**A** **BILL**

TO AMEND SECTION 34-3-850 OF THE 1976 CODE, RELATING TO THE CONSOLIDATION OR MERGER OF BANKS AND TRUST COMPANIES, TO PROVIDE THAT CERTAIN BANKS OR TRUST COMPANIES MAY MERGE OR CONSOLIDATE WITH, OR SELL OR TRANSFER ASSETS AND LIABILITIES TO, A SOUTH CAROLINA-HEADQUARTERED STATE OR FEDERALLY CHARTERED CREDIT UNION; TO AMEND SECTION 34-28-230(1) OF THE 1976 CODE, RELATING TO THE POWER TO REORGANIZE, MERGE, CONSOLIDATE, OR SELL ASSETS OUT OF THE ORDINARY COURSE OF BUSINESS, TO PROVIDE THAT AN ASSOCIATION MAY REORGANIZE, MERGE, OR CONSOLIDATE INTO A SOUTH CAROLINA-HEADQUARTERED STATE OR FEDERALLY CHARTERED CREDIT UNION; TO AMEND SECTION 34-30-350 OF THE 1976 CODE, RELATING TO THE MERGER OF STATE SAVINGS BANKS AND FEDERAL DEPOSITORY INSTITUTIONS, TO PROVIDE THAT A SOUTH CAROLINA-HEADQUARTERED STATE OR FEDERALLY CHARTERED CREDIT UNION MAY MERGE WITH CERTAIN DEPOSITORY INSTITUTIONS UNDER A STATE SAVINGS BANK CHARTER OR A FEDERAL CHARTER; AND TO AMEND SECTION 34-30-360(A) OF THE 1976 CODE, RELATING TO THE MERGER OF STOCK STATE SAVINGS BANKS WITH BANKS OR ASSOCIATIONS, TO PROVIDE THAT A STOCK STATE SAVINGS BANK MAY APPLY TO MERGE WITH A SOUTH CAROLINA-HEADQUARTERED STATE OR FEDERALLY CHARTERED CREDIT UNION.

Be it enacted by the General Assembly of the State of South Carolina:

SECTION 1. Section 34-3-850 of the 1976 Code is amended to read:

“Section 34-3-850. (A) A bank or trust company organized under the laws of South Carolina or the acts of Congress, and doing business in this State, may merge or consolidate with, or sell or transfer some or all of its assets and liabilities to any other such bank, ~~or~~ trust company, or South Carolina-headquartered state or federally chartered credit union when all applicable laws governing the transactions are first complied with.

(B) When any such bank, ~~or~~ trust company, or South Carolina-headquartered state or federally chartered credit union executes a transaction under the provisions of subsection (A):

(1) all the then rights, powers, privileges, duties, appointments, and account designations regarding each fiduciary capacity or other relationship transferred, whether created by will, indenture, trust, court order, agreement, or other means;

(2) title to all property, real, personal, and mixed;

(3) all debts due on whatever account;

(4) all other choses in action held in a fiduciary capacity;

(5) each and every other interest, as a fiduciary, or contractual relationship, of or belonging to:

(a) he disappearing corporation in the case of a merger;

(b) each corporation in the case of a consolidation; or

(c) the transferor, but only to the extent transferred, in the case of a transfer, as the case may be, shall, upon the effective date of the transaction and without further act or deed, vest in, devolve upon, and thereafter be performed by the resultant ~~bank or trust company,~~ entity or transferee~~, as the case may be~~.

(C) A merger, consolidation, or transfer described in this section does not constitute a resignation or disqualification of any party to the merger or consolidation or a resignation or disqualification of the transferor or transferee, to serve as a fiduciary, or in any other capacity, under any documents, instruments, or agreements in existence or in effect prior to or after the merger, consolidation, or transfer, as the case may be, or a relinquishment of trust powers by any party to a merger or consolidation or by the transferor or transferee, as the case may be. However, in the case of a transfer, the transferor may resign as a fiduciary in favor of the transferee.

(D) When any such merger or consolidation is approved and effected as provided for by law, all the rights, franchises, and fiduciary and other interests of such bank or trust company merged or consolidated in and to all property real, personal, and mixed and choses in action is considered to be transferred to and vested in the resultant ~~bank or trust company~~ entity without any deed or any other transfer. Upon the transfer of some or all of the assets of such bank or trust company pursuant to applicable law, to the extent transferred, all of the rights, franchises, and fiduciary and other interests of such bank or trust company in and to all property, real, personal, and mixed and choses in action are considered to have been transferred to and vested in the transferee ~~bank or trust company~~ without any deed or further transfer. In the case of such a merger or consolidation, the rights of creditors of such bank or trust company are preserved unimpaired, and all lawful debts and liabilities of such bank or trust company are considered to have been assumed by the resultant ~~bank or trust company~~ entity. In the case of a transfer, the rights of creditors and the rights of others to any claim, action, or proceeding pending against the transferor as of the date of the transfer, to the extent so transferred, are considered to have been transferred to and assumed by the transferee ~~bank or trust company~~.

(E) Any previous merger, consolidation, or transfer of any national bank to or into any state bank, ~~or~~ state trust company, or South Carolina-headquartered state or federally chartered credit union doing business in this State, in accordance with the provisions of this section, is ratified and confirmed subject to the conditions of this section.

(F) In the case of a transfer, where the fiduciary or other relationship is a matter of public record, the transferor and transferee both shall use reasonable efforts to execute an affidavit in recordable form giving notice of the transfer which affidavit must be filed in the appropriate public records. Where the fiduciary or other relationship is not a matter of public record, the transferor and transferee both shall use reasonable efforts to give notice of the transfer to the person or entity originally responsible for establishing the fiduciary or other relationship, if possible, and if not then to the person or entity most directly affected by the change of fiduciary or change of relationship.”

SECTION 2. Section 34-28-230(1) of the 1976 Code is amended to read:

“(1) Pursuant to a plan adopted by the board of directors and approved by the Board as equitable and as adequately protecting the interests of the association, its members or stockholders, its deposit account holders, and the public, an association shall, subject to Article 4 of this chapter, have power to reorganize, to merge, or consolidate into another association, ~~or~~ another company, or a South Carolina-headquartered state or federally chartered credit union, or to sell all or substantially all of its assets out of the ordinary course of business to another association, ~~or~~ another company, or a South Carolina-headquartered state or federally chartered credit union, provided the plan of the reorganization, merger, or consolidation or sale of assets meets the procedural requirements of the South Carolina Business Corporation Act, Chapters 1 to 25 of Title 33, for these transactions.”

SECTION 3 Section 34-30-350 of the 1976 Code is amended to read:

“Section 34-30-350. Any two or more depository institutions, when one or more is a state savings bank and one or more is a federal depository institution, including, but not limited to, a bank or South Carolina-headquartered state or federally chartered credit union, operating in South Carolina, may merge under either a state savings bank charter or a federal charter.”

SECTION 4. Section 34-30-360(A) of the 1976 Code is amended to read:

“Section 34-30-360(A). A stock state savings bank, upon a majority vote of its board of directors, may apply to the board for permission to merge with a bank, as defined in Chapter 25;~~, or~~ an association, as defined in Section 34‑28‑30; or a South Carolina-headquartered state or federally chartered credit union.”

SECTION 5. This act takes effect upon approval by the Governor.

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