



# House of Representatives

General Assembly

**File No. 147**

January Session, 2025

House Bill No. 6877

*House of Representatives, March 19, 2025*

The Committee on Banking reported through REP. DOUCETTE of the 13th Dist., Chairperson of the Committee on the part of the House, that the bill ought to pass.

**AN ACT CONCERNING THE BANKING COMMISSIONER'S  
APPROVAL OF CERTAIN BANK REAL ESTATE IMPROVEMENTS  
AND ALTERATIONS.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subparagraph (A) of subdivision (33) of subsection (a) of  
2 section 36a-250 of the general statutes is repealed and the following is  
3 substituted in lieu thereof (*Effective October 1, 2025*):

4 (33) (A) With the written approval of the commissioner, acquire, alter  
5 or improve real estate for present or future use in the business of the  
6 bank. Such approval shall not be required in case of the alteration or  
7 improvement of real estate already owned or leased by the bank or a  
8 corporation controlled by [it] the bank as provided in subsection (d) of  
9 section 36a-276, if (i) the bank is adequately capitalized, as defined in 12  
10 CFR 324.403, as amended from time to time, and is not the subject of a  
11 pending formal enforcement action by (I) the commissioner under  
12 section 36a-50, or (II) the Federal Deposit Insurance Corporation, or (ii)  
13 the expenditure for such purposes does not in any one calendar year

- 14 exceed five per cent of the bank's capital and surplus or seven hundred  
15 fifty thousand dollars, whichever is less;

This act shall take effect as follows and shall amend the following sections:
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Section 1	<i>October 1, 2025</i>	36a-250(a)(33)(A)
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**BA**      *Joint Favorable*

*The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.*

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### **OFA Fiscal Note**

**State Impact:** None

**Municipal Impact:** None

### **Explanation**

The bill, which adds an exception to the requirement that Connecticut banks obtain the Department of Banking's approval before altering or improving their business real estate, is not anticipated to result in a fiscal impact to the state or municipalities.

### **The Out Years**

**State Impact:** None

**Municipal Impact:** None

**OLR Bill Analysis****HB 6877*****AN ACT CONCERNING THE BANKING COMMISSIONER'S APPROVAL OF CERTAIN BANK REAL ESTATE IMPROVEMENTS AND ALTERATIONS.*****SUMMARY**

The bill adds a second exception to the state requirement that Connecticut banks obtain the banking commissioner's written approval before altering or improving their business real estate. Under this exception, no approval is needed for altering or improving business real estate that a Connecticut bank, or a corporation controlled by it, already owns or leases so long as the bank is (1) adequately capitalized under federal law and (2) not the subject of a pending formal enforcement action by the banking commissioner or the Federal Deposit Insurance Corporation.

Under existing law, Connecticut banks may generally acquire, alter, or improve real estate for present or future use in the bank's business with the banking commissioner's written approval. However, approval is not required for altering or improving business real estate that the bank, or a corporation controlled by it, already owns or leases if the expenditure for the alterations or improvements does not, in any one calendar year, exceed 5% of the bank's capital and surplus or \$750,000, whichever is less.

The bill also makes technical and conforming changes.

EFFECTIVE DATE: October 1, 2025

**APPLICABILITY**

By law, a "Connecticut bank" is a Connecticut-chartered or organized bank and trust company, savings bank, or savings and loan association

(CGS § 36a-2(13)).

Under existing law and the bill, a bank controls a corporation (making the corporation's real estate eligible for the exceptions) if the bank owns or holds at least 51% of the equity securities issued by the corporation, unless the banking commissioner determines that a lesser percentage constitutes effective working control (CGS § 36a-276(d)).

Subject to other conditions and provisions, a Connecticut bank is generally considered "adequately capitalized" if it has a:

1. total risk-based capital ratio of at least 8%,
2. Tier 1 risk-based capital ratio of at least 6%,
3. common equity Tier 1 capital ratio of at least 4.5%, and
4. leverage ratio of at least 4% (12 C.F.R. § 324.403(b)).

#### **COMMITTEE ACTION**

Banking Committee

Joint Favorable

Yea 12    Nay 0    (03/06/2025)