

# Banking Committee

## JOINT FAVORABLE REPORT

**Bill No.:** SB-1256

AN ACT CONCERNING THE ORGANIZATION, ADMINISTRATION AND

**Title:** RECEIVERSHIP OF CERTAIN FINANCIAL INSTITUTIONS.

**Vote Date:** 3/11/2025

**Vote Action:** Joint Favorable Substitute

**PH Date:** 2/13/2025

**File No.:**

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### SPONSORS OF BILL:

The Banking Committee

### REASONS FOR BILL:

Rules and regulations are central to the function of financial institutions, but they must also evolve with changing economic conditions and the unique roles of certain organizations. This bill seeks to update the existing rules to better serve the public and the institutions they rely on. It raises the new bank application fee to \$20,000, while waiving it for temporary banks, and establishes new guidelines for evaluating community needs and the potential impact on existing institutions. The bill also shortens the objection period for bank name changes to 15 days, increases the asset requirement for innovation and trust banks to \$1.5 million, and assigns receivers the responsibility of managing asset conversion in the event of a bank closure.

### SUBSTITUTE LANGUAGE:

Language in sections 2, 3, and 5 have been modified to apply only to innovation banks.

### RESPONSE FROM ADMINISTRATION/AGENCY:

[Matthew Smith, Department of Banking, Director of Government Relations:](#) He states the increase in application fee would be the first since 1999. He also expressed that the asset pledge for Connecticut bank applications from \$1 million to \$1.5 million would be prudent for consumer protection.

### NATURE AND SOURCES OF SUPPORT:

None Expressed

**NATURE AND SOURCES OF OPPOSITION:**

None Expressed

**Reported by: Morgan Dlugoleski**

**Date: 03/25/2025**