

MAINE STATE LEGISLATURE

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ONE HUNDRED AND SIXTH LEGISLATURE

Legislative Document

No. 1036

S. P. 337

In Senate, February 22, 1973

Referred to Committee on Business Legislation. Sent down for concurrence and ordered printed.

HARRY N. STARBRANCH, Secretary

Presented by Senator Cox of Penobscot.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SEVENTY-THREE

AN ACT Relating to Credit Unions.

Be it enacted by the People of the State of Maine, as follows:

Sec. 1. R. S., T. 9, § 2604-B, additional. Title 9 of the Revised Statutes is amended by adding a new section 2604-B to read as follows:

§ 2604-B. Safe deposit boxes

Credit unions may provide for and rent to their members safe deposit boxes or other receptacles for the safekeeping and storage of personal property and other valuables.

Sec. 2. R. S., T. 9, § 2605, amended. Section 2605 of Title 9 of the Revised Statutes is amended to read as follows:

§ 2605. Savings clause

No part of chapters 241 to 251 shall be construed as repealing, modifying or amending the provisions of any private and special ~~acts~~ Acts authorizing the organization and defining the purposes of corporations of similar nature, except that such corporations shall be deemed to have all of the powers vested in corporations organized under said chapters 241 to 251 in addition to those powers conferred under such private and special Acts.

Sec. 3. R. S., T. 9, § 2644, sub-§ 11, repealed and replaced. Subsection 11 of section 2644 of Title 9 of the Revised Statutes is repealed and the following enacted in place thereof:

11. Notification. The manner in which members shall be notified of all meetings;

Sec. 4. R. S., T. 9, § 2681, amended. The first sentence of section 2681 of Title 9 of the Revised Statutes is amended to read as follows:

The annual meeting of the corporation shall be held at such time and place as the bylaws prescribe **board of directors determine**, but not later than 60 days after the close of the fiscal year.

Sec. 5. R. S., T. 9, § 2687, amended. The first sentence of section 2687 of Title 9 of the Revised Statutes is repealed and the following enacted in place thereof:

As the bylaws may provide, and after provision for the required reserves, and at such intervals as they shall determine, the board of directors may declare a dividend to be paid from the remaining net earnings or from accumulated undivided profits.

Sec. 6. R. S., T. 9, § 2721, sub-§ 3, amended. Subsection 3 of section 2721 of Title 9 of the Revised Statutes is amended to read as follows:

3. Rate of interest. To determine from time to time the rate of interest consistent with chapters 241 to 251 which shall be charged on loans **and to determine from time to time the amount of any interest rebate and the interval upon which such rebate, if any, shall be computed;**

Sec. 7. R. S., T. 9, § 2765, sub-§ 3, ¶ A, amended. Paragraph A of subsection 3 of section 2765 of Title 9 of the Revised Statutes is amended to read as follows:

A. The total liability of any member upon loans of this class shall not exceed 10% of the share capital of the credit union ~~nor shall it exceed \$15,000.~~

Sec. 8. R. S., T. 30, § 5051, sub-§ 5, additional. Section 5051 of Title 30 of the Revised Statutes, as amended by chapter 127 of the public laws of 1965 and by sections 1 and 2 of chapter 389 of the public laws of 1971, is further amended by adding a new subsection 5 to read as follows:

5. Credit unions. Invested in credit unions located in this State organized under the laws of this State or of the United States.

STATEMENT OF FACT

The proposed amendments would change the present laws relating to credit unions as follows:

Section 1 permits state chartered credit unions to provide safe deposit boxes for members. Federally chartered credit unions already have this right.

Section 2 allows credit unions chartered under the private and special laws to do those things which credit unions chartered under the general laws may do. There are only 3 credit unions in this category and this change would

eliminate the necessity of these credit unions requesting legislative action for minor charter changes.

Sections 3 and 4 provide for more authority in directors in determining time and place of annual meetings.

Section 5 allows directors to establish dividend interval rather than being limited to annual or semiannual as at present.

Section 6 authorizes directors to determine amount of and interval of interest rebates.

Section 7 eliminates \$15,000 limitation on first mortgage real estate loans.

Section 8 allows municipalities to invest in credit unions.