



General Assembly

January Session, 2025

Raised Bill No. 1399

LCO No. 5384



Referred to Committee on BANKING

Introduced by:

(BA)

AN ACT CONCERNING LIMITED PURPOSE TRUST COMPANIES.

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

1 Section 1. (NEW) (*Effective October 1, 2025*) (a) As used in this section:

2 (1) "Connecticut bank" has the same meaning as provided in section
3 36a-2 of the general statutes;

4 (2) "Federal bank" has the same meaning as provided in section 36a-
5 2 of the general statutes;

6 (3) "Out-of-state bank" has the same meaning as provided in section
7 36a-2 of the general statutes;

8 (4) "Representative trust office" means an office established by a
9 limited purpose trust company to provide marketing, business
10 solicitation and administrative services to the company, but at which
11 licensed business activity of the company is not conducted; and

12 (5) "Trust office" means the business office of a limited purpose trust
13 company at which the company's licensed business activity is

14 transacted.

15 (b) Any person may apply to form a limited purpose trust company
16 by delivering to the Banking Commissioner a notice and application
17 pursuant to subsection (c) of this section.

18 (c) (1) A person applying to form a limited purpose trust company
19 pursuant to this section shall deliver to the Banking Commissioner a
20 notice and application for a certificate, in a form and manner prescribed
21 by the commissioner, and a fee, as determined by the commissioner. The
22 application shall include the following: (A) The name under which the
23 limited purpose trust company will conduct business; (B) the name of
24 each officer of the limited purpose trust company; (C) the location of the
25 principal office of the limited purpose trust company within the state;
26 (D) the purpose for which the limited purpose trust company is to be
27 formed and the nature of the business to be transacted; (E) the amount
28 and classes of the limited purpose trust company's capital stock and the
29 number of shares into which any class is to be divided; and (F) such
30 other information as the commissioner deems necessary.

31 (2) The Banking Commissioner may hold a hearing upon the matters
32 included in the notice and application.

33 (d) The Banking Commissioner may, under such terms and
34 conditions as the commissioner may require, if satisfied that the public
35 convenience and advantage will be promoted and that competition
36 among financial institutions will not be unreasonably affected, grant a
37 certificate to establish a limited purpose trust company for the purpose
38 of conducting trust and fiduciary business authorized under chapter 665
39 of the general statutes and any other law applicable to a Connecticut
40 bank, provided (1) the limited purpose trust company shall have
41 sufficient capital to support such limited purpose trust company's
42 business operations, and (2) any such limited purpose trust company
43 shall not accept deposits, make loans or otherwise carry on the business
44 of a Connecticut bank, federal bank, out-of-state bank or any other

45 banking business in the state.

46 (e) After receiving a certificate to establish a limited purpose trust
47 company from the Banking Commissioner, the company may file the
48 company's articles of organization with the Secretary of the State. Upon
49 filing such articles of organization, the company shall be eligible to
50 conduct business, except that the certificate shall be deemed to be
51 revoked if the company does not commence business within one year
52 after the date the commissioner issues the certificate.

53 (f) A limited purpose trust company may establish and maintain a
54 trust office or a representative trust office in any state other than this
55 state. A limited purpose trust company intending to establish an out-of-
56 state trust office or representative trust office shall file a notice with the
57 Banking Commissioner. The notice shall be in a form and manner
58 prescribed by the commissioner and shall contain the name and address
59 of the limited purpose trust company and the location of the proposed
60 office, and be accompanied by a copy of a resolution of the company's
61 board of directors authorizing the establishment of the out-of-state
62 office. The company may commence business at the out-of-state trust
63 office or representative trust office upon the expiration of thirty days
64 after the date such notice is received by the commissioner, except that
65 such thirty-day period may be extended if the commissioner provides
66 written notice to the company disclosing that additional information is
67 required.

68 (g) A limited purpose trust company established under the laws of
69 another state, or an institution established under the laws of another
70 state that the Banking Commissioner determines to be substantially
71 similar to a limited purpose trust company, may establish and maintain
72 an office in this state if the commissioner determines that the laws under
73 which such out-of-state company or similar institution was established
74 expressly authorize, under conditions not more restrictive than the
75 conditions imposed by the laws of this state, a limited purpose trust
76 company established under this section to establish and maintain an

77 office in the state where such out-of-state company or similar institution
78 was established.

79 (h) A limited purpose trust company may be merged, consolidated,
80 converted, liquidated or dissolved, or cause such company's charter to
81 cease to exist, in such a manner as the commissioner may prescribe and
82 subject to any terms or conditions the commissioner may impose.

83 (i) This section shall not apply to an attorney licensed to practice law
84 in the state or to a person exercising trust or fiduciary powers in the state
85 under lawful authority.

86 (j) The commissioner may adopt regulations in accordance with the
87 provisions of chapter 54 of the general statutes to carry out the
88 provisions of this section. Such regulations may govern the affairs of a
89 limited purpose trust company, provide for examinations of a limited
90 purpose trust company, establish procedures for such examinations and
91 specify which provisions of the general statutes, including, but not
92 limited to, title 36a of the general statutes, shall apply to a limited
93 purpose trust company.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2025</i>	New section

Statement of Purpose:

To authorize the establishment of limited purpose trust companies.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]