

1 AN ACT concerning regulation.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Illinois Banking Act is amended by adding
5 Section 21.5 as follows:

6 (205 ILCS 5/21.5 new)

7 Sec. 21.5. Prohibition against establishment of branches
8 on or near the premises of certain affiliates.

9 (a) For the purposes of this Section:

10 "Affiliate" means any company having a relationship with a
11 bank that would cause the company to be an affiliate pursuant
12 to Section 35.2 of this Act if the bank were a State bank.

13 "Bank" has the meaning ascribed to that term in the Federal
14 Deposit Insurance Act (12 U.S.C. Sec. 1813) and includes any
15 out-of-state bank.

16 "Bank holding company" and "financial holding company"
17 have the meanings ascribed to those terms in the federal Bank
18 Holding Company Act of 1956 (12 U.S.C. Sec. 1841).

19 A location is considered "adjacent to" the premises of an
20 affiliate if the location is not separated from the boundary of
21 the premises of the affiliate by real property that is owned by
22 a person or entity having no business relationship with the
23 bank or with the affiliate and that is not leased to or used by

1 the bank or affiliate.

2 (b) Notwithstanding any other provision of this Act, after
3 the effective date of this amendatory Act of the 95th General
4 Assembly, no bank may establish a bank office or branch on or
5 adjacent to the premises of an affiliate of the bank if the
6 affiliate engages in any commercial activity that could not
7 lawfully be conducted by a bank holding company, a financial
8 holding company, or a subsidiary of the bank holding company or
9 financial holding company pursuant to federal law.

10 (c) It is the intent of this Section that no entity be
11 permitted to circumvent the prohibition stated in this Section
12 by first establishing a bank office or branch and then
13 subsequently locating an office of an affiliate on or adjacent
14 to the premises of the bank office or branch. If any entity
15 attempts to locate an office of an affiliate on or adjacent to
16 the premises of the bank office or branch, the entity must
17 cease to operate its bank office or branch at a location that
18 would violate the intent of this Section.

19 Section 10. The Savings Bank Act is amended by adding
20 Section 1006.10 as follows:

21 (205 ILCS 205/1006.10 new)

22 Sec. 1006.10. Prohibition against establishment of offices
23 or branches on or adjacent to the premises of certain
24 affiliates.

1 (a) For purposes of this Section:

2 "Affiliate" has the meaning defined in this Act.

3 "Savings Bank" means a savings bank operating under
4 this Act, an out-of-state savings bank as defined under
5 this Act, or a savings association defined in the Federal
6 Deposit Insurance Act (12 U.S.C. Sec. 1813).

7 "Savings bank holding company" has the meaning
8 ascribed in this Act.

9 A location is considered "adjacent to" the premises of an
10 affiliate if the location is not separated from the boundary of
11 the premises of the affiliate by real property that is owned by
12 a person or entity having no business relationship with the
13 savings bank, savings bank holding company, or with an
14 affiliate and that is not leased to or used by the savings bank
15 or affiliate.

16 (b) Notwithstanding any other provision of this Act, after
17 the effective date of this amendatory Act of the 95th General
18 Assembly, no savings bank may establish an office or branch on
19 or adjacent to the premises of an affiliate of the savings bank
20 if the affiliate engages in any commercial activity that could
21 not lawfully be conducted by a savings bank holding company or
22 a subsidiary of the savings bank holding company pursuant to
23 federal law.

24 (c) It is the intent of this Section that no entity be
25 permitted to circumvent the prohibition stated in this Section
26 by first establishing a savings bank office or branch and then

1 subsequently locating an office of an affiliate on or adjacent
2 to the premises of the savings bank office or branch. If any
3 entity attempts to locate an office or branch of an affiliate
4 in, on, or adjacent to the premises of the savings bank office
5 or branch, the entity must cease to operate its savings bank
6 office or branch at a location that would violate the intent of
7 this Section.

8 Section 99. Effective date. This Act takes effect upon
9 becoming law.