

Bill as  
Introduced

HB 560 - AS INTRODUCED

2013 SESSION

13-0810

08/10

HOUSE BILL **560**

AN ACT repealing the board of trust company incorporation.

SPONSORS: Rep. Butler, Carr 7

COMMITTEE: Commerce and Consumer Affairs

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ANALYSIS

This bill repeals the board of trust company incorporation and gives the duties to the banking commissioner.

This bill is a request of the banking department.

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Explanation: Matter added to current law appears in ***bold italics***.  
Matter removed from current law appears [~~in brackets and struck through~~].  
Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

STATE OF NEW HAMPSHIRE

*In the Year of Our Lord Two Thousand Thirteen*

AN ACT repealing the board of trust company incorporation.

*Be it Enacted by the Senate and House of Representatives in General Court convened:*

1 1 Branch Offices. Amend RSA 384-B:2, III to read as follows:

2 III. Written applications for branch offices shall be submitted by the bank, in the first instance,  
3 to the commissioner and shall be verified under oath and made upon forms which may be prescribed by  
4 the commissioner for the purpose with all the information required by such form fully set forth thereon,  
5 including the types of service to be offered at such branch office. Each application shall be accompanied  
6 by a fee of \$1,500 in the case of a new branch and one single fee of \$1,500 for the composite of all  
7 branches. The department shall investigate and examine each application. A notice stating the date  
8 before which objections may be filed shall then be published by the petitioner in such form as the  
9 commissioner may order. Any interested person or corporation may, within the time specified, file with  
10 the ~~board~~ **commissioner** a statement of objection to the granting of such application. The  
11 commissioner may, upon request of any interested person or corporation, or at the commissioner's own  
12 discretion, order a public hearing, or may approve said application without a hearing. If a public hearing  
13 is to be held, the petitioners shall cause to be published such notices as the commissioner may order.  
14 Said hearing shall be held at the time and place fixed by the commissioner. The commissioner shall keep  
15 a permanent verbatim record of all such evidence. The commissioner may prescribe reasonable  
16 procedural rules to govern the proceedings. There shall be no refund allowed on any application fee once  
17 it has been filed. In addition to the application fee, each applicant for a branch office shall be obligated to  
18 pay the reasonable cost of processing, hearing and deciding each such application, as assessed by the  
19 commissioner, which cost may be collected by the commissioner in an action of debt unless paid within 30  
20 days after demand. Sums collected under this section shall be payable to the state treasurer as restricted  
21 revenue and credited to the appropriation for the bank commissioner.

22 2 Exceptions. Amend RSA 384-B:2-e to read as follows:

23 384-B:2-e Exceptions. Notwithstanding any provision to the contrary in RSA 384-B:2, I, III, IV  
24 and V and RSA 384-B:2-c, II, a bank which is well-capitalized under applicable federal rules and  
25 regulations and has a composite CAMEL rating of at least 2 as a result of its most recent  
26 examination by either its federal regulatory authority or the bank commissioner, may open a new  
27 branch if the bank does not exceed 30 percent of the dollar volume of the total deposits, time and  
28 savings, and demand of all banks, national banks, and federal savings banks and loan associations in  
29 the state as determined by the ~~board~~ **commissioner** as provided in RSA 384-B:2, I, by giving  
30 written notice to the bank commissioner at least 30 days in advance of the opening of the new branch  
31 and by paying the fee required by RSA 384-B:2, III.

1           3 Bank Holding Company Affiliates. Amend RSA 384-B:3 to read as follows:

2           384-B:3 Bank Holding Company Affiliates. No bank holding company shall directly or indirectly  
3 acquire ownership or control of any voting stock of any bank or national bank, if upon such  
4 acquisition (1) the bank holding company would have more than 12 affiliates in this state; or (2) the  
5 dollar volume of the total deposits, time, savings, and demand in this state of the bank holding  
6 company and all its affiliates would exceed 30 percent of the dollar volume of total deposits, time,  
7 savings, and demand in this state of all banks, national banks, and federal savings and loan  
8 associations in this state as determined by the [board] *commissioner* on the basis of the most recent  
9 annual deposit reports of the Federal Deposit Insurance Corporation and available at the time of  
10 acquisition.

11           4 Penalty for Violation. Amend RSA 384-B:4 to read as follows:

12           384-B:4 Penalty for Violation. Whoever willfully violates any provision of this chapter or the  
13 conditions upon which any application was granted by the [board] *commissioner*, shall forfeit to the  
14 state \$100 a day for every day or part thereof during which such willful violation continues. Any  
15 such violation shall be forthwith reported by the commissioner to the attorney general, and the  
16 forfeiture may be recovered by an information or other appropriate proceeding brought in the  
17 superior court in the name of the commissioner.

18           5 Injunction. Amend RSA 384-B:5 to read as follows:

19           384-B:5 Injunction. Upon an information or other proceeding the court may issue an injunction  
20 restraining such bank holding company or bank or its or their officers, directors, agents, and  
21 employees from further action in violation of any provision of this chapter or the conditions upon  
22 which any application was granted by the [board] *commissioner* during the pendency of such  
23 proceeding, or permanently, and may make such other order as justice may require.

24           6 Waiver of Deposit Limitation. Amend RSA 384-B:8 to read as follows:

25           384-B:8 Waiver of Deposit Limitation. In any transaction involving the merger, consolidation or  
26 acquisition of any bank, banks, or bank holding company, whenever one or more of such banks or  
27 bank holding companies is in such condition that the Federal Deposit Insurance Corporation or any  
28 other federal agency having supervisory authority over banks or bank holding companies in  
29 New Hampshire could take action which would result in a merger, acquisition, consolidation or other  
30 similar structural change, and in the absence of such federal action such a change would be  
31 prevented by the provisions of RSA 384-B:2 or RSA 384-B:3, the [board] *commissioner* may waive  
32 the 30 percent dollar volume of total deposit limitation in RSA 384-B:2 and RSA 384-B:3. Any such  
33 waiver shall be binding upon the [board] *commissioner* in any proceeding involving the merger,  
34 consolidation or acquisition of such bank, banks, or bank holding company.

35           7 Savings Banks; Dividends. Amend RSA 386:10, II to read as follows:

36           II.(a) Notwithstanding any other provision of law to the contrary, the [~~board of trust~~  
37 ~~company incorporation~~] *commissioner* may adopt rules pursuant to RSA 541-A permitting any

1 mutual savings bank to convert to stock form in the same manner, to the same extent and with  
 2 comparable limitations as federal savings and loan associations operating within this state are  
 3 permitted under rules of the Office of Thrift Supervision. However, no conversion under this  
 4 paragraph shall be permitted which includes as part of the conversion transaction the issuance of  
 5 securities of any bank or holding company other than securities of the converting savings bank or the  
 6 securities of a holding company organized by the converting savings bank in order to acquire its  
 7 capital stock, unless in addition to procedures required by the rules adopted under this paragraph, it  
 8 is ratified by the depositors of the mutual savings bank seeking to convert. Ratification by depositors  
 9 shall not be required if:

10 (1) The conversion is part of a reorganization into a mutual holding company  
 11 pursuant to RSA 386-B; *or*

12 (2) The conversion is required by federal or state regulatory authorities; ~~or~~

13 ~~(3) The conversion has been commenced by the filing with the board of trust~~  
 14 ~~company incorporation of an application to convert prior to the effective date of this paragraph].~~

15 (b) For purposes of effectuating the depositor ratification procedures required by this  
 16 paragraph, the ~~[board of trust company incorporation]~~ *commissioner* is directed to adopt depositor  
 17 voting procedures, applying to the same extent and with comparable limitations as federal savings  
 18 and loan associations operating within this state are permitted under rules of the Office of Thrift  
 19 Supervision, or any successor thereto. The rules adopted pursuant to this paragraph shall contain a  
 20 provision allowing for the inclusion of comments on the conversion by individual incorporators and  
 21 groups of incorporators with the voting materials submitted to the depositors. Such inclusion shall be  
 22 at the expense of the converting bank.

23 8 Petition. Amend RSA 386-A:4, I to read as follows:

24 I. A petition requesting approval of the proposed incorporation shall be filed with the  
 25 bank commissioner. The petition shall be upon such form as may be prescribed by the bank  
 26 commissioner and shall contain all the information required by such form, signed and verified  
 27 under oath by the incorporators, to which shall be annexed a signed duplicate of the articles of  
 28 agreement. An examination fee of \$1,500 shall be paid when the petition is filed. Sums collected  
 29 under this section shall be payable to the state treasurer as restricted revenue and credited to  
 30 the appropriation for the bank commissioner. The bank commissioner shall examine *and*  
 31 *investigate* each petition ~~[and if he finds that it is duly completed, he shall forthwith refer the~~  
 32 ~~petition to the board of trust company incorporation. The bank commissioner shall then make~~  
 33 ~~such investigation of each petition]~~ as he *or she* considers expedient~~[, for the purpose of more~~  
 34 ~~fully informing the board]~~. ~~[Said board]~~ *The commissioner* may, upon request of any interested  
 35 person or corporation or at ~~[its]~~ *his or her* own discretion, order a public hearing, or may  
 36 approve said petition without a hearing. The petitioners shall cause to be published such notices  
 37 relating to the petition as the ~~[board]~~ *commissioner* may order.

1 9 Notice. Amend RSA 386-A:5 to read as follows:

2 386-A:5 Notice. If a public hearing upon the petition is ordered by the [board] **commissioner**  
3 under the provisions of RSA 386-A:4, notice of such hearing shall be caused to be published by the  
4 petitioners at least once a week for 3 successive weeks, in one or more newspapers designated by the  
5 commissioner. The notice shall be in such form as may be prescribed by the commissioner, setting  
6 forth the place, date, and hour of the hearing, the names, addresses and occupations of the  
7 incorporators, and the name of the proposed corporation, and such other information as the form  
8 may require. One of the newspapers shall be a newspaper generally circulating in the city or town  
9 where such bank is to be located. The first publication of such notice shall be within 30 days after  
10 the ~~[petition has been referred to the board by the commissioner]~~ **public hearing has been**  
11 **ordered**. The petitioners shall also cause a copy of such notice to be mailed to every bank, trust  
12 company, or other corporation, described in RSA 384:1, located in the city or town where such bank  
13 is to be located, at least 14 days before such hearing date. The petitioners shall furnish the [board]  
14 **commissioner** with written proof of the publication and service of the notice under this section, on  
15 or before the commencement of the hearing.

16 10 Considerations. Amend the introductory paragraph of RSA 386-A:6 to read as follows:

17 Before acting on any petition, the [board] **commissioner** shall consider such evidence as may be  
18 presented by the petitioners and all other interested persons, firms and corporations, including  
19 members of the general public and shall keep a permanent record of such evidence. The petitioners  
20 shall submit to the [board] **commissioner** full information as to the identity and background of each  
21 person, firm, or corporation who has subscribed to 3 percent or more of the initial capital of the  
22 proposed bank, including information on whether such person, firm, or corporation held an equity  
23 interest of 3 percent or more in or served as a director or officer of a bank which has failed. In  
24 making [its] **his or her** decision on each petition, the [board] **commissioner** shall not take favorable  
25 action unless [it] **he or she** determines that the following are adequate:

26 11 Decision. Amend RSA 386-A:7 to read as follows:

27 386-A:7 Decision. The [board] **commissioner** shall ~~[then decide the question whether the~~  
28 ~~petition shall be granted or denied]~~ **grant or deny the petition** and [it] shall make a record of [its]  
29 **his or her** decision. If the ~~[decision is adverse to the petitioners]~~ **petition is denied**, no further  
30 proceedings shall be had, but a new petition may be filed after one year from the date of the decision.  
31 If the petition is granted, the petitioners shall proceed as hereinafter provided in this chapter. The  
32 [board] **commissioner** may impose reasonable conditions, consistent with reasonable banking  
33 standards, to the commencement of business under any such grant.

34 12 Rejection of Proposals for Conversions. Amend RSA 386-A:7-a, I(b) to read as follows:

35 (b) The substantial alteration of a plan of conversion submitted for consideration ~~[by the~~  
36 ~~board of trust company incorporation pursuant to RSA 386:10, II, or]~~ to the bank commissioner  
37 pursuant to RSA 394-A:10.

1 13 Approval. Amend RSA 386-A:14 to read as follows:

2 386-A:14 Approval of. Such certificate shall be submitted to the ~~[board of trust company~~  
3 ~~incorporation]~~ **commissioner**, who shall examine ~~[the certificate]~~ **it**, and who may require such  
4 amendment thereof or such additional information as ~~[they]~~ **he or she** may consider necessary. If  
5 ~~[they find]~~ **the commissioner finds** that the public convenience and advantage will be served by the  
6 establishment of such corporation, that the proposed management of such corporation will be of  
7 satisfactory character, knowledge and experience in the field of banking, and that the proceedings in  
8 other respects conform to the provisions of this chapter, ~~[they]~~ **he or she** shall so certify and endorse  
9 ~~[their]~~ **his or her** approval upon the certificate.

10 14 Certificate of Incorporation. Amend RSA 386-A:16 to read as follows:

11 386-A:16 Certificate of Incorporation. The secretary of state shall thereupon issue a certificate  
12 of incorporation in the following form:

13 THE STATE OF NEW HAMPSHIRE

14 Be it known, that whereas (the names of the subscribers to the articles of agreement) have  
15 associated themselves with the intention of forming a corporation under the name of (the name of  
16 corporation), for the purpose (the purpose declared in the agreement of association), with capital  
17 debentures, capital funds, special deposit or capital stock of (the amount fixed in the agreement of  
18 association) and have complied with the provisions of the statutes of this state in such case made  
19 and provided, as appears from the certificate of a majority of the trustees or directors of said  
20 corporation, duly approved by the ~~[board of trust company incorporation]~~ **bank commissioner** and  
21 recorded in this office: Now, therefore, I (the name of the secretary), secretary of state, do hereby  
22 certify that said (the names of the subscribers to the agreement of association), their associates and  
23 successors, are legally organized and established as, and are hereby made, an existing corporation  
24 under the name of (name of corporation), with the powers, rights and privileges, and subject to the  
25 limitations, duties and restrictions, which by law appertain thereto.

26 Witness my official signature hereunto subscribed, and the seal of the state hereunto affixed, this  
27 ..... day of ..... in the year .... (the date of the filing of the articles of agreement).

28 The secretary of state shall sign the certificate of incorporation and cause the seal of the state to be  
29 thereto affixed; and such certificates shall have the force and effect of a special charter.

30 15 When Incorporated; Beginning Business. Amend RSA 386-A:18 to read as follows:

31 386-A:18 When Incorporated; Beginning Business. Within 90 days after a favorable decision  
32 pursuant to RSA 386-A:7 petitioner shall file with the secretary of state the certificate required  
33 pursuant to RSA 386-A:13. The existence of such corporation shall begin upon the filing of the  
34 certificate of the trustees or directors in the office of the secretary of state. Any corporation  
35 organized under this chapter shall begin business within 2 years from the date of its incorporation;  
36 otherwise its charter shall be void, unless the ~~[board of trust company incorporation]~~ **commissioner**  
37 for good cause shown, shall grant one or more extensions of not more than one year each.

1 16 Commencement of Business. Amend RSA 386-A:19 to read as follows:

2 386-A:19 Commencement of Business. Such corporation shall not begin the transaction of  
 3 business until it has furnished proof of its ability to satisfy any conditions imposed by the [board]  
 4 **commissioner** under RSA 386-A:7 and until the initial amount of **required** capital [established by  
 5 ~~the board~~], represented by the issuance of capital debentures (in the case of a mutual savings bank)  
 6 or by the issuance of special deposit or capital stock (in the case of a guaranty savings bank), shall  
 7 have been actually paid in cash. Upon proof thereof to the bank commissioner, he **or she** shall issue  
 8 to the corporation a certificate of authority to commence business. It shall be unlawful for any such  
 9 corporation to commence business prior to the issuance of such certificate.

10 17 Minimum Capital Requirements. Amend RSA 386-A:21 to read as follows:

11 386-A:21 Minimum Capital Requirements. The initial capital required to organize a savings bank  
 12 shall be not less than \$250,000 in cash, or such greater sum as may be required by the [board]  
 13 **commissioner**, except that the initial capital required to organize a savings bank for the sole purpose  
 14 of acting as an interim or phantom bank in the anticipation of a merger transaction, shall be such sum  
 15 as may be required by the [board] **commissioner**. Such initial capital shall be fixed by the [board]  
 16 **commissioner** and shall be subdivided into capital stock and an initial surplus. All amounts advanced  
 17 for such purpose shall be evidenced by transferable capital debentures, in the case of a mutual savings  
 18 bank, and by capital stock in the case of a guaranty savings bank. The commissioner may require any  
 19 such bank to increase its capital funds or regulate the amount of its deposits, from time to time, as may  
 20 be necessary, to comply with reasonable banking standards, not inconsistent with law.

21 18 Amendment of Articles of Agreement or Charter. Amend RSA 386-A:26 to read as follows:

22 386-A:26 Amendment of Articles of Agreement or Charter. Any mutual savings bank or guaranty  
 23 savings bank, whether organized under the provisions of this chapter or created by special act of the  
 24 legislature, may, in accordance with the procedures prescribed in this subdivision and subject to the  
 25 approval of the [~~board of trust company incorporation~~] **commissioner**, amend its articles of agreement or  
 26 legislative charter; provided, however, that no such amendment shall contain (1) any provision which  
 27 could not then be lawfully included in original articles of agreement filed under this chapter, or (2) any  
 28 provision which is inconsistent with the general statutes of this state relating to savings banks.

29 19 Petition. Amend the introductory paragraph of RSA 386-A:28 to read as follows:

30 Such savings bank shall thereupon file with the [~~board of trust company incorporation~~]  
 31 **commissioner** a petition for approval of the proposed amendment, setting forth:

32 20 Approval of Petition; Filing with the Secretary of State. Amend RSA 386-A:29 to read as follows:

33 386-A:29 Approval of Petition; Filing With Secretary of State.

34 I. The [~~board of trust company incorporation~~] **commissioner** may, upon the request of any  
 35 interested person or corporation or upon [~~its~~] **his or her** own motion, order a public hearing, or may  
 36 act upon the petition without a hearing. If a public hearing is to be held, the petitioning institution  
 37 shall cause to be published such notices as the [board] **commissioner** may order.



1 II. If the [~~board of trust company incorporation~~] *commissioner* finds that the proposed  
2 amendment satisfies the requirements of RSA 386-A:26 and was adopted in accordance with  
3 RSA 386-A:27, and that the public convenience and advantage and the interest of the petitioning  
4 institution, its members, stockholders and depositors will be promoted by the proposed amendment,  
5 [~~it~~] *the commissioner* shall so certify, and shall endorse [~~its~~] *his or her* approval on one of the  
6 certified copies of the amended articles of agreement or amended charter. The petitioning savings  
7 bank shall thereupon file the same in the office of the secretary of state, accompanied by a fee equal  
8 to the fee charged by the secretary of state to business corporations under RSA 293-A. The secretary  
9 of state shall thereupon cause said amended articles of agreement or amended charter, with the  
10 endorsement thereon, to be recorded, and shall issue a certificate of amended incorporation, and  
11 thereafter such savings bank shall have all the powers and privileges provided for by said amended  
12 articles of agreement or amended charter. The fee for recording with the secretary of state any  
13 amended articles of agreement or amended charter, which does not embody any increase of the  
14 authorized capital debentures, capital stock or special deposits, shall be \$35.

15 21 Mutual Savings Banks; Chartering of Subsidiary Guaranty Savings Bank. Amend RSA 386-  
16 B:9, IV to read as follows:

17 IV. If the [~~board of trust company incorporation~~] *commissioner* grants the petition under  
18 RSA 386-A:7, [~~it~~] *the commissioner* shall condition [~~its~~] *his or her* approval upon the transfer by  
19 the reorganizing mutual savings bank to the guaranty savings bank (in organization), before such  
20 transferee shall commence business, of assets having a value in excess of the amount of the  
21 transferred liabilities, as determined by the bank commissioner, such that the guaranty savings  
22 bank will at the time of such transfer meet all applicable net worth and capital adequacy  
23 requirements prescribed by federal statutes or regulations or state statutes or rules.

24 22 National Bank May Convert Into State Bank. Amend RSA 389:3 to read as follows:

25 389:3 National Bank May Convert Into State Bank. A national bank located in this state which  
26 follows the procedure prescribed by the laws of the United States to convert into a state bank, shall  
27 be granted a certificate of incorporation in this state if the [~~board of trust company incorporation~~]  
28 *commissioner* finds that the bank meets the standards as to location of office, capital structure and  
29 business experience of officers and directors for the incorporation of a state bank.

30 23 Application for State Charter. Amend the introductory paragraph of RSA 389:4 to read as  
31 follows:

32 The converting national bank may apply for such certificate of incorporation by filing with the [~~board~~  
33 ~~of trust company incorporation~~] *commissioner* an application signed under oath by its president  
34 and cashier and by a majority of its entire board of directors setting forth:

35 24 Approval of Application. Amend RSA 389:5 to read as follows:

36 389:5 Approval of Application. The [~~board of trust company incorporation~~] *commissioner* upon  
37 being satisfied that such application conforms to law shall indorse [~~its~~] *his or her* approval thereon

1 and thereupon said application shall be filed in the office of the secretary of state, who, upon  
2 payment of a fee equal to the fee charged by the secretary of state to business corporations under  
3 RSA 293-A, shall cause the same, with the approval indorsed thereon, to be recorded and shall issue  
4 a certificate of incorporation as prescribed in RSA 392:18.

5 25 Reserves. Amend RSA 390:6 to read as follows:

6 390:6 Reserves. Every such corporation shall at all times maintain as a reserve an amount  
7 equal to at least 12 percent of the aggregate amount of its demand deposits plus an amount equal to  
8 at least 5 percent of the aggregate amount of its time and savings deposits. Not less than 100  
9 percent of the reserves on demand deposits shall consist of cash and due from banks, and/or federal  
10 funds advanced from one business day until the next. The form of the reserve for time and savings  
11 deposits may be in any of the following: cash and due from banks, and/or federal funds advanced  
12 from one business day until the next, and/or obligations of the United States of America, the  
13 maturity of which shall not exceed 5 years, and/or the obligations of agencies of the United States at  
14 par value, the maturity of which shall not exceed 5 years, and/or the obligations of any federal  
15 government sponsored enterprises (as are designated by written ruling of the bank commissioner) at  
16 par value the maturity of which shall not exceed 5 years. The ~~[board of trust company incorporation~~  
17 ~~created under RSA 392]~~ *commissioner* may vary the amount of reserve required, provided,  
18 however, that ~~[said board]~~ *the commissioner* shall not increase the amount of reserves required for  
19 any bank to an amount in excess of that which is required by the Federal Reserve System of similar  
20 banks located in this state which are members of the Federal Reserve System. No new loan or  
21 investment shall be made by such corporation when its reserve is not in accordance with the  
22 requirements of this section. The required reserve must be maintained on a daily basis. The method  
23 of computation and the reserve computation period for determining compliance with this section  
24 shall be established by the commissioner. Any deficiency in the reserve established pursuant to this  
25 section may be subject to a penalty of up to \$100 per day.

26 26 Definitions. Amend RSA 392:1-a, I to read as follows:

27 I. "Confidential information," with respect to a trust company, includes the names of  
28 stockholders, members, or other owners; ownership information; capital contributions; addresses;  
29 business affiliations; findings of the commissioner ~~[or the board of trust company incorporation]~~  
30 through any examination or investigation of the commissioner ~~[or the board of trust company~~  
31 ~~incorporation]~~; any information required to be reported or filed with the commissioner ~~[or the board]~~,  
32 any information that qualifies as any person's "nonpublic personal financial information" under  
33 Chapter V of the Gramm-Leach-Bliley Act of 1999 and the regulations implementing it; any  
34 information or agreement relating to any merger, consolidation, or transfer; any agreements or  
35 information relating to any relationship with a contracting trustee; and any other nonpublic  
36 information that, in the judgment of the commissioner, could be useful in connection with an act of  
37 bribery, extortion, identity theft, or terrorism.

1 27 Petition. Amend RSA 392:5, I to read as follows:

2 I. A petition setting forth said organizational instrument or its terms, signed by the  
3 organizers and requesting that the [~~board of trust company incorporation~~] **commissioner** grant a  
4 charter shall be filed with the [~~bank~~] commissioner in the form prescribed by the commissioner. The  
5 commissioner shall designate in such form the questions, requests for information and certifications  
6 applicable only to deposit taking or lending institutions that need not be responded to by organizers  
7 of a nondepository trust company. An examination fee of \$5,000 shall be paid when the petition is  
8 filed. Sums collected under this section shall be payable to the state treasurer as restricted revenue  
9 and credited to the appropriation for the bank commissioner.

10 28 Investigations. Amend RSA 392:5-a to read as follows:

11 392:5-a Investigations. For the purpose of any investigation under this chapter, [~~the board or~~]  
12 the commissioner shall have the power to subpoena witnesses and administer oaths in any  
13 adjudicative proceedings, and to compel, by subpoena duces tecum, the production of all books,  
14 records, files, and other documents and materials relevant to [~~its~~] **his or her** investigation.

15 29 Hearing. Amend RSA 392:6-a to read as follows:

16 392:6-a Hearing. The [~~board~~] **commissioner** may order within [~~its~~] **his or her** discretion a public  
17 hearing on the petition. The [~~board~~] **commissioner** may approve or deny the petition with or without a  
18 public hearing. Any required public hearing shall be held at the time and place fixed by the [~~board~~]  
19 **commissioner** and a notice shall be published in accordance with the provisions of RSA 392:6. The  
20 [~~board~~] **commissioner** may prescribe reasonable procedural rules to govern the proceedings, including  
21 rules for maintaining the confidentiality of the portions of the petition, the commissioner's investigation,  
22 and the proceedings of the [~~board~~] **commissioner** that include confidential information or are  
23 determined by [~~the board or~~] the commissioner or otherwise determined by law to be confidential or to  
24 exempt a certain class of petitions from any public hearing requirement. The [~~board~~] **commissioner**  
25 shall keep a permanent verbatim record of all such evidence.

26 30 Decision. Amend RSA 392:8 to read as follows:

27 392:8 Decision.

28 I. In deciding whether or not to grant the petition, the [~~board~~] **commissioner** shall consider  
29 the factors set forth in RSA 392:5, II. Upon reaching its decision, the [~~board~~] **commissioner** shall  
30 make a record thereof. If the petition is denied, it shall be dismissed and no new petition concerning  
31 the same company may be filed within one year thereafter.

32 II. If in any case the [~~board~~] **commissioner** shall be of the opinion that the petition does not  
33 satisfy the factors in RSA 392:5, II by the exercise proposed by the trust company of all the powers  
34 and privileges which are included in the petition, but that the same would be satisfied by the  
35 exercise of a part thereof, [~~it~~] **he or she** shall so notify the petitioners; and in such case the  
36 petitioners may have leave to withdraw, and may at once file another petition setting forth new  
37 organizational documents, upon which the same procedure shall be had as upon the original petition.

1 31 Approval. Amend RSA 392:16 to read as follows:

2 392:16 Approval of. Such certificate shall be submitted to the commissioner, who shall examine  
3 the same, and who may require such amendment thereof or such additional information as he or she  
4 may consider necessary. If he or she finds that the certificate is consistent with the decision [of the  
5 board] pursuant to RSA 392:8 and that the proceedings in other respects conform to the provisions of  
6 this chapter, he or she shall so certify and indorse his or her approval upon said certificate and the  
7 organizational instrument.

8 32 Certificate of Organization. Amend RSA 392:18 to read as follows:

9 392:18 Certificate of Organization. The secretary shall thereupon issue a certificate of  
10 organization in the following form:

11 STATE OF NEW HAMPSHIRE

12 Be it known, that whereas (the names of the organizers of the trust company) have associated  
13 themselves with the intention of forming a trust company under the name of (the name of the trust  
14 company), for the purpose (the purpose declared in the organizational instrument,), with capital of  
15 (the amount fixed in the organizational instrument), and have complied with the provisions of the  
16 statutes of this state as duly approved by the [~~board of trust company incorporation~~] **bank**  
17 **commissioner** and recorded in this office: Now, therefore, I (the name of the secretary), secretary of  
18 state, do hereby certify that said (the names of the organizers of the trust company), and their  
19 successors, are legally organized and established as, and are hereby made, an existing trust company  
20 under the name of (name of trust company), with the powers, rights and privileges, and subject to  
21 the limitations, duties, and restrictions, which by law appertain thereto.

22 Witness my official signature hereunto subscribed, and the seal of the state hereunto affixed, this  
23 \_\_\_\_\_ day of \_\_\_\_\_ in the year \_\_\_\_\_ (the date of the filing of the organizational  
24 instrument).

25 The secretary of state shall sign the certificate of organization and cause the seal of the state to be  
26 thereto affixed, and such certificate shall have the force and effect of a special charter.

27 33 When Organized; Beginning Business. Amend RSA 392:20 to read as follows:

28 392:20 When Organized; Beginning Business. The existence of such trust company shall begin  
29 upon the filing of the organizational instrument with the secretary of state. Any trust company  
30 organized under this chapter shall begin business within 2 years from the date of its organization;  
31 otherwise its charter shall be void, unless the [~~board of trust company incorporation~~] **commissioner**,  
32 for good cause shown, shall grant one extension for not more than one year.

33 34 Minimum Capital Requirements; Investment of Capital. Amend RSA 392:25, I to read as  
34 follows:

35 I. The initial capital required to organize a trust company shall be not less than \$500,000. The  
36 [~~board of trust company incorporation~~] **commissioner** may require, in the exercise of [its] **his or her**  
37 discretion based on safety and soundness factors, as set forth in paragraph IV, additional capital at such

1 levels as ~~it~~ *he or she* determines is necessary to protect against the risks inherent in the business of the  
2 trust company. Once organized, a nondepository trust company shall maintain a minimum level of  
3 capital required by the commissioner to operate in a safe and sound manner based upon his or her  
4 examination of the company, provided that the level of capital shall not be less than \$500,000.

5 35 Minimum Capital Requirements; Investment of Capital. Amend the introductory paragraph  
6 of RSA 392:25, IV to read as follows:

7 IV. The safety and soundness factors to be considered by ~~the board or~~ the commissioner in  
8 the exercise of ~~their~~ *his or her* discretion include:

9 36 Petition. Amend RSA 392:27 to read as follows:

10 392:27 Petition. Any trust company organized under this chapter or chartered prior to the  
11 passage thereof may file with ~~said board of incorporation~~ *the commissioner* a petition setting  
12 forth an amendment to its organizational instrument, within the provisions of this chapter, and  
13 praying for approval of the amended organizational instrument based on the considerations set forth  
14 in RSA 392:5, II.

15 37 Procedure; Effect. Amend RSA 392:28 to read as follows:

16 392:28 Procedure; Effect. If the decision is favorable to the petition a copy of the said amended  
17 organizational instrument, certified by the clerk or secretary of the trust company, with the approval  
18 of ~~said board~~ *the commissioner* indorsed thereon, shall be filed in the office of the secretary of  
19 state, accompanied by a fee equal to the fee charged by the secretary of state to business corporations  
20 under RSA 293-A if the trust company is a corporation, or the fee charged to limited liability  
21 companies under RSA 304-C if the trust company is a limited liability company, and thereupon the  
22 secretary of state shall cause the same, with the endorsement thereon, to be recorded as provided in  
23 RSA 392:17, and shall issue a certificate of such amended organizational instrument, which shall  
24 conform as nearly as may be to the form prescribed in RSA 392:18 and shall have the same force and  
25 effect, and thereafter such trust company shall have all the powers and privileges provided for by  
26 such amended certificate or charter and shall be subject to all the provisions of this chapter.

27 38 Redemption of Shares or Interests. Amend RSA 392:38-a to read as follows:

28 392:38-a Redemption of Shares or Interests. Notwithstanding the provisions of RSA 392:38, any  
29 such trust company which then has more than 500 holders of the shares or interests of its own  
30 capital stock shall be entitled, with the express written approval of the bank commissioner, to  
31 redeem any and all of such shares or interests from holders thereof who own in the aggregate 10  
32 shares or less of such stock. Such redemption shall be pursuant to a tender offer, the form of which  
33 shall have been approved by the bank commissioner, and all shares or interests so redeemed shall be  
34 retired within 60 days of the expiration of the tender offer, thereby reducing the authorized capital  
35 stock of the trust company. Within said 60 day period the trust company shall file with the ~~board of~~  
36 ~~trust company incorporation~~ *commissioner*, as required under RSA 392:27, an appropriate  
37 amendment reciting the change in outstanding shares or interests.

1 39 Definitions; Exemption From Certain Laws. Amend RSA 392:43 to read as follows:

2 392:43 Voluntary Dissolution of Nondepository Trust Company. A trust company organized as a  
3 nondepository institution under the provisions of RSA 392 or under the provisions of RSA 392-A may  
4 voluntarily dissolve in the manner provided in this chapter. Such dissolution may be accomplished  
5 by the liquidation of the trust company or by reorganizing the trust company into a domestic or  
6 foreign corporation, limited liability company, limited partnership, or limited liability partnership  
7 that does not have banking or trust powers, and in both instances surrendering its trust company  
8 charter to the [~~board of trust company incorporation~~] *commissioner*. A trust company that  
9 reorganizes into any other entity pursuant to this section shall not engage in any activity that is  
10 authorized only for a bank or a trust company.

11 40 Voluntary Dissolution by Liquidation. Amend RSA 392:44 to read as follows:

12 392:44 Voluntary Dissolution by Liquidation. A nondepository trust company, organized under  
13 the provisions of RSA 392 or under the provisions of RSA 392-A, which voluntarily dissolves by  
14 means of liquidation, shall do so by complying with the procedures for a voluntary dissolution set  
15 forth in the provisions of state law applicable to domestic business corporations, if organized as a  
16 banking corporation, or by complying with the procedures for a voluntary dissolution of a domestic  
17 limited liability company, limited partnership, or limited liability partnership, as applicable, if the  
18 dissolving trust company was organized as such other type of banking entity, provided, however, that  
19 any filing required to be made with the secretary of state shall be made instead with the [~~board of~~  
20 ~~trust company incorporation~~] *commissioner*.

21 41 Voluntary Dissolution by Reorganization. Amend RSA 392:45 to read as follows:

22 392:45 Voluntary Dissolution by Reorganization. A nondepository trust company organized  
23 under the provisions of RSA 392 or under the provisions of RSA 392-A which voluntarily dissolves by  
24 means of a reorganization into a domestic or foreign corporation, limited liability company, limited  
25 partnership, or limited liability partnership which is not authorized to engage in banking or trust  
26 activities shall do so by compliance with the procedures for a reorganization into such type of  
27 business entity as set forth in the provisions of domestic and foreign law applicable to such business  
28 entities, provided, however, that any filing required to be made with the secretary of state shall be  
29 made instead with the [~~board of trust company incorporation~~] *commissioner*.

30 42 Approval of Voluntary Dissolution; Filing Fee. Amend RSA 392:46 to read as follows:

31 392:46 Approval of Voluntary Dissolution; Filing Fee.

32 I. A nondepository trust company seeking to dissolve its charter shall file an application for  
33 dissolution with the [~~board of trust company incorporation~~] *commissioner* accompanied by a filing  
34 fee of \$1500 payable to the bank commissioner. The bank commissioner shall examine the  
35 application for completeness and compliance with the requirements of this section, the domestic  
36 business entity laws applicable to the requested type of liquidation or reorganization, and its rules.  
37 The application shall include a comprehensive plan of dissolution setting forth the disposition of all

1 assets and liabilities, in reasonable detail to effect the liquidation or reorganization. Among other  
2 things, the plan of dissolution shall provide for the discharge or assumption of all of the  
3 nondepository trust company's known or unknown claims and liabilities and the transfer of all of its  
4 responsibilities as a trustee to a successor trustee or trustees. Additionally, the filing shall include  
5 such other certifications, affidavits, documents or information with respect to the dissolution as the  
6 ~~board~~ **commissioner** may require to understand how such assets and liabilities will be disposed of,  
7 the timetable for effecting disposition of such assets and liabilities, and the applicant's proposal for  
8 dealing with any claims that are asserted after the dissolution has been completed. The bank  
9 commissioner may conduct a special examination of the applicant for purposes of evaluating the  
10 application. Cost of the special examination shall be paid by the applicant.

11 II. If the bank commissioner finds that the application for dissolution is incomplete, the  
12 bank commissioner shall return it for completion not later than 60 days after it is filed. If the  
13 application is found to be complete by the bank commissioner, he or she shall ~~so notify the board in~~  
14 ~~writing and shall report any information he or she has obtained from an examination of the~~  
15 ~~applicant to the board. Not later than 30 days thereafter, the board shall hold a hearing for~~  
16 **examine the plan of dissolution for** the purpose of determining whether the plan of dissolution  
17 disposes of the assets and liabilities in a lawful manner, is fair and equitable to all interested  
18 persons, has no adverse effect on the business of banking in the state and in general carries out the  
19 purposes and intentions of RSA 392:43-45. ~~[Not later than 30 days thereafter, the board shall either~~  
20 ~~approve or not approve the application. If the board approves the application, then]~~ **If the**  
21 **commissioner concludes that these considerations are satisfied, he or she shall approve the**  
22 **application.** The applicant may *then* proceed with the dissolution under the plan, subject to such  
23 conditions that the ~~board~~ **commissioner** may prescribe. If the applicant subsequently determines  
24 that the plan of dissolution must be amended to complete the dissolution, it shall file an amended  
25 plan with the ~~board~~ **commissioner** and obtain ~~its~~ **his or her** approval to proceed under the  
26 amended plan. If the ~~board~~ **commissioner** does not approve the application or amended plan, if  
27 any, the applicant may appeal the decision pursuant to RSA 541.

28 III. Upon completion of all actions required under the plan of dissolution and conditions, if  
29 any, prescribed by the ~~board of incorporation~~ **commissioner**, necessary to liquidate the trust  
30 company or to effect the reorganization, the applicant shall submit a written report of its actions to  
31 the ~~board of incorporation~~ **commissioner** and the applicant's board of directors shall certify, under  
32 oath, that it is true and correct. Following receipt of the report, the bank commissioner may examine  
33 the trust company to determine whether the commissioner is satisfied that all required actions have  
34 been taken to liquidate or reorganize the trust company in accordance with the plan of dissolution  
35 and any conditions prescribed ~~by the board~~. Not later than 60 days after the filing of the report, the  
36 ~~board of incorporation shall examine the report and the bank commissioner's findings, and, if it is~~  
37 ~~satisfied~~ **commissioner, if he or she is so satisfied**, shall so notify the applicant in writing that

1 the dissolution has been completed and is final. Thereupon, the applicant shall surrender its charter  
2 to the [board] *commissioner*, and the [board] *commissioner* shall issue a certificate of dissolution  
3 to be filed with the secretary of state pursuant to RSA 392:47. If the [board] *commissioner* is not  
4 satisfied that all required actions have been taken, [it] *he or she* shall notify the applicant in writing  
5 what additional actions shall be taken to be eligible for a certificate of dissolution. The [board]  
6 *commissioner* shall establish a deadline for the submission of evidence that the additional actions  
7 have been taken. The [board] *commissioner* may extend the deadline for good cause shown. If the  
8 applicant fails to file a supplemental report showing that the additional actions have been taken  
9 before the deadline, or submits a report that is found not to be satisfactory by the [board of  
10 incorporation] *commissioner*, the [board] *commissioner* shall notify the applicant in writing that  
11 its application is not approved, and the applicant may appeal the decision pursuant to RSA 541.

12 IV. The [board] *commissioner* may adopt rules, pursuant to RSA 541-A, relative to the  
13 procedures and requirements for a dissolution pursuant to RSA 392:43-47.

14 43 Procedure; Effect; Recording Fee. Amend RSA 392:47 to read as follows:

15 392:47 Procedure; Effect; Recording Fee. When the [~~board of trust company incorporation~~]  
16 *commissioner* approves a voluntary dissolution application, the applicant shall file the certificate of  
17 dissolution in the office of the secretary of state, accompanied by a fee of \$35. In the case of a  
18 reorganization, the applicant shall also file the documents required by the secretary of state for  
19 domestic business entities to complete a statutory reorganization of the type approved by the [board]  
20 *commissioner*, including the organizational instruments for the reorganized entity. The secretary  
21 of state shall record the certificate and other documents, if any, and issue a certificate evidencing  
22 such liquidation or reorganization, as applicable. When the secretary of state has issued a certificate  
23 evidencing the liquidation or reorganization, as applicable, the dissolving banking corporation,  
24 limited liability company, limited liability partnership or limited partnership shall be deemed to  
25 have been voluntarily dissolved or reorganized, as applicable, with the same effect as if such  
26 voluntary dissolution or reorganization had been effected by a domestic business corporation, limited  
27 liability company, limited partnership, or limited liability partnership, by making the filings  
28 required of such domestic business entities under the provisions of state law applicable to such  
29 domestic business entities.

30 44 Organization. Amend RSA 392-A:2, IV to read as follows:

31 IV. Any New Hampshire financial institution may reorganize into a merchant bank by  
32 submitting an application to reorganize with the [~~board of trust company incorporation~~]  
33 *commissioner* and complying with the organization requirements of RSA 392, as applicable. The  
34 application of the New Hampshire financial institution shall be signed by a majority of the members  
35 of the board of directors. The reorganization shall be approved by a 2/3 majority of the members of  
36 the board of directors and a 2/3 majority of each class of shareholders. If the reorganization is  
37 approved by the [~~board of trust company incorporation~~] *commissioner*, notice of the reorganization



1 shall be filed with the office of the secretary of state at the same time the charter of the merchant  
 2 bank is filed pursuant to RSA 392:17. The certificate of incorporation issued by the secretary of state  
 3 pursuant to RSA 392:18 shall make reference to the reorganization authorized by this chapter.

4 45 Capital; Other Funds. Amend RSA 392-A:3 to read as follows:

5 392-A:3 Capital; Other Funds. A merchant bank shall maintain capital at a level which is  
 6 commensurate with the risk undertaken in connection with its loans, investments, and other  
 7 activities, as determined annually by its board of directors, if it is a corporation, or its equivalent  
 8 governing body if it is any other type of business entity, but in no event shall its capital be less than  
 9 6 percent of its assets. The initial capital of a merchant bank shall consist of common stock in the  
 10 amount of at least \$2,500,000 paid in the form of cash or its equivalent. The balance of any capital  
 11 required by the [~~board of trust company incorporation~~] *commissioner* may consist of preferred stock  
 12 or other equity capital, subordinated notes, or debentures, as approved by [~~said board~~] *the*  
 13 *commissioner*. Notwithstanding the foregoing, the capital structure of a New Hampshire financial  
 14 institution that reorganizes into a merchant bank may continue in the same form and amount as  
 15 existed at the time of reorganization, provided that the capital is at least \$2,500,000. A merchant  
 16 bank may borrow funds to engage in the merchant banking business only from accredited investors.  
 17 Following the organization or reorganization of a merchant bank, if the bank commissioner finds  
 18 that the capital is inadequate based on the risk profile of its investments, the bank commissioner  
 19 may require that the capital be increased by an amount necessary to protect the safety and  
 20 soundness of the merchant bank. A merchant bank may voluntarily dissolve, either by liquidation or  
 21 reorganization into another type of business entity, in accordance with the provisions of RSA 392.

22 46 New Section; Board of Trust Company Incorporation. Amend RSA 383 by inserting after  
 23 section 24 the following new section:

24 383:25 Board of Trust Company Incorporation Decisions. Each decision or act of the board of  
 25 trust company incorporation shall maintain the same force and effect as when such decision was  
 26 issued or act was taken, except to the extent otherwise provided under this title. Any charter  
 27 granted or amended by the board of trust company incorporation, with all rights, obligations, and  
 28 interests vested or accrued thereunder shall remain in effect according to its terms, and shall  
 29 continue to be subject to and governed by the provisions of this title.

30 47 Banking Commissioner; Definition. Amend RSA 383:1 to read as follows:

31 383:1 Commissioner and Deputy.

32 *I.* There shall be a bank commissioner who shall be appointed by the governor with the  
 33 advice and consent of the council, and whose term shall be for 6 years. There shall be a deputy  
 34 bank commissioner who shall be recommended by the bank commissioner and appointed by the  
 35 governor with the advice and consent of the council, and whose term shall be 6 years. The deputy  
 36 may exercise the powers and perform the duties of the commissioner during the commissioner's  
 37 absence whenever and to the extent that he or she may be so authorized by the commissioner. In

1 case of the temporary disability of the commissioner, or of a vacancy in the office, the deputy shall  
2 have the powers and perform the duties of the commissioner until another commissioner is  
3 appointed and qualified.

4 *II. The term "commissioner," as used in this title, means the bank commissioner*  
5 *unless the context clearly indicates otherwise.*

6 48 Repeal. The following are repealed:

7 I. RSA 384-B:1, VII-a, relative to the definition of "board."

8 II. RSA 392:1, relative to the board for the incorporation of trust companies.

9 49 Effective Date. This act shall take effect 30 days after its passage.

# Speakers



# Hearing Minutes

HOUSE COMMITTEE ON COMMERCE AND CONSUMER AFFAIRS

PUBLIC HEARING ON HB 560

**BILL TITLE:** repealing the board of trust company incorporation.

**DATE:** 2-12-13

**LOB ROOM:** 302      **Time Public Hearing Called to Order:** 2:35 PM

**Time Adjourned:** 2:45 PM

(please circle if present)

**Committee Members:** Reps. Butler, Schlachman, Kopka, Hammond, Mulholland, Gidge, Muns, K. Williams, Heden, Scarlotto, McNamara, John Hunt, Flanders, Doolan, Keith, Murphy, Sandblade, Jones, F. Rice, Tucker and R. Belanger.

**Bill Sponsors:** Rep. Butler

TESTIMONY

\* Use asterisk if written testimony and/or amendments are submitted.

**Rep. Ed Butler, sponsor** - Eliminates the Board of Trust Company Incorporation (BOTCI) – board meetings once a month, but members believe that it is an inefficient use of state employees' time.

**\*Ingrid White, NH Banking Department** – Supports the bill; see written testimony. Similar bill passed the house in 2010, did not get through Senate because a non-germane amendment was added. Even if bill is passed and any member of the public has an issue, the public has a right to request a public hearing from the banking commission.

**Q: Rep. Chris Muns** - What is the position of AG and State Treasurer

**A:** They support it.

**Q: Rep. John Manley** - Is there anything else that BOTCI does that would have to be shifted that this doesn't address?

**A:** No nothing.

**Q: Rep. Kermit Williams** - Are all you doing in the bill is replacing BOTCI with the Banking Commissioner?

A: Yes.

Subcommittee appointed: None

Respectfully submitted:

Chris Muns, Clerk

A handwritten signature in cursive script, appearing to read "Chris Muns".

HOUSE COMMITTEE ON COMMERCE AND CONSUMER AFFAIRS

PUBLIC HEARING ON HB 560

BILL TITLE: repealing the board of trust company incorporation.

DATE: 2-12-13

LOB ROOM: 302

Time Public Hearing Called to Order: 2:35

Time Adjourned: 2:45

(please circle if present)

Committee Members: Reps. Butler, Schlachman, Kopka, Hammond, Mulholland, Gidge, Muns, K. Williams, Heder, Scarlotta, McNamara, John Hunt, Flanders, Doolan, Keith Murphy, Sandblade, Jones, F. Rice, Tucker and R. Belanger.

Bill Sponsors: Rep. Butler

TESTIMONY

\* Use asterisk if written testimony and/or amendments are submitted.



**HB 560**  
**Hearing on February 12, 2013**

Speaker

Rep Ed Butler – prime sponsor

Eliminates the Board of Trust Company Incorporation (BOTCI) – board meetings once a month, but members believe that it is an inefficient use of state employees time.

Questions

Q. None

Speaker

Ingrid White – Banking Department (Written Testimony)

Similar bill based the house in 2010, did not get through Senate because a non-germane amendment was added.

Even if bill is based and any member of the public has an issue, the public has a right to request a public hearing from the banking commission.

Questions

Q. Rep Muns: What is the position of AG and State Treasurer

A. They support it.

Q. Rep Manley: Is there anything else that BOTCI does that would have to be shifted that this doesn't address.

A. No nothing

Q. Rep Williams: Are all you doing in the bill is replacing BOTCI with the Banking Commissioner?

A. Yes.

Speaker

Questions

Q.

Subcommittee appointed: None

Respectfully submitted by:

Chris Muns

# Testimony



# State of New Hampshire

## Banking Department

53 Regional Drive, Suite 200  
Concord, New Hampshire 03301

Telephone: (603) 271-3561  
FAX: Banking (603) 271-1090  
FAX: Consumer Credit (603) 271-0750

### **H.B. 560 (2013 Session)**

House Commerce Committee hearing  
LOB 302 February 12, 2013 2:15 p.m.

#### **Analysis of Provisions Prepared by the New Hampshire Banking Department**

If enacted into law, HB 560 will accomplish one goal: to eliminate the Board of Trust Company Incorporation (BOTCI).

The BOTCI was established by statute in 1915 and is comprised of the Bank Commissioner, the State Treasurer, the Attorney General or his or her designee, and the Secretary of State (who is a non-voting member). BOTCI works in conjunction with the Banking Department's Banking Division to review and approve bank and trust company charters, amendments to bank and trust company charters, and dissolutions of bank and trust companies.

When a petition for charter, amendment or dissolution is received by BOTCI, the Banking Department investigates the petition, as is required by statute. Once the Banking Department has completed its investigation, it recommends approval of the petition to BOTCI. The BOTCI members receive a copy of the petition for review, and hold a public hearing for the final discussion and review of the petition.

The BOTCI hearings and approval have become an outmoded process. Historically, banks would defend their "territory" at the BOTCI hearings to prevent new banks from encroaching in their area of operation. This was due to the inability of banks to branch more than a certain number of miles from their main office. BOTCI members had to weigh the public purpose of establishing the new bank with the "vested" rights of existing banks. However, in the early 1980's branching limitations were repealed and bank branching became a routine matter.

In fact, BOTCI no longer retains approval authority over branching; the approval process is conducted entirely by the Banking Department. BOTCI also no longer retains authority over stock conversions. Bank mergers are also fully controlled by the bank commissioner.

Also, because of other changes to both state and federal banking laws (namely, the interstate banking statutes) bank chartering has become a much less contentious issue as well. Although the Banking Department rigorously reviews bank charter applications, the bank charter process is no longer territorial in nature. Rarely, if ever, does another entity or member of the public argue against chartering a new bank at the public BOTCI hearings.

As a result, the BOTCI retains very little authority over the chartering process. Although its members continue to meet approximately once a month to conduct the business of the Board, it has become clear that this meeting is unnecessary and an inefficient use of state personnel time. If BOTCI is eliminated, the bank commissioner will continue to review and post for public comments of all petitions he or she receives. Appeals from the Commissioner's decisions would still be appealable under RSA 541-A. Therefore, the process by which banks and trust companies are chartered or dissolved will not substantively change. Removing BOTCI from the process will make the process more efficient.

# Voting Sheets

HOUSE COMMITTEE ON COMMERCE AND CONSUMER AFFAIRS

EXECUTIVE SESSION on HB 560

**BILL TITLE:** repealing the board of trust company incorporation.

**DATE:** 2-26-13

**LOB ROOM:** 302

**Amendments:**

Sponsor: Rep. OLS Document #:

Sponsor: Rep. OLS Document #:

Sponsor: Rep. OLS Document #:

**Motions:** OTP, OTP/A, ITL, Retained (Please circle one.)

Moved by Rep.

Seconded by Rep.

Vote: (Please attach record of roll call vote.)

**Motions:** OTP, OTP/A, ITL, Retained (Please circle one.)

Moved by Rep. Rice

Seconded by Rep. Schlachman

Vote: 17-0 (Please attach record of roll call vote.)

**CONSENT CALENDAR VOTE:** Consent or Regular (Circle One)

(Vote to place on Consent Calendar must be unanimous.)

**Statement of Intent:** Refer to Committee Report

Respectfully submitted,

Rep. Chris Muns, Clerk

HOUSE COMMITTEE ON COMMERCE AND CONSUMER AFFAIRS

EXECUTIVE SESSION on HB 560

BILL TITLE: repealing the board of trust company incorporation.

DATE: 2-26-13

LOB ROOM: 302

Amendments:

Sponsor: Rep.

OLS Document #:

Sponsor: Rep.

OLS Document #:

Sponsor: Rep.

OLS Document #:

Motions:

OTP,  OTP/A,  ITL, Retained (Please circle one.)

Moved by Rep.

*RICE*

Seconded by Rep.

*SCHWACHMAN*

Vote: (Please attach record of roll call vote.)

Motions: OTP, OTP/A, ITL, Retained (Please circle one.)

Moved by Rep.

Seconded by Rep.

Vote: (Please attach record of roll call vote.)

CONSENT CALENDAR VOTE:  Consent or  Regular (Circle One)

(Vote to place on Consent Calendar must be unanimous.)

Statement of Intent: Refer to Committee Report

Respectfully submitted,

Rep. Chris Muns, Clerk



STATE OF NEW HAMPSHIRE  
OFFICE OF THE HOUSE CLERK

1/7/2013 4:06:57 PM  
Roll Call Committee Registers  
Report

2013 SESSION

COMMERCE AND CONSUMER AFFAIRS

Bill #: HB 500 Title: repealing board of trust company incorporation

PH Date: 1/1 Exec Session Date: 2/20/13

Motion: OTP Amendment #: \_\_\_\_\_

MEMBER	YEAS	NAYS
Butler, Edward A, Chairman	✓	
Schlachman, Donna L, V Chairman	✓	
Kopka, Angeline A	✓	
Gidge, Kenneth N	✓	
Hammond, Jill S,	✓	
Mulholland, Catherine	✓	
Heden, Ruth S	✓	
McNamara, Richard D	✓	
Muns, Chris , Clerk	✓	
Scarlotto, Joe W	✓	
Williams, Kermit R	✓	
Hunt, John B	✓	
Flanders, Donald H		
Belanger, Ronald J		
Rice, Frederick C	✓	
Tucker, Pamela Z	✓	
Jones, Laura M	✓	
Murphy, Keith	✓	
Doolan, Ralph J	✓	
Sandblade, Emily C	✓	
<b>TOTAL VOTE:</b>	<b>17</b>	<b>0</b>

*MANCY 150N*

*17 / 0*

# Committee Report



**CONSENT CALENDAR**

**March 6, 2013**

**HOUSE OF REPRESENTATIVES**

**REPORT OF COMMITTEE**

**The Committee on COMMERCE AND CONSUMER**

**AFFAIRS to which was referred HB560,**

**AN ACT repealing the board of trust company**

**incorporation. Having considered the same, report the**

**same with the recommendation that the bill OUGHT TO**

**PASS.**

**Rep. Frederick C Rice**

**FOR THE COMMITTEE**

Original: House Clerk

Cc: Committee Bill File

## COMMITTEE REPORT

Committee:	COMMERCE AND CONSUMER AFFAIRS
Bill Number:	HB560
Title:	repealing the board of trust company incorporation.
Date:	February 27, 2013
Consent Calendar:	YES
Recommendation:	OUGHT TO PASS

### STATEMENT OF INTENT

The Board of Trust Company Incorporation is a superfluous body which no longer performs any useful function and meets only because of its legislative requirement to do so. Its duties are being performed by the Banking Commissioner.

Vote 17-0.

Rep. Frederick C Rice  
FOR THE COMMITTEE

Original: House Clerk  
Cc: Committee Bill File

## CONSENT CALENDAR

### COMMERCE AND CONSUMER AFFAIRS

**HB560**, repealing the board of trust company incorporation. **OUGHT TO PASS.**

Rep. Frederick C Rice for COMMERCE AND CONSUMER AFFAIRS. The Board of Trust Company Incorporation is a superfluous body which no longer performs any useful function and meets only because of its legislative requirement to do so. Its duties are being performed by the Banking Commissioner. **Vote 17-0.**

Original: House Clerk  
Cc: Committee Bill File

The Board of Trust Company Incorporation is a superfluous body which no longer performs any useful function and meets only because of its legislative requirement to do so. Its duties are being performed by the Banking Commissioner.

**Stapler, Carol**

---

**From:** Ed Butler [edofthenotch@aol.com]  
**Sent:** Tuesday, February 26, 2013 7:07 PM  
**To:** Rice, Fred  
**Cc:** Stapler, Carol  
**Subject:** From Ed Butler re: 560 blurb  
**Attachments:** 560 blurb.docx

Rep. Rice,

I made a couple of word changes to your blurb. I think it's better for the House to understand that the duties of the Board are already being done by the Commissioner.

Carol, unless you hear otherwise from Rep. Rice, this is OK to go.

Thanks,  
Ed

Representative Ed Butler  
Chair, NH House Commerce Committee  
Representing Carroll County District 7: the towns of Hart's Location, Bartlett, Jackson, Chatham, Conway, Albany, Madison, Freedom, Eaton, Tamworth and the unincorporated Hale's Location.