

# HOUSE BILL 259

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(PRE-FILED)

6lr0110  
CF SB 43

By: Chair, Economic Matters Committee (By Request – Departmental – Labor)

Requested: September 30, 2025

Introduced and read first time: January 14, 2026

Assigned to: Economic Matters

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## A BILL ENTITLED

1 AN ACT concerning

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

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

14 BY repealing and reenacting, without amendments,  
15 Article – Financial Institutions  
16 Section 1–101(a) and (d) and 1–301(a)  
17 Annotated Code of Maryland  
18 (2020 Replacement Volume and 2025 Supplement)

19 BY repealing and reenacting, with amendments,  
20 Article – Financial Institutions  
21 Section 1–301(b), 2–108(a)(8), 2–118.1, 3–213, 5–203, 5–707, 5–806, 6–712, and  
22 6–901  
23 Annotated Code of Maryland  
24 (2020 Replacement Volume and 2025 Supplement)

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

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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)

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 Suppl.)

ding 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,  
the Laws of Maryland read as follows:

## Article – Financial Institutions

16 1-101.

17           (a) In this article, unless the context clearly requires otherwise, the following  
18 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.

21 1-301.

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

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

24 (j) A national banking association;

25 (ii) A [State] banking institution:

<sup>26</sup> (iii) An other-state bank that main

(iv) A credit union that is organized under the laws of this State.

28 of the United States;

30 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.

5 2-108.

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

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

9 (i) If requested by or on behalf of a banking institution.....\$25

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

12 2-118.1.

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

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

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

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

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

19 (i) Is an instrumentality of the State; and

20 (ii) Uses public and private investment funds.

(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.

10               (d)     (1)     (i)     The Commissioner shall establish a governance structure for the  
11 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.

16               (e) (1) The Commissioner may use up to \$250,000 from the Banking  
17 Institution and Credit Union Regulation Fund established under § 2-118 of this subtitle to  
18 cover the expenses associated with establishing **AND ADMINISTERING** the Fund, including  
19 accounting, advisory, third-party service provider, marketing, and other necessary  
20 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.

24           (f)     (1)     Through June 30, [2028] **2030**, the Commissioner may match an  
25 investment made in the Fund by a banking institution or credit union up to the amount of  
26 the assessment credit earned by the banking institution or credit union in accordance with  
27 § 5-203(d) or § 6-712(c)(4) of this article.

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

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

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

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

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

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

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

13 (I) THE GENERAL FUND OF THE STATE; OR

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

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

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

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

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

23 3-213.

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

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

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

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

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

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

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

9 5–203.

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

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

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

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

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

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

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

29                  (4) “[Deposit growth cap” means the year-over-year percentage change of  
30 domestic office deposits as reported on December 31 each year by the Federal Deposit  
31 Insurance Corporation in the Federal Deposit Insurance Corporation quarterly bank  
32 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**.

4                   [(6)] (5) “Low– to moderate–income tract” means a census tract  
5 delineated by the U.S. Bureau of the Census in the most recent decennial census as  
6 published by the Federal Financial Institutions Examination Council that corresponds to  
7 low– to moderate–income level classifications as defined by the regulation of the Federal  
8 Reserve Board implementing the federal Community Reinvestment Act, 12 C.F.R. § 228.12.

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

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

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

18 (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;

21                                   2.     10 cents for each \$1,000 of assets over \$250,000,000, but  
22 not more than \$500,000,000;

23                                   3.     9 cents for each \$1,000 of assets over \$500,000,000, but not  
24 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

27                   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:

31 (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;

3                                   2.     0.2 cents for each \$1,000 of managed assets held in a  
4 fiduciary capacity over \$5,000,000,000, but not more than \$20,000,000,000;

7                                  4.        0.2 cents for each \$1,000 of nonmanaged and custodial  
8 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.

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

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

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

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

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

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

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

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

11 5–707.

12               (a) (1) In this section, “emergency” has the meaning stated in § 14–307 of the  
13 Public Safety Article.

14                       **(2) “EMERGENCY” INCLUDES A CYBERSECURITY INCIDENT THAT  
15 NECESSITATES THE CLOSURE OF A BANKING INSTITUTION OR A BRANCH OF A  
16 BANKING INSTITUTION.**

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

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

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

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

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

31                       (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:

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

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

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

13 5-806.

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

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

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

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

34 (i) Originated from the bank;

- (ii) Originated from someone affiliated, connected, or associated
  - (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, 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.

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

16 6-712.

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

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

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

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

4                   **2. THE CONVERSION, MERGER, OR CONSOLIDATION OF**  
5   **AN INSURED DEPOSITORY INSTITUTION OR A BRANCH OF AN INSURED DEPOSITORY**  
6   **INSTITUTION.**

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

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

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

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

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

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

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

24               (i) \$1,000; and

25               (ii) 8 cents for each \$1,000 of the assets of the credit union over  
26 \$1,000,000.

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

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

31               (i) 12 cents for each \$1,000 of deposits in a de novo branch located  
32 in a low- to moderate-income tract for the first 5 years after the date the de novo branch  
33 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                         (5) IN ADDITION TO AN ASSESSMENT OFFSET CREDIT UNDER  
6 PARAGRAPH (4) OF THIS SUBSECTION, A WELL-CAPITALIZED CREDIT UNION WITH A  
7 COMPOSITE CAMELS RATING OF 1, 2, OR 3 MAY FILE WITH THE COMMISSIONER A  
8 REQUEST FOR AN ASSESSMENT CREDIT OF:

(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.

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

21 6-901.

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

26 (ii) Represent itself as a credit union;

27 (iii) Conduct business as a credit union; or

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

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

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

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

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

8                   **Article – State Finance and Procurement**

9                   6–226.

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

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

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

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

21                   213. the Population Health Improvement Fund; AND

22                   **214. THE MARYLAND COMMUNITY INVESTMENT VENTURE**  
23 **FUND.**

24                  SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July  
25 1, 2026.