

MAINE STATE LEGISLATURE

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STATE OF MAINE
SENATE
FIRST SPECIAL SESSION
107TH LEGISLATURE

COMMITTEE AMENDMENT "A" to S.P. 650, L.D. 2057, Bill,
"AN ACT to Correct and Clarify the Maine Banking Code."

Amend said Bill in section 5 in the 5th line (4th line in L.D.) by inserting after the stricken out word and punctuation "family," the underlined words 'or such person's spouse or such person's son or daughter residing at such person's home'

Further amend said Bill by inserting after section 7 the following
'Sec. 7-A. 9-B MRSA §251, sub-§2, ¶B, sub-~~7~~(3), as enacted
by PL 1975, c. 500, §1, is amended to read:

(3) The period during which written comments on the proposed rule, regulation or amendment shall be received by the superintendent, which shall not be less than 20 15 days nor more than 30 days after said notice; and'

Further amend said Bill in section 8 in the next to the last line (same in L.D.) by striking out the underlined figure and word "20 days" and inserting in place thereof the underlined figures and words '15 days nor more than 30 days'

Further amend said Bill in section 9 in the 5th line (same in L.D.) by inserting after the underlined words "determines that" the underlined words 'extraordinary or unusual'

Further amend said Bill by inserting after section 9 the following:

Sec. 9-A. 9-B MRSA §252, sub-§2, ¶C, sub-¶(3), as enacted
by PL 1975, c. 500, §1, is amended to read:

(3) The period during which written comments on the

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application shall be received by the superintendent, which shall not be less than ~~20~~ 15 days nor more than 30 days after the first publication of notice in paragraph A.

Further amend said Bill in section 10 in the 8th line (6th and 7th lines in L.D.) by striking out the underlined figure and word "20 days" and inserting in place thereof the underlined figures and words '15 days nor more than 30 days'

Further amend said Bill in section 11 in the 7th line (6th and 7th lines in L.D.) by inserting after the underlined words "determines that" the underlined words 'extraordinary or unusual'

Further amend said Bill in section 13 in the 8th line (6th and 7th lines in L.D.) by inserting after the underlined words "determines that" the underlined words 'extraordinary or unusual'

Further amend said Bill in section 15 in the 7th line (6th and 7th lines of L.D.) by inserting after the underlined word "designate" the underlined words and punctuation '; provided that corporators shall also be sent notice by mail at their last known address' and by striking out in the 8th line (7th line in L.D.) the underlined figure "3" and inserting in place thereof the underlined figure '2'

Further amend said Bill by inserting after section 15 the following:

Sec. 15-A. 9-B MRSA §326, sub-§1, ¶B, as enacted by PL 1975, c. 500, §1, is amended to read:

'B. The initial board of directors shall be elected at the first meeting of the corporators or the incorporators as provided for in section 323, and the board of director:

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shall be elected by a vote of the corporators or members at each annual meeting thereafter; provided that the articles of incorporation or bylaws may provide for classification of directors in accordance with Title 13-A, section 705.'

Further amend said Bill by inserting after section 19 the following:

'Sec. 19-A. 9-B MRSA §424, sub-§1, as enacted by PL 1975, c. 500, §1, is repealed and the following enacted in place thereof:

1. Authorization required. No financial institution shall allow the owner of a deposit or account on which interest or dividends are paid to make withdrawals by negotiable or transferable instruments for the purpose of making transfers to 3rd parties, except that such withdrawals may be made at such time as any financial institution located in the State of Maine is authorized to do so under federal law and then only to the extent, and in the manner, prescribed for financial institutions so authorized by federal law until the superintendent promulgates regulations to be applicable to state-chartered financial institutions, which regulations shall be designed to maintain competitive equality among all financial institutions authorized to permit such withdrawals.'

Further amend said Bill by striking out all of section 20.

Further amend said Bill by inserting after section 20 the following:

'Sec. 20-A. 9-B MRSA §445, sub-§2, 1st sentence, as enacted by PL 1975, c. 500, §1, is amended to read:

The stock of a service corporation formed pursuant to this section shall be owned only by ~~financial~~ institutions engaged in the business of banking.

Further amend said Bill in section 21 by striking out all of the first sentence of subsection 4 and inserting in place thereof the following:

'A service corporation formed pursuant to this section may be owned by 2 or more ~~such-financial~~ institutions ~~←~~ engaged in the business of banking; provided that the superintendent shall approve such joint ownership in accordance with section 252.'

Further amend said Bill by inserting after section 21 the following:

'Sec. 21-A. 9-B MRSA §446, sub-§4, 1st sentence, as enacted by PL 1975, c. 500, §1, is amended to read:

A subsidiary corporation formed pursuant to this section may be owned by 2 or more ~~such~~ financial institutions authorized to do business in this State; provided that the superintendent shall approve such joint ownership.'

Further amend said Bill in section 22 by striking out all of subsection 3 and inserting in place thereof the following:

'3. Exception. The prohibitions contained in subsections 1 and 2 shall not apply to any shares held in a fiduciary capacity by a financial institution; to shares acquired upon a merger or consolidation pursuant to chapter 35; nor to shares acquired pursuant to chapter 101; to shares lawfully held under the Bank Holding Company Act of 1956, as amended, on the effective date of this Act; to shares of a financial institution holding company acquired in exchange for shares of a financial institution authorized to do business in this State in a transaction approved by the superintendent pursuant to chapter 101; nor, with respect to shares lawfully held, to shares acquired by way of stock split, stock dividend, exercise of conversion rights, reclassification or recapitalization.'

Further amend said Bill by inserting after section 23-A the following:

'Sec. 23-B. 9-B MRSA §539, sub-§3, as enacted by PL 1975, c. 500, §1, is amended to read:

3. Exception. This section shall not apply to savings banks whose deposits or accounts are insured by the Federal Savings and Loan Insurance Corporation who are members of the Federal Home Loan Bank; provided that the loan requirements of the Federal Home Loan Bank are being complied with.'

Further amend said Bill in section 26 by striking out all of the last 2 lines (same in L.D.) and inserting in place thereof the following:

'The superintendent may waive the publication requirements of section 223, subsection 1, for a credit union if the superintendent is satisfied that the credit union's condition and income reports are made available to its field of membership by other means.'

Further amend said Bill in section 27 by striking out all of that part designated "§821." and inserting in place thereof the following:

'§821. Powers in general

In addition to all services to members incidental to the powers granted credit unions elsewhere in this Title, a credit union shall be empowered to do the acts set forth in this chapter, subject to the conditions and limitations set forth herein.'

Further amend said Bill by inserting after section 31 the following:

'Sec. 31-A. 9-B MRSA §1011, sub-§6, as enacted by PL 1975, c. 500, §1, is amended to read:

6. Maine financial institution. "Maine financial institution" means a financial institution authorized to do business in the State-of-Maine this State.'

Further amend said Bill by renumbering the sections to read consecutively.

Statement of Fact

The amendments to the bill are to further correct and clarify the banking code enacted by the 107th Legislature as follows:

To set a fixed time range in which interested parties may request a hearing on a proposed regulation or application;

To establish criteria upon which the superintendent may waive all or part of the 30-day waiting period following the promulgation of a rule, regulation or order;

To require mutual institutions to inform their corporators by mail of an annual or special meeting;

To allow the state-chartered banks to issue NOW accounts at the same time as federally-chartered banks will be able to;

To remove the authority proposed by the bill which would have given the superintendent power to approve new activities deemed incidental to banking;

To allow financial institutions, irrespective of location, to join in a service corporation, subject to approval of the superintendent;

To allow a financial institution in the State now holding bank shares to exchange them for shares of another Maine financial institution as a result of a merger and to receive shares on stock splits;

To clarify exemption for credit unions regarding publication of income and condition reports;

To make/section on incidental powers for credit unions consistent with that for financial institutions;

To establish a fixed time range in which interested parties may submit comments on a proposed regulation or application;

To allow mutual institutions to stagger terms of directors without revising their articles of incorporation;

To allow both state and federally-chartered institutions to join together in a subsidiary to provide activities closely related to banking approved by the superintendent;

To correct an error in the banking code; and

To make language of §1011, / ^{subsection 6,} consistent with other sections of the banking code, and

To restrict which members of the family of a professional employee of the Bureau of Banking who must report to the bureau on any loan from a regulated institution.

Reported by the Committee on Business Legislation.

Reproduced and distributed pursuant to Senate Rule 11-A.

February 27, 1976.

(Filing No. S-417).