

1 AN ACT concerning regulation.

2 **Be it enacted by the People of the State of Illinois,**  
3 **represented in the General Assembly:**

4 Section 5. The Illinois Banking Act is amended by adding  
5 Section 21.5 as follows:

6 (205 ILCS 5/21.5 new)

7 Sec. 21.5. Prohibition against establishment of branches  
8 on or near the premises of certain affiliates.

9 (a) For purposes of this Section:

10 "Affiliate" has the meaning ascribed to that term in item  
11 (1) of subsection (b) of Section 35.2 of this Act, except that  
12 for purposes of this Section, the provisions in item (1) of  
13 subsection (b) of Section 35.2 shall apply to all banks.

14 "Bank" has the meaning ascribed to that term in the Federal  
15 Deposit Insurance Act and includes any out-of-state bank.

16 "Bank holding company" and "financial holding company"  
17 have the meanings ascribed to those terms in the federal Bank  
18 Holding Company Act of 1956.

19 (b) Notwithstanding any other law of this State, no bank  
20 may establish or maintain a branch that accepts deposits on or  
21 adjacent to the premises of an affiliate of the bank if the  
22 affiliate engages in any commercial activity that could not  
23 lawfully be conducted by a bank holding company, a financial

1 holding company, or a subsidiary of the bank holding company or  
2 financial holding company, pursuant to federal law.

3 (c) This Section shall not apply to an affiliate that  
4 operates solely for the purpose of owning or leasing the real  
5 estate on which the branch that accepts deposits is located.

6 (d) This Section shall not be construed to prohibit the  
7 maintenance of a branch that was established prior to May 10,  
8 2007, or the conduct of any transactions that were lawfully  
9 being conducted at the branch prior to May 10, 2007.

10 (e) The Commissioner may make and enforce reasonable rules,  
11 regulations, directions, orders, decisions, and findings as  
12 the execution and enforcement of the provisions of this Section  
13 require.

14 Section 10. The Savings Bank Act is amended by adding  
15 Section 1006.10 as follows:

16 (205 ILCS 205/1006.10 new)

17 Sec. 1006.10. Prohibition against establishment of offices  
18 or branches on or adjacent to the premises of certain  
19 affiliates.

20 (a) For purposes of this Section:

21 "Affiliate" has the meaning ascribed to that term in item  
22 (1) of subsection (b) of Section 35.2 of the Illinois Banking  
23 Act, except that for purposes of this Section, the provisions  
24 in item (1) of subsection (b) of Section 35.2 shall apply to

1 all savings banks.

2 "Savings bank" means a savings bank operating under this  
3 Act, an out-of-state savings bank as defined under this Act, or  
4 a savings association defined in the Federal Deposit Insurance  
5 Act.

6 "Savings bank holding company" has the meaning ascribed in  
7 this Act.

8 (b) Notwithstanding any other law of this State, no savings  
9 bank may establish or maintain a branch that accepts deposits  
10 on or adjacent to the premises of an affiliate of the savings  
11 bank if the affiliate engages in any commercial activity that  
12 could not lawfully be conducted by a savings bank holding  
13 company or a subsidiary of the savings bank holding company  
14 pursuant to federal law.

15 (c) This Section shall not apply to an affiliate that  
16 operates solely for the purpose of owning or leasing the real  
17 estate on which the branch that accepts deposits is located.

18 (d) This Section shall not be construed to prohibit the  
19 maintenance of a branch that was established prior to May 10,  
20 2007, or the conduct of any transactions that were lawfully  
21 being conducted at the branch prior to May 10, 2007.

22 (e) The Commissioner may make and enforce such reasonable  
23 rules, regulations, directions, orders, decisions, and  
24 findings as the execution and enforcement of the provisions of  
25 this Section require.

26 Section 99. Effective date. This Act takes effect upon

1 becoming law.