all other necessary
20 related actions, including those in accordance with the
21 approved final plan of merger or acquisition. If a former
22 trust company is chartered or otherwise operating under the

1 laws of another state, the former trust company shall take
2 all actions required by the laws of that state;

3

4 (ii) The resulting trust company shall assume
5 the assets and liability of the former trust company
6 without further action, except as provided by the final
7 plan, terms and conditions of the acquisition or merger;

8

9 (iii) Unless otherwise specified in a customer
10 agreement, by the terms and conditions of the acquisition
11 or merger or other applicable law, the resulting trust
12 company shall become the successor trustee of all customer
13 accounts of the former trust company;

14

15 (iv) The resulting trust company may conduct
16 trust company business and other permissible activities
17 under the laws of Wyoming to the same extent as the former
18 trust company;

19

20 (v) The resulting trust company may use the name
21 of a former trust company or may select a new name. The
22 resulting trust company shall notify the commissioner of
23 the name it selects;

1

2 (vi) Any reference to a former trust company in
3 a writing shall be considered a reference to the resulting
4 trust company if not otherwise inconsistent with the
5 writing and the laws of Wyoming;

6

7 (vii) The resulting trust company shall file the
8 certificate of merger or acquisition with the secretary of
9 state.

10

11 (h) A resulting trust company shall not maintain more
12 than two (2) trust company branches in other states after
13 consummation of a merger or acquisition.

14

15 (j) The commissioner shall adopt any rules necessary
16 to implement the provisions of this section.

17

18 **Section 2.** W.S. 13-1-604(b), 13-5-301(a)(xvi),
19 13-5-417 by creating a new subsection (f), 13-5-501 by
20 creating a new subsection (e), 13-5-603 by creating a new
21 subsection (e) and 13-5-604 by creating a new subsection
22 (b) are amended to read:

23

1 13-1-604. State banking board created; purpose;
2 membership; appointment; qualifications; term of office.

3
4 (b) The state banking board shall consist of ~~seven~~
5 ~~(7)~~eight (8) members who shall be appointed by the
6 governor. The director shall serve as an ex officio member
7 of the board. Of the appointed members, ~~four (4)~~five (5)
8 shall be officers or directors of state or national banks
9 ~~chartered under the laws of domiciled in~~ Wyoming, one (1)
10 member shall be an officer or director of ~~national banks~~
11 ~~chartered under the laws of the United States and~~
12 ~~authorized to do business in Wyoming~~a public trust company
13 as defined by W.S. 13-5-301(a)(xiv), and two (2) members
14 shall be residents of Wyoming who are not ~~an officer or~~
15 ~~director~~officers, directors or employees of any bank or
16 public trust company. No member of the banking board shall
17 have any interest, directly or indirectly, in a bank or
18 public trust company in which any other member of the
19 banking board has any interest. Any member of the board
20 who ceases to have the qualifications for which the member
21 was appointed shall be disqualified to serve and a vacancy
22 shall occur.

23

1 **13-5-301. Definitions.**

2

3 (a) As used in this chapter:

4

5 (xvi) "Trust company" means a corporation or
6 limited liability company that is incorporated or organized
7 in this state or a foreign corporation or limited liability
8 company that is qualified to do business in this state ~~as a~~
9 ~~trust company~~ and that is engaged in trust company
10 business;

11

12 **13-5-417. Insolvency; unsafe condition; receivership.**

13

14 (f) If determined by the commissioner to be in the
15 best interests of both the state and the supervised trust
16 company, the commissioner may require the supervised trust
17 company to file a petition under title 11 of the United
18 States Code in lieu of a receivership under this section.

19

20 **13-5-501. Formation and organizational instrument.**

21

22 (e) This section shall not apply to a foreign
23 corporation or foreign limited liability company that is

1 qualified to do business in this state and that applies for
2 a charter under this article.

3
4 **13-5-603. Organization of a chartered family trust**
5 **company.**

6
7 (e) This section shall not apply to a foreign
8 corporation or foreign limited liability company that is
9 qualified to do business in this state and that applies for
10 a charter under this article.

11
12 **13-5-604. Requirements for chartered family trust**
13 **company.**

14
15 (b) The board of directors or managers of a chartered
16 family trust company shall hold regular meetings not less
17 than one (1) time each year. The commissioner may require a
18 chartered family trust company to hold in-person or
19 electronic meetings on a more frequent basis. A chartered
20 family trust company shall maintain records of all
21 proceedings.

22

1 **Section 3.** This act is effective July 1, 2021.

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3

(END)