SENATE BILL 43

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(PRE–FILED) CF HB 259

By: **Chair, Finance Committee (By Request – Departmental – Labor)**
Requested: September 30, 2025
Introduced and read first time: January 14, 2026
Assigned to: Finance

A BILL ENTITLED

AN ACT concerning

Financial Institutions – Maryland Community Investment Venture Fund and Regulation of Entities – Revisions

FOR the purpose of repealing certain fees charged to certain banking institutions by the Commissioner of Financial Regulation; altering certain provisions relating to the Maryland Community Investment Venture Fund, including the purpose and administration of the Fund and the date by which the Commissioner may match certain investments in the Fund; altering and providing for certain assessment offset credits for certain banking institutions and credit unions; altering the definition of "emergency" for purposes of determining closures of banking institutions; altering which financial entities are included in certain prohibitions on using an entity's likeness; and generally relating to the Maryland Community Investment Venture Fund and regulation of financial institutions in the State.

BY repealing and reenacting, without amendments,
Article – Financial Institutions
Section 1–101(a) and (d) and 1–301(a)
Annotated Code of Maryland
(2020 Replacement Volume and 2025 Supplement)

BY repealing and reenacting, with amendments,
Article – Financial Institutions
Section 1–301(b), 2–108(a)(8), 2–118.1, 3–213, 5–203, 5–707, 5–806, 6–712, and 6–901
Annotated Code of Maryland
(2020 Replacement Volume and 2025 Supplement)

BY repealing and reenacting, without amendments,
Article – State Finance and Procurement
Section 6–226(a)(2)(i) and (ii)

EXPLANATION: **CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.**
[Brackets**]** indicate matter deleted from existing law.

Annotated Code of Maryland
(2021 Replacement Volume and 2025 Supplement)

BY repealing and reenacting, with amendments,
Article – State Finance and Procurement
Section 6–226(a)(2)(iii)212. and 213.
Annotated Code of Maryland
(2021 Replacement Volume and 2025 Supplement)

BY adding to
Article – State Finance and Procurement
Section 6–226(a)(2)(iii)214.
Annotated Code of Maryland
(2021 Replacement Volume and 2025 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

Article – Financial Institutions

1–101.

(a) In this article, unless the context clearly requires otherwise, the following words have the meanings indicated.

(d) "Banking institution" means an institution that is incorporated under the laws of this State as a State bank, trust company, or savings bank.

1–301.

(a) In this subtitle the following words have the meanings indicated.

(b) (1) "Fiduciary institution" means:

(i) A national banking association;

(ii) A **[**State**]** banking institution;

(iii) An other–state bank that maintains a branch in this State;

(iv) A credit union that is organized under the laws of this State or of the United States;

(v) Any other organization that is organized under the banking laws of this State and subject to the supervision of the Commissioner; or

(vi) A savings and loan association that is organized under the laws of this State or of the United States.

(2) "Fiduciary institution" does not include any person licensed by the Commissioner under Title 11 of this article.

2–108.

(a) The Commissioner shall charge and collect, in advance, the following nonrefundable fees:

(8) A fee for a certificate of valid charter**[**:

(i) If requested by or on behalf of a banking institution……$25

(ii) If**]** requested by or on behalf of a person other than a banking institution.....$50

2–118.1.

(a) (1) In this section the following words have the meanings indicated.

(2) "Fund" means the Maryland Community Investment Venture Fund.

(3) "Low– to moderate–income tract" has the meaning stated in § 5–203 of this article.

(b) (1) There is a Maryland Community Investment Venture Fund.

(2) The Fund is a private venture fund that:

(i) Is an instrumentality of the State; and

(ii) Uses public and private investment funds.

(c) (1) Subject to paragraph (2) of this subsection, the purpose of the Fund is to develop opportunities for banking institutions and credit unions to better serve the needs of low– to moderate–income tracts by:

(i) **[**Investing in**]** **PROMOTING** the development of financial product or financial product underwriting innovations that enhance access to capital, funding, and other financial services for **CONSUMERS AND** businesses in low– to moderate–income tracts in the State **THROUGH INVESTMENTS, GRANTS, AND OTHER FORMS OF FINANCIAL ASSISTANCE**;

(ii) Deploying, testing, and evaluating the innovations for providing capital and funding to **CONSUMERS AND** businesses in low– to moderate–income tracts in the State; and

(iii) Promoting and making the innovations available to banking institutions and credit unions for use in enhancing access to capital, funding, and other financial services for **CONSUMERS AND** businesses in low– to moderate–income tracts in the State.

(2) With the approval of the Commissioner, the purpose of the Fund may be altered in a manner that is consistent with the intent and requirements of this section.

(d) (1) (i) The Commissioner shall establish a governance structure for the Fund.

(ii) The Commissioner may collaborate with investors in the Fund when establishing the governance structure.

(2) The Commissioner, or the Commissioner's designee, shall serve on the governing body of the Fund.

(e) (1) The Commissioner may use up to $250,000 from the Banking Institution and Credit Union Regulation Fund established under § 2–118 of this subtitle to cover the expenses associated with establishing **AND ADMINISTERING** the Fund, including accounting, advisory, third–party service provider, marketing, and other necessary expenses.

(2) To encourage private investment, the Commissioner may provide an **[**initial**]** equity capital investment in the Fund in an amount up to $2,500,000 from the Banking Institution and Credit Union Regulation Fund.

(f) (1) Through June 30, **[**2028**]** **2030**, the Commissioner may match an investment made in the Fund by a banking institution or credit union up to the amount of the assessment credit earned by the banking institution or credit union in accordance with § 5–203(d) or § 6–712(c)(4) of this article.

(2) The Commissioner may not make an investment in the Fund after June 30, **[**2028**]** **2030**.

(g) All investment returns or return of capital from the Fund with respect to an investment authorized by the Commissioner shall be credited to the Banking Institution and Credit Union Regulation Fund.

(h) At the direction of the Commissioner, and in addition to any customary and appropriate audits of the Fund, the governing body of the Fund shall obtain the services of

an independent third party designated by the Commissioner on an annual basis to evaluate whether the investments made to the Fund comply with this section.

(i) (1) If the Commissioner determines that separate private venture funds are necessary to accomplish the purpose of the Fund, the Commissioner may use money from the Fund to establish additional private venture funds.

(2) An additional private venture fund established in accordance with this subsection shall comply with the requirements of subsections (b) through (f) of this section.

(J) (1) THE FUND IS A SPECIAL, NONLAPSING FUND THAT IS NOT SUBJECT TO § 7–302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE AND MAY NOT BE DEEMED A PART OF THE GENERAL FUND OF THE STATE.

(2) UNLESS OTHERWISE PROVIDED BY LAW, NO PART OF THE FUND MAY REVERT OR BE CREDITED TO:

(I) THE GENERAL FUND OF THE STATE; OR

(II) EXCEPT AS PROVIDED IN SUBSECTION (G) OF THIS SECTION, A SPECIAL FUND OF THE STATE.

(K) (1) THE STATE TREASURER IS THE CUSTODIAN OF THE FUND.

(2) THE STATE TREASURER SHALL INVEST THE MONEY OF THE FUND IN THE SAME MANNER AS OTHER STATE MONEY MAY BE INVESTED.

(3) ANY INTEREST EARNINGS OF THE FUND SHALL BE CREDITED TO THE FUND.

(L) THE COMMISSIONER MAY ADOPT REGULATIONS REASONABLY NECESSARY TO CARRY OUT THIS SECTION.

3–213.

(a) Any commercial bank may amend its charter, in any manner not inconsistent with law, as provided in this section.

(b) A proposed amendment shall be approved at a meeting called for that purpose, by the affirmative vote of the holders of two thirds of the capital stock of the commercial bank.

(c) If the proposed amendment is to authorize the issuance of preferred stock, the proposed amendment shall be approved by the affirmative vote of the holders of a majority of the capital stock of the commercial bank.

(d) After an amendment is approved by the stockholders:

(1) The president of the commercial bank and either its cashier or treasurer shall certify the amendment; and

(2) The amendment shall be signed, filed with the Commissioner for examination, and, if approved by the Commissioner, filed for record as required for articles of incorporation.

[(e) On filing the amendment for examination, the commercial bank shall pay to the Commissioner an examination fee of $20.**]**

5–203.

(a) (1) In this section the following words have the meanings indicated.

(2) "Branch" means a deposit–taking office of a banking institution **[**other than the main office as defined by the Federal Deposit Insurance Corporation**]** **IN THE STATE THAT IS OPEN TO THE PUBLIC AS OF DECEMBER 31 OF THE CALENDAR YEAR IMMEDIATELY PRECEDING A REQUEST FOR AN ASSESSMENT OFFSET CREDIT**.

(3) "De novo branch" **[**has the meaning stated in § 5–1001 of this title**]** **MEANS A DEPOSIT–TAKING OFFICE OF A BANKING INSTITUTION IN THE STATE THAT WAS OPENED TO THE PUBLIC FOR THE FIRST TIME DURING THE CALENDAR YEAR IMMEDIATELY PRECEDING A REQUEST FOR AN ASSESSMENT OFFSET CREDIT THAT:**

(I) WAS ORIGINALLY ESTABLISHED BY THE BANKING INSTITUTION AS A BRANCH; BUT

(II) DID NOT BECOME A BRANCH OF THE BANKING INSTITUTION AS A RESULT OF:

1. THE ACQUISITION BY THE BANKING INSTITUTION OF AN INSURED DEPOSITORY INSTITUTION OR A BRANCH OF AN INSURED DEPOSITORY INSTITUTION; OR

2. THE CONVERSION, MERGER, OR CONSOLIDATION OF AN INSURED DEPOSITORY INSTITUTION OR A BRANCH OF AN INSURED DEPOSITORY INSTITUTION.

(4) **[**"Deposit growth cap" means the year–over–year percentage change of domestic office deposits as reported on December 31 each year by the Federal Deposit Insurance Corporation in the Federal Deposit Insurance Corporation quarterly bank profile.

(5)**]** "Deposits" means deposits originated and housed at a branch located in a low– to moderate–income tract as reported by a banking institution to the Federal Deposit Insurance Corporation each year as of **[**June 30**]** **DECEMBER 31**.

[(6)**]** **(5)** "Low– to moderate–income tract" means a census tract delineated by the U.S. Bureau of the Census in the most recent decennial census as published by the Federal Financial Institutions Examination Council that corresponds to low– to moderate–income level classifications as defined by the regulation of the Federal Reserve Board implementing the federal Community Reinvestment Act, 12 C.F.R. **§** 228.12.

(6) "MARYLAND OPPORTUNITY ACCOUNT" MEANS A TRANSACTION ACCOUNT OFFERED BY A BANKING INSTITUTION TO CUSTOMERS THAT MEETS STANDARDS ANNUALLY DETERMINED BY THE COMMISSIONER THAT PROMOTE FAIR AND EQUAL ACCESS TO FINANCIAL SERVICES.

(b) The Commissioner shall impose annual assessments on each banking institution as provided in this section**[**,**]** to cover the expense of regulating banking institutions.

(c) (1) Except as provided in paragraph (2) of this subsection, the Commissioner shall assess each banking institution the sum of:

(i) $8,000; plus

(ii) 1. 12 cents for each $1,000 of the assets of the institution over $50,000,000, but not more than $250,000,000;

2. 10 cents for each $1,000 of assets over $250,000,000, but not more than $500,000,000;

3. 9 cents for each $1,000 of assets over $500,000,000, but not more than $1,000,000,000;

4. 8 cents for each $1,000 of assets over $1,000,000,000, but not more than $10,000,000,000; and

5. 7 cents for each $1,000 of assets over $10,000,000,000.

(2) If a banking institution is not in the business of accepting deposits or retaining funds in a deposit account as defined in § 5–509 of this title, the Commissioner shall assess the banking institution the sum of:

(i) $5,000; plus

(ii) 1. 0.3 cents for each $1,000 of managed assets held in a fiduciary capacity up to $5,000,000,000;

2. 0.2 cents for each $1,000 of managed assets held in a fiduciary capacity over $5,000,000,000, but not more than $20,000,000,000;

3. 0.1 cent for each $1,000 of managed assets held in a fiduciary capacity over $20,000,000,000 up to $27,500,000,000;

4. 0.2 cents for each $1,000 of nonmanaged and custodial assets held in a fiduciary capacity up to $5,000,000,000; and

5. 0.1 cent for each $1,000 of nonmanaged and custodial assets held in a fiduciary capacity over $5,000,000,000 up to $20,000,000,000.

(3) The assessments shall be based on assets stated in a banking institution's most recent financial report.

(d) **(1)** A well–capitalized banking institution with a composite CAMELS rating of 1 or 2 may file with the Commissioner a request for an assessment offset credit of:

[(1)**]** **(I)** 12 cents for each $1,000 of deposits in a de novo branch located in a low– to moderate–income tract **IN THE STATE** for the first 5 years after the date the branch opened; or

[(2)**]** **(II)** 6 cents for each $1,000 of deposits in a branch located in a low– to moderate–income tract not to exceed the **[**deposit growth**]** cap **SET BY THE COMMISSIONER BY DECEMBER 31 OF THE CALENDAR YEAR IMMEDIATELY PRECEDING THE REQUEST FOR AN ASSESSMENT OFFSET CREDIT**.

(2) IN ADDITION TO AN ASSESSMENT OFFSET CREDIT UNDER PARAGRAPH (1) OF THIS SUBSECTION, A WELL–CAPITALIZED BANKING INSTITUTION WITH A COMPOSITE CAMELS RATING OF 1, 2, OR 3 MAY FILE WITH THE COMMISSIONER A REQUEST FOR AN ASSESSMENT OFFSET CREDIT OF:

(I) $5,000 ON RECEIVING THE COMMISSIONER'S INITIAL APPROVAL THAT THE BANKING INSTITUTION OFFERS AT LEAST ONE MARYLAND OPPORTUNITY ACCOUNT; AND

(II) $3,000 FOR EACH YEAR THEREAFTER THAT THE BANKING INSTITUTION OFFERS AT LEAST ONE MARYLAND OPPORTUNITY ACCOUNT THAT, AS DETERMINED BY THE COMMISSIONER, REMAINS IN ACTIVE USE BY THE BANKING INSTITUTION'S CUSTOMERS.

(e) Notwithstanding subsection (c) of this section, for a banking institution with a composite CAMELS rating of 3, 4, or 5 for its most recent examination, the annual assessment imposed under this section shall be increased by an additional 25%.

(f) A banking institution shall pay the assessment imposed under this section to the Commissioner on or before the April 15 after it is imposed.

(g) The Commissioner may designate a successor index for**[**:

(1) The**]** **THE** low– to moderate–income tract if the Federal Financial Institutions Examination Council tract income level data is no longer published**[**; or

(2) The deposit growth cap if the Federal Deposit Insurance Corporation report of domestic office deposits is no longer published**]**.

5–707.

(a) **(1)** In this section, "emergency" has the meaning stated in § 14–307 of the Public Safety Article.

(2) "EMERGENCY" INCLUDES A CYBERSECURITY INCIDENT THAT NECESSITATES THE CLOSURE OF A BANKING INSTITUTION OR A BRANCH OF A BANKING INSTITUTION.

(b) (1) If the Governor proclaims that an emergency exists in a political subdivision and designates days for the general cessation of business in the subdivision, each banking office that is located within the subdivision shall be closed on those days.

(2) If the Governor proclaims that an emergency exists in a political subdivision, the Governor may designate days on which each banking office that is located within the subdivision may be closed.

(3) If the Governor proclaims that an emergency exists as to a particular banking office, that office may be closed on those days that the Governor designates.

(4) When the Governor authorizes, but does not require, the banking institution to be closed, the chairman of its board of directors or its president shall decide whether to close or remain open.

(c) (1) If an emergency exists and affects a banking institution and if it is not practical to obtain a proclamation from the Governor before closing the affected institution, the chairman of its board of directors or its president:

(i) May close the banking institution; and

(ii) As soon as possible, but within 24 hours after the closing, shall notify the Governor of the reasons for the closing.

(2) A banking institution may be closed under this subsection until the earlier of:

(i) Issuance by the Governor of a proclamation that relates to the emergency closing;

(ii) Notice to the banking institution that the Governor will not issue a proclamation;

(iii) Reopening of the banking institution by the chairman of its board of directors or by its president; or

(iv) 5 p.m. on the third day after the closing, except for Saturdays, Sundays, and legal holidays.

5–806.

(a) Except for a **[**bank, trust company, savings bank,**]** **BANKING INSTITUTION, A NATIONAL BANKING ASSOCIATION, AN OTHER–STATE BANK,** or **A** savings and loan association that is authorized to do business in this State, a person may not use any name, title, or other words that represent that the person is authorized to do the business of banking in this State.

(b) (1) (i) In this subsection the following terms have the meanings indicated.

(ii) 1. "Bank" means any **[**bank, trust company, savings bank,**]** **BANKING INSTITUTION, NATIONAL BANKING ASSOCIATION, OTHER–STATE BANK,** or savings and loan association that is authorized to do business in this State, and any subsidiary or affiliate of the entity.

2. "Bank" includes any Farm Credit System institution in this State.

(iii) "Name" means the name, trade name, trademark, service mark, logo, or tagline used by a bank to identify itself.

(2) Except with the consent of the bank, a person may not use the name of a bank or any term or design that is similar to the name of a bank in any marketing material provided to another person or in any solicitation of another person in a manner that may cause a reasonable person to be confused, mistaken, or deceived that the marketing material or solicitation:

(i) Originated from the bank;

(ii) Originated from someone affiliated, connected, or associated with the bank;

(iii) Is approved or sponsored by the bank; or

(iv) Is the responsibility of the bank.

(c) In addition to any other remedies a bank may have under any other provision of law, a bank that is affected by a violation of subsection (b) of this section may bring an action against the person that committed the violation to recover:

(1) Actual damages sustained as a result of the violation;

(2) Either:

(i) All profits attributable to the violation; or

(ii) $1,000 for each violation; and

(3) Court costs and reasonable attorney's fees.

(d) Any person who violates subsection (a) of this section is guilty of a misdemeanor and on conviction is subject to a fine not exceeding $3,000 or imprisonment not exceeding 5 years or both.

6–712.

(a) (1) In this section the following words have the meanings indicated.

(2) **"BRANCH" MEANS A DEPOSIT–TAKING OFFICE OF A CREDIT UNION IN THE STATE THAT IS OPEN TO THE PUBLIC AS OF DECEMBER 31 OF THE CALENDAR YEAR PRECEDING THE REQUEST FOR AN ASSESSMENT OFFSET CREDIT.**

(3) "De novo branch" means a **[**branch of a credit union that was originally established by the credit union in the State**]** **DEPOSIT–TAKING OFFICE OF A CREDIT UNION IN THE STATE THAT WAS OPENED TO THE PUBLIC FOR THE FIRST TIME DURING THE CALENDAR YEAR IMMEDIATELY PRECEDING A REQUEST FOR AN ASSESSMENT OFFSET CREDIT THAT:**

(I) WAS ORIGINALLY ESTABLISHED BY THE CREDIT UNION AS A BRANCH; BUT

(II) DID NOT BECOME A BRANCH OF THE CREDIT UNION AS A RESULT OF:

1. THE ACQUISITION BY THE CREDIT UNION OF AN INSURED DEPOSITORY INSTITUTION OR A BRANCH OF AN INSURED DEPOSITORY INSTITUTION; OR

2. THE CONVERSION, MERGER, OR CONSOLIDATION OF AN INSURED DEPOSITORY INSTITUTION OR A BRANCH OF AN INSURED DEPOSITORY INSTITUTION.

[(3) "Deposit growth cap" means the year–over–year percentage change of total shares and deposits reported December 31 each year by federally insured credit unions to the National Credit Union Administration and published in the National Credit Union Administration Call Report Aggregate Financial Performance Reports.**]**

(4) "Deposits" means deposits originated and housed at a credit union branch located in a low– to moderate–income tract as reported by a credit union to the Commissioner each year as of **[**June 30**] DECEMBER 31**.

(5) "Low– to moderate–income tract" has the meaning stated in § 5–203 of this article.

(6) "MARYLAND OPPORTUNITY ACCOUNT" MEANS A TRANSACTION ACCOUNT OFFERED BY A CREDIT UNION TO ITS MEMBERS THAT MEETS STANDARDS ANNUALLY DETERMINED BY THE COMMISSIONER THAT PROMOTE FAIR AND EQUAL ACCESS TO FINANCIAL SERVICES.

(b) This section applies only to a credit union with assets of $300,000 or greater.

(c) (1) The Commissioner shall impose an annual assessment on each credit union as provided in this subsection to cover the expense of regulating credit unions.

(2) The Commissioner shall assess each credit union the sum of:

(i) $1,000; and

(ii) 8 cents for each $1,000 of the assets of the credit union over $1,000,000.

(3) The assessment shall be based on assets stated in the credit union's most recent financial report.

(4) A well–capitalized credit union with a composite CAMELS rating of 1 or 2 may file with the Commissioner a request for an assessment offset credit of:

(i) 12 cents for each $1,000 of deposits in a de novo branch located in a low– to moderate–income tract for the first 5 years after the date the de novo branch opened; or

(ii) 6 cents for each $1,000 of deposits in a branch located in a low– to moderate–income tract not to exceed the **[**deposit growth**]** cap **SET BY THE COMMISSIONER BY DECEMBER 31 OF THE CALENDAR YEAR PRECEDING THE REQUEST FOR AN ASSESSMENT OFFSET CREDIT**.

(5) IN ADDITION TO AN ASSESSMENT OFFSET CREDIT UNDER PARAGRAPH (4) OF THIS SUBSECTION, A WELL–CAPITALIZED CREDIT UNION WITH A COMPOSITE CAMELS RATING OF 1, 2, OR 3 MAY FILE WITH THE COMMISSIONER A REQUEST FOR AN ASSESSMENT CREDIT OF:

(I) $5,000 ON RECEIVING THE COMMISSIONER'S INITIAL APPROVAL THAT THE CREDIT UNION OFFERS AT LEAST ONE MARYLAND OPPORTUNITY ACCOUNT; AND

(II) $3,000 FOR EACH YEAR THEREAFTER THAT THE CREDIT UNION OFFERS AT LEAST ONE MARYLAND OPPORTUNITY ACCOUNT THAT, AS DETERMINED BY THE COMMISSIONER, REMAINS IN ACTIVE USE BY THE CREDIT UNION'S MEMBERS.

(d) A credit union shall pay the assessment imposed under this section to the Commissioner on or before the **[**March 1**] APRIL 15** after the assessment is imposed.

[(e) The Commissioner may designate a successor index for the deposit growth cap if the National Credit Union Administration Call Report Aggregate Financial Performance Reports is no longer published.**]**

6–901.

(a) (1) Except for a credit union **OR AN OUT–OF–STATE CREDIT UNION** authorized to do business in this State, a person may not:

(i) Use or advertise any name or title that contains the words "credit union" or any derivation of that term;

(ii) Represent itself as a credit union;

(iii) Conduct business as a credit union; or

(iv) Conduct business under a name or title that:

1. Indicates or reasonably implies that the person engages in or transacts the type of business conducted by a credit union; or

2. Is calculated to lead a person to believe that the business engaged in or transacted is the type of business conducted by a credit union.

(2) Any person who violates any provision of this subsection is guilty of a misdemeanor and on conviction is subject to a fine not exceeding $3,000 or imprisonment not exceeding 5 years or both per occurrence.

(b) This section does not apply to an association or league of credit unions, whether or not the association or league is incorporated.

Article – State Finance and Procurement

6–226.

(a) (2) (i) This paragraph does not apply in fiscal years 2024 through 2028.

(ii) Notwithstanding any other provision of law, and unless inconsistent with a federal law, grant agreement, or other federal requirement or with the terms of a gift or settlement agreement, net interest on all State money allocated by the State Treasurer under this section to special funds or accounts, and otherwise entitled to receive interest earnings, as accounted for by the Comptroller, shall accrue to the General Fund of the State.

(iii) The provisions of subparagraph (ii) of this paragraph do not apply to the following funds:

212. the Department of Social and Economic Mobility Special Fund; **[**and**]**

213. the Population Health Improvement Fund**; AND**

214. THE MARYLAND COMMUNITY INVESTMENT VENTURE FUND.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2026.