Legislative History for Connecticut Act

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CONNECTICUT
GEN. ASSEMBLY
HOUSE

PROCEEDINGS
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1373-1743

CONCERNING CAMPSITE PERMIT REFUNDS. Favorable Report of the Committee on Environment.

SPEAKER BALDUCCI:

Representative Pelto.

REP. PELTO: (54th)

Thank you, Mr. Speaker, at this time I'd like to move that we pass this item temporarily.

SPEAKER BALDUCCI:

Is there objection? Seeing none, it is so ordered.

CLERK:

Calendar 238, Page 7, Senate Bill 13, AN ACT CONCERNING THE ESTABLISHMENT OF LIMITED SERVICE BRANCHES, as amended by Senate "A" and "B". Favorable Report of the Committee on Banks.

REP. RITTER: (2nd)

Mr. Speaker.

SPEAKER BALDUCCI:

Representative Ritter of the 2nd.

REP. RITTER: (2nd)

Thank you, Mr. Speaker. I move acceptance of the Joint Committee's Favorable Report and passage of the bill in concurrence with the Senate, please.

SPEAKER BALDUCCI:

The question is on passage. Will you remark?

REP. RITTER: (2nd)

Yes, Mr. Speaker. This bill authorizes the State Bank and State Savings Banks to establish and operate branches that provide limited services or are open for limited time periods with a special need. Particularly, this item came to us out of an Associations in Branford, a senior center, that wanted to have a limited branch and it clearly is something that would be in the best public interest of the people of the State of Connecticut to allow for these limited service branches.

In fact, I hope to expand this in the next few years to have our banking institutions open more type limited branches in our urban areas where they are desperately needed.

Mr. Speaker, the Clerk has an amendment, LCO2555. If he may call and I be allowed to summarize it please.

Mr. Speaker, may I withdraw that request, please.

SPEAKER BALDUCCI:

The item was never called. Representative Ritter.

REP. RITTER: (2nd)

Thank you, Mr. Speaker. The Clerk has an amendment, LCO Number 2921. If he may call and I be allowed to summarize it please.

SPEAKER BALDUCCI:

The Clerk please call LCO2921 previously designated

Senate "A".

CLERK:

LCO2921, Senate "A", previously offered by Senator Larson et al.

SPEAKER BALDUCCI:

The question is on summarization. Is there objection? Representative Ritter.

REP. RITTER: (2nd)

Yes, thank you, Mr. Speaker. Our friends up in the Senate wanted to limit this a little bit and make sure that each branch is conspicuously identified as a branch and also condition that any approvals the Commissioner may deem appropriate or necessary and I would go to ask that it be in concurrence with the Senate and I move its adoption.

SPEAKER BALDUCCI:

The question is on adoption of Senate "A". Will you remark? Will you remark further on Senate "A"? If not, all those in favor signify by saying aye.

REPRESENTATIVES:

Aye.

SPEAKER BALDUCCI:

The ayes have it. Senate "A" is adopted and ruled technical. Will you remark further on the bill as amended?

REP. RITTER: (2nd)

Yes, Mr. Speaker. The Clerk has an amendment, LCO Number 2702. If I may call it and may he read it, please, it's self-explanatory. 2702. Senate "B".

SPEAKER BALDUCCI:

The Clerk please call LCO2702 previously designated Senate "B".

CLERK:

LCO2702, Senate "B" offered by Senator Casey.

SPEAKER BALDUCCI:

Did the Representative wish to summarize the amendment.

REP. RITTER: (2nd)

I'd just as soon have him read it, it's self-explanatory.

SPEAKER BALDUCCI:

The Clerk please read the amendment.

CLERK:

After line 579, insert the following: Renumber the remaining sections accordingly.

Section 6, Section 36, 553 of the General Statutes as amended by Section 8 of Public Act 91-189 is amended by adding subsection as follows:

The provisions of this section shall not be construed to limit the authority of a Connecticut bank,

Connecticut savings bank, or Connecticut savings and loan association that is a subsidiary of an out of state bank holding company or out of state savings and loan holding company to acquire all or part of the assets and business of any State or federal banking institution pursuant to the provisions of Section 36-30.

SPEAKER BALDUCCI:

Representative Ritter, the amendment is in your possession.

REP. RITTER: (2nd)

Yes, Mr. Speaker. I move its adoption.

SPEAKER BALDUCCI:

The question is on adoption. Will you remark?

REP. RITTER: (2nd)

Just briefly. Again, it speaks for itself. We did find some discrepancies from interstate statutes and our State banking statutes in terms of what State chartered banks can do, whether they're part of an out of state holding company, and this would put them in compliance. I move its adoption, Sir.

SPEAKER BALDUCCI:

Will you remark further on the adoption of Senate "B"? Representative Belden.

REP. BELDEN: (113th)

Yes, thank you, Mr. Speaker. I just wonder if the gentleman from Hartford could give an example of how the mechanics of this amendment might operate? Through you, Mr. Speaker.

SPEAKER BALDUCCI:

Representative Ritter, do you care to respond?

REP. RITTER: (2nd)

Yes. If you're a State chartered bank and you want to take over another, the assets of another State chartered bank, you certainly can do so.

There is some question if you're an out of state holding company, and you have a State, and you have a bank in the State of Connecticut, whether that out of state holding company would have the same rights as a State chartered bank without an out of state holding company, as part of it, and this would clarify that they both have similar privileges, Sir.

SPEAKER BALDUCCI:

Representative Belden.

REP. BELDEN: (113th)

Thank you, Mr. Speaker. Is there a significant need for this amendment, or is this just some clean up language? Through you, Mr. Speaker.

SPEAKER BALDUCCI:

Representative Ritter.

REP. RITTER: (2nd)

Through you, Mr. Speaker, first of all, I think this need came to us, and I would say that it is important for us to do this today. But I also would say that even if there wasn't this need, that we should do it today.

REP. BELDEN: (113th)

He must be an attorney, Mr. Speaker.

SPEAKER BALDUCCI:

Representative Belden.

REP. BELDEN: (113th)

Thank you, Mr. Speaker. I was just trying to elicit, during the debate on this bill, particularly this amendment, we're trying to do something, I believe, to clarify our statutes so that some action can move forward very quickly and I just thought it would be nice if we had that on the record as we're proceeding on this amendment. Thank you.

I don't think I got it from the gentleman yet. Perhaps there's a reason for that, but I think what we do here is public and we should say what we're doing.

SPEAKER BALDUCCI:

Thank you, Representative Belden. Further remarks on the amendment? Representative Lockton of the 149th.

REP. LOCKTON: (149th)

Through you, Mr. Speaker, to Representative Ritter, does this amendment have anything to do with a specific bank in lower Fairfield County and a takeover of that bank by a New York bank?

SPEAKER BALDUCCI:

Representative Ritter.

REP. RITTER: (2nd)

Through you, Mr. Speaker, there's a situation of a bank and my understanding is that our action today is a condition precedent toward the FDIC taking some action.

SPEAKER BALDUCCI:

Representative Lockton.

REP. LOCKTON: (149th)

Through you, Mr. Speaker, is this geared toward one bank in lower Fairfield County for a takeover by a New York bank?

SPEAKER BALDUCCI:

Representative Ritter, do you care to respond?

REP. RITTER: (2nd)

Through you, Mr. Speaker, obviously this had much broader ramifications than that narrow situation, but I have been led to believe, and again, I'm not the FDIC and a lot of that, in order for people to work out a situation they want to have all banks at a level playing field, and I think there is a situation of

immediacy that they would like to have this amendment.

REP. LOCKTON: (149th)

Through you, Mr. Speaker, I would like --

SPEAKER BALDUCCI:

Representative Lockton.

REP. LOCKTON: (149th)

Through you, Mr. Speaker, I would request that we, could we possibly hold this for a while. I think there is a concern that I would like to have addressed personally, to me, to make sure that this -- I think this amendment may take some looking into, quite frankly, so I will be voting against this amendment if it comes to the floor for a vote right away.

I think there are implications here that may be contradictory to a certain banking institution in Connecticut. Thank you.

SPEAKER BALDUCCI:

Will you remark further? Will you remark further on the amendment? If not, we'll try your minds on Senate "B". All those in favor signify by saying aye.

REPRESENTATIVES:

Aye.

SPEAKER BALDUCCI:

Opposed, nay. The ayes have it. Senate "B" is adopted. Will you remark further on the bill as

amended by Senate "A" and "B". Representative Ward.

REP. WARD: (86TH)

Thank you, Mr. Speaker. I rise to support the bill and particularly the underlying bill, which is very important to a group of individuals who wish to have a limited banking service available to them.

Under the previous banking Commissioner, it was believed that this could be done, that they had the authority to allow a limited service branch and they do exist in some areas of the State.

The current Commissioner, being more cautious in his interpretation of his powers, thinks that we need this to continue what that practice has been and I would hope the Chamber would adopt the bill so that people can go forward and that we can have some flexibility in terms of how branch banks operate and that there can be some limited service branches because there are constituents who are asking us and believe they need that limited service.

Thank you, Mr. Speaker.

SPEAKER BALDUCCI:

Thank you, Representative Ward. Will you remark further on the bill? Representative Prelli of the 63rd.

REP. PRELLI: (63rd)

Thank you, Mr. Speaker. Mr. Speaker, through you a question to Representative Ritter.

SPEAKER BALDUCCI:

Proceed.

REP. PRELLI: (63rd)

Representative Ritter, would this bill, the way it's currently written, allow for a bank to set up a limited stock broker office hours longer than normal banking hours?

SPEAKER BALDUCCI:

Representative Ritter.

REP. RITTER: (2nd)

Through you, Mr. Speaker, with the approval of the Commissioner, so I think it would be, if the bill would allow it, I suppose, but only subsequent to the Commissioner's approval. So I think that it would be very unlikely that any Commissioner would do that.

The purpose really is to get at the situation where Representative Ward's and Posses constituents have a senior center away from a bank and this way the banks can go and help these people there. That's the purpose of this bill.

REP. PRELLI: (63rd)

Okay, so the purpose isn't basically to set up special branch offices, then.

REP. RITTER: (2nd)

No, through you, Mr. Speaker, the purpose is to limit.

REP. PRELLI: (63rd)

Thank you, Mr. Speaker.

SPEAKER BALDUCCI:

Will you remark further? If not, staff and guests to the well. Members please be seated. The machine will be opened.

CLERK:

The House of Representatives is voting by roll call. Members to the Chamber, please. The House of Representatives is taking its first roll call vote of the day. Members to the Chamber, please.

Members to the Chamber. The House is voting by roll call.

SPEAKER BALDUCCI:

Have all the members voted? Have all the members voted and is your vote properly recorded? If so, the machine will be locked. The Clerk take a tally.

Representative Dyson of the 94th.

REP. DYSON: (94th)

Mr. Speaker, in the affirmative, please.

SPEAKER BALDUCCI:

Representative Dyson in the affirmative.

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House of Representatives Wednesday, April 8, 1992

Representative Foley of the 131st.

REP. FOLEY: (131st)

Thank you, Mr. Speaker, in the affirmative, Sir.

SPEAKER BALDUCCI:

Representative Foley in the affirmative.

Representative Norton of the 48th.

REP. NORTON: (48th)

In the affirmative, Mr. Speaker.

SPEAKER BALDUCCI:

Representative Norton in the affirmative.

The Clerk please announce the tally.

CLERK:

Senate Bill 13 as amended by Senate Amendments "A" and "B" in concurrence with the Senate.

Total number voting	139
Necessary for Passage	70
Those voting yea	136
Those voting nay	3
Those absent and not voting	12

SPEAKER BALDUCCI:

The bill as amended is passed. Are there any announcements or points of personal privilege?

Representative Taborsak of the 109th.

REP. TABORSAK: (109th)

Thank you, Mr. Speaker. For the purpose of an

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CONNECTICUT
GEN. ASSEMBLY
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Favorable Reports, Calendar Page 14, Calendar No. 19, File No. 10, Senate Bill No. 13, AN ACT CONCERNING THE ESTABLISHMENT OF LIMITED SERVICE BRANCHES.

Favorable Report of the Committee on Banks.

The Clerk is in possession of two amendments.

THE CHAIR:

Thank you very much. The Chair will recognize Senator Casey.

SENATOR CASEY:

Thank you very much, Madam President. I move acceptance of the Joint Committee's Favorable Report and passage of the bill and I would ask the Clerk to first call the O'Leary amendment. I don't have the LCO.

THE CLERK:

LCO2921, which will be designated Senate Amendment Schedule "A". It's offered by Senator O'Leary of the 7th District, et al.

THE CHAIR:

Thank you very much, Mr. Clerk. Senator Casey, are you going to bring that amendment out?

SENATOR CASEY:

Yes, I am, Madam President. I move the amendment and ask the reading be waived.

THE CHAIR:

Thank you very much. Do you wish to speak further?

SENATOR CASEY:

Yes, Madam President. This amendment would add to the limited service proposal, banks' proposal the fact that the limited service branches be required to have proper signage and security wherever they may be placed after acceptance by the commissioner.

THE CHAIR:

Thank you very much, Senator. Would anyone else wish to remark on Senate Amendment Schedule "A", LCO No. 2921? Are there any further remarks? If not, then please let me know your mind. All those in favor of LCO No. 2921, designated as Senate Amendment Schedule "A" please signify by saying aye.

SENATORS:

Aye.

THE CHAIR:

Those opposed.

The ayes have it.

The amendment is adopted.

Senator Casey, do you wish to have the second amendment called?

SENATOR CASEY:

I do, Madam President.

THE CLERK:

LCO2702, which will be designated Senate Amendment Schedule "B", it's offered by Senator Casey of the 31st District.

THE CHAIR:

Thank you very much, Mr. Clerk. The Chair will recognize Senator Casey.

SENATOR CASEY:

Thank you very much, Madam President. This is an important amendment dealing with interstate banking. I move adoption. Thank you very much. And it provides for out of state banking -- bank holding companies to purchase a bank here in this state. This is dealing with Section 36-553. In another part of the statutes, in Section 36-30, there is a provision for Connecticut banks to acquire other banks within the state, but not the out of state bank holding companies which own Connecticut banks and so I would move this amendment and I think we can do it on a voice vote.

THE CHAIR:

Thank you very much. Would anyone else wish to remark on Senate Amendment Schedule "B", LCO No. 2702? Any further remarks? If not, then please signify -- all those in favor please signify by saying aye.

SENATORS:

Aye.

THURSDAY
April 2, 1992

THE CHAIR:

Those opposed.

SENATORS:

No.

THE CHAIR:

The ayes have it.

The amendment is adopted.

Now you have before you Senate Bill No. 13, as amended by Amendment Schedule "A" and Amendment Schedule "B". Senator Casey.

SENATOR CASEY:

Thank you very much, Madam President. This bill basically allows the banks in Connecticut to establish limited service branches and also limited time -- branches for a limited amount of time in a given week or a given day outside of existing branches and I've already discussed the Amendment "B", so I ask that the vote be taken.

THE CHAIR:

Thank you very much. Would anyone else wish to remark on Senate Calendar No. 19, Senate Bill No. 13 as amended? Are there any further remarks? If not, Mr. Clerk.

THE CLERK:

An immediate roll call has been ordered in the

Senate. Will all Senators please return to the Chamber. An immediate roll call has been ordered in the Senate. Will all Senators please return to the Chamber.

THE CHAIR:

Thank you very much, Mr. Clerk. The issue before the Chamber is Senate Calendar No. 19, Senate Bill No. 13, as amended by Senate Amendments "A" and Senate Amendment "B". The machine is on. You may record your vote.

Senator DiBella. Have all Senators voted that wish to vote? Have all Senators voted that wish to vote? The machine is closed.

The result of the vote:

30 Yea

0 Nay

6 Absent

The bill is adopted.

Mr. Clerk, do you have any further business on your desk?

THE CLERK:

Those items remaining on today's Calendar for Thursday, April 2, 1992 that have not yet been called, Madam President.

THE CHAIR:

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REP. RITTER: Any questions on that? Before we go on. Let me just introduce the newest member of our Banks committee. As you may know our vice chairman Bob Houser had to resign the legislative. Speaker Balducci in his ultimate wisdom has appointed our good friend Ernie Newton from Bridgeport. So we are very pleased to have Ernie join this esteemed committee. Okay, any other questions on this bill? Okay, Barbara, continue.

COMM. BARBARA MCGRATH: SB13, AN ACT CONCERNING THE ESTABLISHMENT OF LIMITED SERVICE BRANCHES. In order to respond to requests by banks to have the flexibility to (inaudible) certain special needs within their communities that might be well served without the open or the whole service branch, the commissioner proposes this bill. Currently, bank branches in Connecticut must operate from 9-3 Monday through Friday and must provide basic branch services. Under a limited service branch, a bank may be able to open a branch in a Veteran's home, for example, for three days a week or provide limited services. The bill would also provide the authority for all banks to provide an off premises armoured car service to customers where there is a special need for such services. Currently, an armoured car service or another other type of courier service is prohibited under the current Connecticut statute.

REP. RITTER: Any questions?

COMM. BARBARA MCGRATH: Any questions?

REP. RITTER: This will pertain then to the Branford situation, that Representative Poss talked to me about. Do you know about that one? About the nursing home?

COMM. BARBARA MCGRATH: Yes, this would authorize that institutions that show a special need, and that would be viewed as a special need, to open either a limited service branch that had limited hours, or to provide an armored car service.

REP. RITTER: Okay, because she is very concerned about that. Okay, thank you. Why don't you go on.

Gerry Stryker and John Betts from Evergreen Woods. Why don't you both come up together, if that would be. Since you look reputable we won't swear you in. It would help with anybody else.

It sometimes seems like a family here, we all know each other, it's nice to actually welcome people from the public who come up with issues. I appreciate that you're here and I appreciate your patience, and I'm glad that you were able to sit through the entire meeting and public hearing to stay here and testify, so welcome.

GERRY STRYKER: Senator Casey, Representative Ritter, John Betts and I are here in Support of SB13 AN ACT CONCERNING THE ESTABLISHMENT OF LIMITED SERVICES FOR BRANCHES. As Administrator of Evergreen Woods, located in North Branford, Connecticut, it is a continuing care retirement community, or specifically, a life care retirement community, consisting of 177 units, and in 40 beds, on site skilled nursing facilities.

In regards to the resident's request for banking services in our community, their home, I support their efforts. I want to emphasize the importance of convenient banking services to our residents. I strongly encourage your support in this legislation to allow banks to open for limited hours in cooperation.

At Duncap, a retirement community in Bloomfield, Connecticut, that is similar to our community, they have a bank operation run by Union Trust, the same bank that would run our limited hours, at Evergreen Woods, that is open 3 days a week on part time hours. This is an example of the precedence that already exists for this kind of service they are requesting.

I urge you to allow for these acceptances. In this economic climate, businesses, especially banks, must operate efficiently. In a local branch, it effectively and efficiently provides the services on a part time schedule to our private community, and it is not reasonable or appropriate for state regulation to force the branch to operate inefficiently by requiring more hours of operation that are needed.

The end result is that citizens like Mr. Betts and the others, 200 some residents at Evergreen Woods, are not given the convenient services, and the banks also lose profitable business. This kind of banking service just makes good common sense. It provides a worthwhile necessary service to Evergreen Woods and the 30+ communities like it in the state of Connecticut.

I appreciate the support from Barbara McGrath, has given us, Representative Ritter, Senator Munster, and Representative (inaudible). Thank you.

REP. RITTER: Are there any questions? Yes, Representative Belden.

REP. BELDEN: Union Trust, am I correct? I believe this is Union Trust if I recall, the material I got in the mail. Would it be the plan that this would be open only to residents of particular group, condos, or would it be open to the public during those limited hours it is open. [illegible] savings accounts, and [illegible]

JOHN BETTS: It would be limited to the residents that reside at Evergreen Woods, versus the community coming in. We wouldn't have the, the retirement community wouldn't be able to provide the parking and what not.

May I add to that? As a practical matter, with the physical location, Evergreen Woods, as is true with most of these retirement centers, is enough off the beaten track so that there would be very little incentive for outside public to make use of this facility, and it is not convenient for outsiders. Union Trust, in fact, has a branch in a town adjacent to North Branford that would be much more convenient for the general public.

Part of the problem here is that many of the residents of a unit such as Evergreen Woods don't have the transportation ability, or the desire to leave the premises. So, this is why we make the premises available as a banking facility.

REP. RITTER: Thank you. Any more questions. Thank you very much for taking the time to come up here. I'm sorry.

?: As a resident of Evergreen Woods, I think I am speaking on behalf of the vast majority of the residents in most whom signed a petition requesting that approval of the Union Trust quarters (inaudible - microphone not on) without specific legislature approval. But, we all think that this would be a great convenience to it, and that there are a number of people in Evergreen Woods and in any community such as this who have limited mobility in one way or another. To have to go out to a shopping center or a town which doesn't make very much, doesn't make very much sense for any of the residents, so what all we're asking here is something be done which would make effective the desire to vote for banks that want to serve the community and the residents of the community.

REP. RITTER: Representative Millerick has a question for you.

REP. MILLERICK: Just briefly, it is a very interesting concept and I'm wondering what facilities you'd be providing, checking, savings accounts, and that sort of thing, and also like what would the hours be that you would be open for the residents?

JOHN BETTS: Union Trust, when we sat down and did a little bit of a survey of the residents at Evergreen Woods specifically, and other communities that I've managed across the country, similar to Evergreen Woods, had had hours from 12 to 2, that time period, 3 days a week.

REP. MILLERICK: Is it full banking or

JOHN BETTS: It depends. Right now it can build into trust services, and other types of services that that particular bank needs. It is mainly for the convenience of the checking accounts and savings.

REP. RITTER: Thank you very much. If you want to stay around, we'll probably be voting on your bill hopefully in about 20 minutes. Okay? Raphael Podelsky's next.

State of Connecticut

DEPARTMENT OF BANKING

44 CAPITOL AVENUE
HARTFORD, CONNECTICUT 06106

000069

Ralph M. Shulansky
COMMISSIONER

Barbara S. McGrath
DEPUTY COMMISSIONER

BANKS COMMITTEE PUBLIC HEARING, FEBRUARY 11, 1992

MEMORANDUM RE: An Act Concerning The Establishment Of Limited Service Branches (S.B. 13)

STATEMENT OF PURPOSE: To authorize banking institutions to establish branches that provide limited services or are open for limited time periods and provide armored car service where there is special need for such branches and such services, and to eliminate obsolete provisions of the branching statutes.

FROM: Ralph M. Shulansky, Banking Commissioner

PRESENT LAW: There is no authority under existing laws for banking institutions to establish and operate branches that offer limited services or are open for limited time periods, or to offer armored car services.

EFFECT OF S.B. 13:

Section 1. This section amends Section 36-59 of the Connecticut General Statutes to authorize state bank and trust companies to establish and operate branches that provide limited services or are open for limited time periods where there is a special need for such branches, to repeal obsolete provisions, and to renumber certain provisions for clarity.

Section 2. This section amends Section 36-129 of the Connecticut General Statutes to authorize savings banks to establish and operate branches that provide limited services or are open for limited time periods where there is a special need for such branches, to repeal obsolete provisions, and to renumber certain provisions for clarity.

Section 3. This amends Section 36-180 of the Connecticut General Statutes to authorize savings and loan associations to establish and operate branches that provide limited

services or are open for limited time periods where there is a special need for such branches, to repeal obsolete provisions, and to renumber certain provisions for clarity.

Section 4. This section amends Section 36-193d of the Connecticut General Statutes to eliminate statutory references made obsolete by this proposal.

Section 5. This provision gives banking institutions the authority to provide off-premises armored car service to their customers where there is a special need for such service.

Section 6. This section provides that the Act shall take effect from its passage.

BANKING COMMISSIONER'S POSITION: This is a Department of Banking proposal. Given the current economic environment, this proposal would give banking institutions flexibility in the manner in which they deliver services to those communities found by the Commissioner to have special needs, such as nursing homes, senior citizen facilities, schools and the like.