

AN ACT concerning regulation.

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

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

(205 ILCS 5/21.5 new)

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

(a) For purposes of this Section:

"Affiliate" has the meaning ascribed to that term in item (1) of subsection (b) of Section 35.2 of this Act, except that for purposes of this Section, the provisions in item (1) of subsection (b) of Section 35.2 shall apply to all banks.

"Bank" has the meaning ascribed to that term in the Federal Deposit Insurance Act and includes any out-of-state bank.

"Bank holding company" and "financial holding company" have the meanings ascribed to those terms in the federal Bank Holding Company Act of 1956.

(b) Notwithstanding any other law of this State, no bank may establish or maintain a branch that accepts deposits on or adjacent to the premises of an affiliate of the bank if the affiliate engages in any commercial activity that could not lawfully be conducted by a bank holding company, a financial

holding company, or a subsidiary of the bank holding company or financial holding company, pursuant to federal law.

(c) This Section shall not apply to an affiliate that operates solely for the purpose of owning or leasing the real estate on which the branch that accepts deposits is located.

(d) This Section shall not be construed to prohibit the maintenance of a branch that was established prior to May 10, 2007, or the conduct of any transactions that were lawfully being conducted at the branch prior to May 10, 2007.

(e) The Commissioner may make and enforce reasonable rules, regulations, directions, orders, decisions, and findings as the execution and enforcement of the provisions of this Section require.

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

(205 ILCS 205/1006.10 new)

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

(a) For purposes of this Section:

"Affiliate" has the meaning ascribed to that term in item (1) of subsection (b) of Section 35.2 of the Illinois Banking Act, except that for purposes of this Section, the provisions in item (1) of subsection (b) of Section 35.2 shall apply to

all savings banks.

"Savings bank" means a savings bank operating under this Act, an out-of-state savings bank as defined under this Act, or a savings association defined in the Federal Deposit Insurance Act.

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

(b) Notwithstanding any other law of this State, no savings bank may establish or maintain a branch that accepts deposits on or adjacent to the premises of an affiliate of the savings bank if the affiliate engages in any commercial activity that could not lawfully be conducted by a savings bank holding company or a subsidiary of the savings bank holding company pursuant to federal law.

(c) This Section shall not apply to an affiliate that operates solely for the purpose of owning or leasing the real estate on which the branch that accepts deposits is located.

(d) This Section shall not be construed to prohibit the maintenance of a branch that was established prior to May 10, 2007, or the conduct of any transactions that were lawfully being conducted at the branch prior to May 10, 2007.

(e) The Commissioner may make and enforce such reasonable rules, regulations, directions, orders, decisions, and findings as the execution and enforcement of the provisions of this Section require.

Section 99. Effective date. This Act takes effect upon

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becoming law.