SPONSOR: Sen. Mantzavinos & Sen. Pettyjohn & Rep. Bush & Rep. Spiegelman Rep. Romer

DELAWARE STATE SENATE
153rd GENERAL ASSEMBLY

SENATE BILL NO. 16

AN ACT TO AMEND TITLE 5 OF THE DELAWARE CODE RELATING TO DELAWARE BANKS AND TRUST COMPANIES.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF DELAWARE:

Section 1. This Act may be referred to as the "Delaware Banking Modernization Act of 2026."

Section 2. Amend § 101, Title 5 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows and by redesignating accordingly:

§ 101 Definitions.

For the purpose of this Code and any other laws of this State relating to banks or banking, unless otherwise specifically defined, or unless another intention clearly appears, or unless the context requires a different meaning:

(9) “Digital Asset” means any digital representation of value which is recorded on a cryptographically-secured distributed ledger or other similar technology, including virtual currency.

(23) “Virtual Currency” means a digital representation of value that is used as a medium of exchange, unit of account, or store of value; and is not money, whether or not denominated in money; and does not include any of the following:

a. A transaction in which a merchant grants, as part of an affinity or rewards program, value that cannot be taken from or exchanged with the merchant for money, bank credit, or virtual currency.

b. A digital representation of value issued by or on behalf of a publisher and used solely within an online game, game platform, or family of games sold by the same publisher or offered on the same game platform.

Section 3. Amend § 103, Title 5 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

(d) The State Bank Commissioner may contract for and procure such additional and independent consulting, legal and other technical and professional services as may be required for discharge of the duties of the office.

Section 4. Amend § 167, Title 5 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

§ 167 Definitions.

For purposes of this subchapter, the following words and phrases shall have the meanings ascribed to them herein:

(1) "Control" means the power, directly or indirectly, to direct the management or policies of a Delaware chartered bank or trust company or to vote 25 percent or more of any class of voting securities of such bank or trust company. For purposes of this subchapter, the acquisition of 10 percent or more of the voting stock of a Delaware chartered bank or trust company shall be presumed to constitute control if such institution has any class of voting securities registered under § 12 of the Securities Exchange Act of 1934 [15 U.S.C. § 78l] or if immediately after the transaction no other person will own ~~an aggregate~~ a greater proportion of ~~the~~ that class of voting securities.

Section 5. Amend § 701, Title 5 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows and by redesignating accordingly:

(a) Except as specifically provided by Chapter 15 or Chapter 16 of this title, banks and trust companies shall be established or created in this State under and in accordance with this chapter. This chapter shall not, however, apply to national banks, except as otherwise provided in subchapters VI and VII of this chapter. The terms "bank" or "banks," when used in this chapter, do not include such national banks, except as otherwise provided in subchapters VI and VII of this chapter. Furthermore, the provisions of this chapter specifically relating to capital stock or stockholders of a bank organized under this chapter shall not apply to a corporation without capital stock doing a savings bank business.

b. The State Bank Commissioner shall have the authority to allow the establishment under this chapter of banks and trust companies that are authorized to exercise all or less than all of the powers, including incidental powers, that are conferred on them by this chapter, including banks and trust companies whose powers are limited in their articles of association and by order of the State Bank Commissioner. The State Bank Commissioner may promulgate regulations to carry out the State Bank Commissioner's authority under this subchapter, including adopting different forms of applications for a certificate of public convenience and advantage with differing requirements based on the underlying risks of the proposed activities of the bank or trust company.

Section 6. Amend § 723, Title 5 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows and by redesignating accordingly:

(a) The articles of association shall set forth that the subscribers thereto associate themselves with the intention of forming a corporation, and shall specifically state:

(5) The number, or manner of fixing such number, of its directors, which shall not be less than 5;

Section 7. Amend § 728, Title 5 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

The president and a majority of the directors elected at the organization meeting of the incorporators shall make, sign and make oath to, a certificate (hereinafter called "articles of organization") setting forth: (1) A true copy of the articles of association; (2) The names of the subscribers thereto; (3) The name, ~~residence and post-office address~~ residence, business, post office or mailing address of each of the officers of the corporation; and (4) The date of the first meeting and the successive adjournments thereof, if any.

Section 8. Amend § 742, Title 5 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

(a) The business of every corporation organized under this chapter shall be managed by a board of directors. ~~The number of directors which shall constitute the whole board shall be such as may be specified in the articles of association, but in no case shall the number be less than 5.~~ The number of directors which shall constitute the whole board shall be such as shall be fixed by, or in the manner provided in, the articles of association, but in no case shall the number of directors be less than 5. The bylaws shall prescribe how many directors shall constitute a quorum for the transaction of business.

Section 9. Amend § 761, Title 5 of the Delaware Code by adding a new subsection (c) to read as follows:

(c) For the purposes of this subchapter, "personal property" includes digital assets.

Section 10. Amend § 777, Title 5 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows and by redesignating accordingly:

(b) No certificate of public convenience and advantage shall be issued with respect to any limited purpose trust company except on a finding:

~~(1) That the limited purpose trust company will be operated in a manner so as not to attract customers from the general public in this State to the substantial detriment of existing banks or trust companies located in this State other than corporations established under this subchapter, provided that such limited purpose trust company may be operated in a manner likely to attract and retain customers with whom it or any affiliate thereof have or have had business relations;~~

Section 11. Amend § 783, Title 5 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows and by redesignating accordingly:

(a) Upon written approval by the State Bank Commissioner banks may be merged to result in a state bank, or a national bank may convert into a state bank as hereafter prescribed, except that the action by a national bank shall be taken in the manner prescribed by and shall be subject to limitations and requirements imposed by the laws of the United States which shall also govern the rights of its dissenting stockholders.

(b) In the case of a merger of banks, without any order or action on the part of any court or otherwise, all appointments, designations, and nominations, and all other rights and interests as trustee, executor, administrator, custodian, registrar of stocks and bonds, guardian of estates, assignee, receiver, trustee of estates of persons mentally ill and in every other fiduciary capacity, shall be automatically vested in the resulting bank; provided, however, that any party in interest shall have the right to apply to an appropriate court or tribunal for a determination as to whether the resulting bank shall continue to serve in the same fiduciary capacity as the merging bank not surviving such merger, or whether a new and different fiduciary should be appointed.

(c) In the case of a conversion of national banks or federal savings associations to a state bank, without any order or action on the part of any court or otherwise, all appointments, designations, and nominations, and all other rights and interests as trustee, executor, administrator, custodian, registrar of stocks and bonds, guardian of estates, assignee, receiver, trustee of estates of persons mentally ill and in every other fiduciary capacity, automatically shall remain vested in the state bank resulting from such conversion.

Section 12. Amend Subchapter VII, Chapter 7, Title 5 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

Subchapter VII

~~Merger or Consolidation with Out-Of-State-Banks~~

Merger, Consolidation or Conversion with or of Out-of-State Trust Companies

Section 13. Amend § 795, Title 5 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows and by redesignating accordingly:

§ 795 Definitions.

As used in this subchapter:

(7) "Delaware state trust company" means any trust company chartered under the laws of this State.

(15) "Out-of-state trust company" means an out-of-state state trust company or an out-of-state national trust bank.

(16) "Out-of-state state trust company" means any trust company chartered under the laws of a state other than Delaware that is not engaged in the business of receiving deposits other than trust funds.

(18) "Out-of-state national trust bank" means a national bank whose operations are limited to those of a trust company and activities related thereto and that is not located in this State.

(21) "Trust company" means a Delaware state trust company or an out-of-state trust company.

Section 14. Amend § 795A, Title 5 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

~~It is the express intent of this subchapter to permit interstate branching by merger under § 102 of the Riegle-Neal Interstate Banking and Branching Efficiency Act of 1994, Public Law No. 103-328, in accordance with the provisions set forth in this subchapter.~~

It is the express intent of this subchapter to do all of the following:

(1) Permit interstate branching by merger under § 102 of the Riegle-Neal Interstate Banking and Branching Efficiency Act of 1994, Public Law No. 103-328, in accordance with the provisions set forth in this subchapter.

(2) Facilitate the relocation of out-of-state banks and out-of-state trust companies to Delaware.

Section 15. Amend § 795B, Title 5 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

(d) With the prior written approval of the State Bank Commissioner, a Delaware state trust company may establish, maintain, and operate one or more branch offices, trust offices or other places of business in a state other than this State pursuant to an interstate merger or conversion transaction in which the Delaware state trust company is the resulting trust company.

Section 16. Amend § 795D, Title 5 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

§ 795D Merger with or conversion into resulting Delaware state ~~bank.~~ bank or Delaware state trust company.

(a) Upon written approval by the State Bank Commissioner, out-of-state banks may be merged with or into Delaware banks to result in a Delaware state bank in the same manner as that prescribed in §§ 784, 788, 789, 790, 791 and 792 of this title and as prescribed in subsection (b) of this ~~section;~~ section, and subject to the other restrictions of this chapter, out-of-state trust companies may be merged with or into Delaware state trust companies to result in a Delaware state trust company, in each case in the same manner as that prescribed in §§ 784, 788, 790, 791 and 792 of this title (applied with respect to out-of-state trust companies and Delaware state trust companies as if they are banks thereunder) and as prescribed in subsection (b) of this section; provided, that the action by a national bank shall be taken in the manner prescribed by and subject to limitations and requirements imposed by the laws of the United States, which shall also govern the rights of its dissenting stockholders; and further provided, that the action by an out-of-state state bank or out-of-state state trust company, as applicable, shall be taken in the manner prescribed by and subject to limitations and requirements

imposed by the laws of the state under whose laws such out-of-state state bank or out-of-state state trust company, as applicable, is chartered, which shall also govern the rights of its dissenting ~~stockholders.~~ stockholders or members.

(b) Following the approval of the merger agreement both in substance and form by the State Bank Commissioner, in the same manner as that prescribed in § 784 of this title, the procedure for a merger which is to result in a Delaware state bank or a Delaware state trust company, as applicable, and the legal effect of any such merger (except as regards the rights to payment for their shares of dissenting stockholders of any merging bank that is a Delaware state ~~bank)~~ bank or of any merging trust company that is a Delaware state trust company, as applicable) and the manner of making and effecting the same shall be as prescribed in Chapter 1 of Title 8 for the merger or consolidation of domestic and foreign corporations or Chapter 18 of Title 6 for the merger or consolidation of domestic and foreign limited liability companies, as applicable.

(c) Upon written approval by the State Bank Commissioner an out-of-state state bank may convert into a Delaware state bank, or an out-of-state trust company may convert into a limited purpose trust company, as hereinafter described, except that the action by a national bank shall be taken in the manner prescribed by and subject to limitations and requirements imposed by the laws of the United States, which shall also govern the rights of its dissenting stockholders, and the action by an out-of-state state bank or out-of-state state trust company shall be taken in the manner prescribed by and shall be subject to limitations and requirements imposed by the laws of the state in which the out-of-state state bank or out-of-state state trust company is chartered and such laws will also govern the rights of its dissenting stockholders or members.

(d) Except as provided in subsection (g) of this section, an out-of-state state bank or out-of-state state trust company which follows the procedure prescribed by the laws of the state in which the out-of-state state bank or out-of-state state trust company is chartered as well as the conversion procedures set forth in Chapter 1 of Title 8 of the Code or Chapter 18 of Title 6 of the Code, as applicable, to convert into a Delaware state bank or a limited purpose trust company may be granted a state charter with the approval of the State Bank Commissioner; provided, however, that the conversion shall be deemed approved if no action is taken by the State Bank Commissioner within 30 days after receipt of the completed application in accordance with subsection (e) of this section.

(e) The out-of-state state bank or out-of-state state trust company may apply for such charter by filing with the State Bank Commissioner. The charter must contain all of the following:

(1) A certificate signed by its president and cashier or treasurer and by a majority of the entire board of directors, setting forth the corporate action taken in compliance with the laws of the state in which the out-of-state state bank or out-of-state state trust company is chartered, as applicable.

(2) The plan of conversion and the proposed articles of association and bylaws (if applicable), approved by the stockholders or members, for the operation of the out-of-state state bank or out-of-state state trust company as a Delaware state bank or limited purpose trust company.

(f) Following the approval of the conversion by the State Bank Commissioner under subsection (c) of this section, the legal effect of a conversion which is to result in a Delaware state bank or a Delaware state trust company, and the manner of making and effecting the same, shall be as prescribed in Chapter 1 of Title 8 for the conversion of domestic and foreign corporations or Chapter 18 of Title 6 for the conversion of domestic and foreign limited liability companies, as applicable.

(g) Where a resulting Delaware state bank is not to exercise trust powers, the State Bank Commissioner may not approve a merger or conversion until satisfied that adequate provision has been made for successors to fiduciary positions held by the merging banks or the converting bank.

(h) In the case of a merger of banks or trust companies, without any order or action on the part of any court or otherwise, all appointments, designations, and nominations, and all other rights and interests as trustee, executor, administrator, custodian, registrar of stocks and bonds, guardian of estates, assignee, receiver, trustee of estates of persons mentally ill and in every other fiduciary capacity, shall be automatically vested in the resulting bank or trust company; provided, however, that any party in interest shall have the right to apply to an appropriate court or tribunal for a determination as to whether the resulting bank or trust company shall continue to serve in the same fiduciary capacity as the merging bank or trust company that is not the resulting bank or trust company, or whether a new and different fiduciary should be appointed.

(i) In the case of a conversion of banks or trust companies, without any order or action on the part of any court or otherwise, all appointments, designations, and nominations, and all other rights and interests as trustee, executor, administrator, custodian, registrar of stocks and bonds, guardian of estates, assignee, receiver, trustee of estates of persons mentally ill and in every other fiduciary capacity, automatically shall remain vested in the bank or trust company resulting from such conversion.

Section 17. Amend § 795I, Title 5 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

(c) A Delaware state trust company may conduct any activities at any branch office or other place of business outside this State that are permissible for a Delaware state trust company and that are permissible under the laws of the state where such branch office or other place of business is located.

Section 18. Amend § 913, Title 5 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

§ 913 Authority of national ~~bank~~ bank, out-of-state state bank and out-of-state state trust company to act as fiduciary.

(a) Any national bank located in this State, when authorized by the laws of the United States, may act by any and every method of appointment, and in any capacity whatever, as trustee, executor, administrator, or register of stocks and bonds.

(b) A bank or trust company organized and doing business under the laws of any state of the United States other than Delaware, duly authorized by the laws of such state and its organizational documents, including its certificate of incorporation, bylaws, certificate of formation or limited liability company agreement or their equivalent based on the form of organization, so to act, may be appointed by any last will and testament or other testamentary writing, probated within this State, or by a deed of trust, mortgage or other agreement, as executor, guardian, trustee or other fiduciary, and may act as such within this State, when and to the extent that the laws of the state in which the bank or trust company is organized confer like powers upon banks or trust companies organized and doing business under the laws of this State.

Section 19. Amend § 1622, Title 5 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows and by redesignating accordingly:

(a) The articles of association shall set forth that the subscribers thereto associate themselves with the intention of forming a corporation, and shall specifically state:

(5) The ~~number~~ number, or manner of fixing such number, of its directors, which shall not be less than 5;

Section 20. Amend § 1627, Title 5 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

The president and a majority of the directors elected at the organization meeting of the incorporators shall make, sign and make oath to a certificate (hereinafter called "articles of organization") setting forth:

(3) The name, ~~residence and post-office address~~ business, post office or mailing address of each of the officers of the corporation; and

Section 21. Amend § 1642, Title 5 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

(a) The business of every corporation organized under this chapter shall be managed by a board of directors. ~~The number of directors which shall constitute the whole board shall be such as may be specified in the articles of association, but in no case shall the number be less than 5.~~ The number of directors which shall constitute the whole board shall be such

as shall be fixed by, or in the manner provided in, the articles of association, but in no case shall the number of directors be less than 5. The bylaws shall prescribe how many directors shall constitute a quorum for the transaction of business.

Section 22. Amend § 1661, Title 5 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

(c) For the purposes of this subchapter, "personal property" includes digital assets.

Section 23. This Act takes effect immediately and is to be implemented the earlier of the following:

(1) One year from the date of the Act's enactment.

(2) Notice by the State Banking Commissioner published in the Register of Regulations that final regulations to implement this Act have been promulgated.

SYNOPSIS

This Act, known as the "Delaware Banking Modernization Act of 2026," amends Title 5 of the Delaware Code to update and modernize various provisions of the Delaware Banking Code. The Act addresses digital assets, expands the State Bank Commissioner's authority, modernizes corporate governance and organizational requirements for state-chartered banks and trust companies, facilitates interstate trust company operations and conversions, and expands the authority of out-of-state financial institutions to act as fiduciaries in Delaware. The following is a section-by-section summary of the Act's provisions:

Section 1 provides that the Act may be cited as the "Delaware Banking Modernization Act of 2026."

Section 2 amends § 101 of Title 5 to add two new defined terms to the Delaware Banking Code's general definitions. First, it adds a definition of "Digital Asset," which means any digital representation of value recorded on a cryptographically-secured distributed ledger or similar technology, including virtual currency. Second, it adds a definition of "Virtual Currency," which means a digital representation of value used as a medium of exchange, unit of account, or store of value that is not money and is not denominated in money. The definition excludes loyalty or rewards program credits that cannot be exchanged for money or bank credit, and digital representations of value issued by a publisher and used solely within an online game or game platform.

Section 3 amends § 103 of Title 5 to expressly authorize the State Bank Commissioner to contract for and procure additional independent consulting, legal, technical, and professional services as needed to discharge the duties of the office.

Section 4 amends § 167 of Title 5, which governs the definitions applicable to the change-of-control subchapter for Delaware-chartered banks and trust companies. The amendment makes two changes to the definition of "Control." First, it modifies the presumption-of-control provision that applies when a person acquires 10 percent or more of a class of voting stock—replacing the phrase "an aggregate" proportion with "a greater" proportion and the word "the" with "that" to clarify the ownership comparison standard. Second, it adds new authority for the State Bank Commissioner to permit the establishment of banks and trust companies authorized to exercise all or fewer than all of the powers conferred by Title 5, including institutions whose powers are limited in their articles of association and by order of the Commissioner. The Commissioner is also authorized to promulgate regulations to carry out this authority, including adopting different application forms with varying requirements based on the risk profile of the proposed activities.

Section 5 amends § 701 of Title 5 to clarify the application of Chapter 7 to banks and trust companies. It expressly authorizes the State Bank Commissioner to approve the establishment of institutions with "all or less than all" of the powers typically conferred by the chapter, including those with powers limited by their articles of association. It further grants the Commissioner regulatory authority to adopt different application requirements based on the underlying risks and proposed activities of the institution.

Section 6 amends § 723 of Title 5 to provide that the articles of association of a state-chartered bank must state the number of directors, or the manner of fixing such number, which in no case may be fewer than five. This amendment adds flexibility by permitting the articles to specify a method for determining the number of directors rather than requiring a fixed number to be stated.

Section 7 amends § 728 of Title 5 to update the information required in a bank's articles of organization. The amendment modernizes the address requirement by replacing "residence and post-office address" with "business, post office or mailing address" for each officer of the corporation, reflecting contemporary address conventions.

Section 8 amends § 742(a) of Title 5 to clarify that the number of directors constituting a bank's board shall be "fixed by, or in the manner provided in," the articles of association, rather than merely "specified in" the articles. This change is parallel to the amendment made in Section 5 and provides greater organizational flexibility while maintaining the five-director minimum.

Section 9 amends § 761 of Title 5, which governs a bank's authority to hold and manage personal property in a fiduciary capacity, by adding a new subsection (c) providing that "personal property" for purposes of that subchapter includes digital assets. This amendment ensures that Delaware-chartered banks exercising fiduciary powers may hold and administer digital assets on behalf of customers.

Section 10 amends § 777 of Title 5 to remove a restriction on limited purpose trust companies that previously required such entities to be operated in a manner that would not attract customers from the general public to the substantial detriment of existing Delaware banks or trust companies. Removal of this provision is intended to eliminate a potentially anti-competitive restriction and facilitate the establishment of new limited purpose trust companies in Delaware.

Section 11 amends § 783 of Title 5, which governs the merger of state banks and the conversion of national banks into state banks, by adding two new subsections. New subsection (b) provides that in a bank merger, all fiduciary appointments, designations, and nominations—including positions as trustee, executor, administrator, custodian, and guardian—automatically vest in the resulting bank without any court order, while preserving the right of any interested party to seek a judicial determination regarding continuation of fiduciary service. New subsection (c) provides the same automatic vesting of fiduciary rights for conversions of national banks or federal savings associations into state banks.

Section 12 amends the title of Subchapter VII of Chapter 7 of Title 5 to rename it "Merger, Consolidation or Conversion with or of Out-of-State Banks and Out-of-State Trust Companies." The amendment adds "Conversion" and "Out-of-State Trust Companies" to the subchapter title to reflect the expanded scope of the provisions contained in Sections 12 through 16 of this Act.

Section 13 amends § 795 of Title 5 to add five new defined terms applicable to the interstate merger and conversion subchapter: (1) "Delaware state trust company," meaning any trust company chartered under the laws of Delaware; (2) "Out-of-state trust company," meaning an out-of-state state trust company or an out-of-state national trust bank; (3) "Out-of-state state trust company," meaning any trust company chartered under another state's laws that is not engaged in the business of receiving non-trust deposits; (4) "Out-of-state national trust bank," meaning a national bank whose operations are limited to trust company activities not located in Delaware; and (5) "Trust Company," meaning either a Delaware state trust company or an out-of-state trust company.

Section 14 amends § 795A of Title 5 to broaden the express statement of legislative intent for the interstate banking subchapter. In addition to permitting interstate branching by merger under the Riegle-Neal Interstate Banking and Branching Efficiency Act of 1994, the amendment adds the stated intent of facilitating the relocation of out-of-state banks and out-of-state trust companies to Delaware.

Section 15 amends § 795B of Title 5 to add a new subsection (d) permitting a Delaware state trust company, with prior written approval of the State Bank Commissioner, to establish, maintain, and operate branch offices, trust offices, or other places of business in other states pursuant to an interstate merger or conversion transaction in which the Delaware state trust company is the resulting entity.

Section 16 amends § 795D of Title 5, which governs mergers and conversions resulting in a Delaware state bank, to add parallel provisions for out-of-state trust company mergers and conversions resulting in a Delaware state trust company. New subsection (c) authorizes out-of-state state banks to convert into Delaware state banks and out-of-state trust companies to convert into limited purpose trust companies with prior written approval of the State Bank Commissioner, subject to applicable federal and home-state law. New subsection (d) establishes a deemed-approval mechanism if the Commissioner takes no action within 30 days of receiving a completed conversion application. New subsection (e) sets forth the required application materials for a converting institution. New subsection (f) specifies that the legal effect of an approved conversion follows the procedures of Title 8, Chapter 1 (for corporations) or Title 6, Chapter 18 (for limited liability companies), as applicable. New subsection (g) conditions Commissioner approval on satisfaction that adequate provision has been made for successors to any fiduciary positions held by a merging or converting institution that will not exercise trust powers following the transaction. New subsections (h) and (i) provide for the automatic vesting of fiduciary appointments in the resulting bank or trust company following a merger or conversion, respectively, mirroring the provisions added to § 783 by Section 9 of this Act.

Section 17 amends § 795I of Title 5 to add a new subsection (c) expressly authorizing a Delaware state trust company to conduct activities at any branch office or other place of business outside Delaware that are permissible for a Delaware state trust company and permissible under the laws of the state where the office is located.

Section 18 amends § 913 of Title 5, which addresses the authority of national banks to act as fiduciaries in Delaware, to add a new subsection (b) extending comparable authority to banks and trust companies organized under the laws of any other state. Specifically, an out-of-state bank or trust company that is duly authorized under its home state's laws and organizational documents to act in a fiduciary capacity may be appointed by will, deed of trust, or other agreement as executor, guardian, trustee, or other fiduciary in Delaware—but only to the extent that the laws of the institution's home state confer reciprocal fiduciary powers on Delaware-chartered banks and trust companies.

Section 19 amends § 1622 of Title 5, which governs articles of association for savings banks, to parallel the amendment made to § 723 in Section 5 of this Act. The amendment requires the articles of association to state the number of directors, or the manner of fixing such number, which in no case may be fewer than five.

Section 20 amends § 1627 of Title 5 to parallel the amendment to § 728 made in Section 6 of this Act, updating the address information required in a savings bank's articles of organization from "residence and post-office address" to "business, post office or mailing address" for each officer.

Section 21 amends § 1642(a) of Title 5 to parallel the amendment to § 742(a) made in Section 7 of this Act, clarifying that the number of directors for a savings bank board shall be "fixed by, or in the manner provided in," the articles of association rather than merely "specified in" the articles, while retaining the five-director minimum.

Section 22 amends § 1661 of Title 5, which governs the authority of savings banks to hold personal property in a fiduciary capacity, to add a new subsection (c) providing that "personal property" for purposes of that subchapter includes digital assets, paralleling the amendment made to § 761 in Section 8 of this Act.

The Act is effective immediately and must be implemented upon the earlier of one year post-enactment or the issuance of final regulations.

Author: Senator Mantzavinos