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Senate Fiscal Agency  
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**SFA****BILL ANALYSIS**

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House Bill 5907 (Substitute H-1 as reported without amendment)  
House Bill 5908 (Substitute H-1 as reported without amendment)  
House Bill 5909 (Substitute H-1 as reported without amendment)  
Sponsor: Representative Paul Wojno (H.B. 5907)  
          Representative Clark Bisbee (H.B. 5908)  
          Representative Alan Sanborn (H.B. 5909)

House Committee: Insurance and Financial Services  
Senate Committee: Banking and Financial Institutions

### **CONTENT**

The bills would make a number of amendments to the Savings Bank Act that would be consistent with changes enacted by the Banking Code of 1999 (which repealed and recodified the Banking Code of 1969, upon which the Savings Bank Act was modeled). House Bill 5909 (H-1) would revise the Act's provisions regarding the organization of savings banks; conversion of savings banks to stock associations or other banking entities and vice versa; the operations of savings banks; savings bank powers; and indemnification of savings bank directors and employees. Among other things, the bill would do the following:

- Allow savings banks to be organized exclusively to serve depository institutions.
- Permit savings banks to issue stock without a stock certification, if information were given to the shareholders.
- Allow savings banks to provide stock options for directors (in addition to employees).
- Provide that dividends paid to shareholders under a "dividend reinvestment plan" would be subject to the Act regarding payment of dividends.
- Allow a board of directors to meet by electronic communication (as well as in person).
- Provide for the liability of a director or officer who knowingly violated the Act, rules promulgated under it, or an order or ruling of the Commissioner of the Office of Financial and Insurance Services.
- Allow an out-of-State savings bank or Federal savings bank to establish branches.

House Bill 5907 (H-1) would revise certain definitions in the Act and add others. House Bill 5908 (H-1) would extend the period between savings banks examinations from one year to 18 months, and adjust the exam fee schedule.

Each bill is tie-barred to the others.

MCL 487.3102 & 487.3103 (H.B. 5907)  
487.3209 et al. (H.B. 5908)  
487.3303 et al. (H.B. 5909)

Legislative Analyst: G. Towne

### **FISCAL IMPACT**

The bills would have no fiscal impact on State or local government.

Date Completed: 12-5-00

Fiscal Analyst: M. Tyszkiewicz