

Banking Committee

JOINT FAVORABLE REPORT

Bill No.: HB-6877

AN ACT CONCERNING THE BANKING COMMISSIONER'S APPROVAL OF

Title: CERTAIN BANK REAL ESTATE IMPROVEMENTS AND ALTERATIONS.

Vote Date: 03/06/2025

Vote Action: Joint Favorable

PH Date: 2/13/2025

File No.:

***Disclaimer:** The following JOINT FAVORABLE Report is prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and does not represent the intent of the General Assembly or either chamber thereof for any purpose.*

SPONSORS OF BILL:

The Banking Committee

REASONS FOR BILL:

Banking institutions serve as financial pillars of their communities, assisting families with opening businesses, purchasing homes, and buying vehicles. This bill would modify the approval requirements for real estate-related improvements and alterations, allowing banks to redirect more resources to their communities and reducing the administrative resources from both banking institutions and the Connecticut Department of Banking.

RESPONSE FROM ADMINISTRATION/AGENCY:

None Expressed

NATURE AND SOURCES OF SUPPORT:

Thomas Mongellow, Connecticut Bankers Association, President & CEO: He stated that approval by the Department of Banking is required if the cost of improvements is five percent or more of the bank's capital, or over \$750,000. He noted that the current law does not account for inflation or rising construction and design costs, which has resulted in even the most modest improvements requiring approval by the Department of Banking

Michael L. Alberts, Jewett City Savings Bank, President & CEO: He stated that they cannot make branch improvements costing less than \$750,000, noting that this amount has not been adjusted for inflation. He referenced federally chartered banks and explained that they have no improvement application requirement, which puts state-chartered banks at a disadvantage.

Pete Meyers, Connecticut Business & Industry Association, Senior Public Policy

Associate: He explained that removing the approval process would reduce the costs associated with facility improvements and allow them to allocate more resources to community investment and development. He stated that the approval process is burdensome and creates inefficiencies in branch growth by diverting valuable resources from other critical business operations.

NATURE AND SOURCES OF OPPOSITION:

None Expressed

Reported by: Tucker Carroll

Date: 03/07/2025