

MAINE STATE LEGISLATURE

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1 FIRST REGULAR SESSION
2

3 ONE HUNDRED AND ELEVENTH LEGISLATURE
4

5 Legislative Document

No. 319

6
7 H.P. 259

House of Representatives, January 31, 1983

8 Reference to the Committee on Business Legislation, sent up for
9 concurrence and ordered printed.

10 EDWIN H. PERT, Clerk

11 Presented by Representative Brannigan of Portland.

12 STATE OF MAINE
13

14 IN THE YEAR OF OUR LORD
15 NINETEEN HUNDRED AND EIGHTY-THREE
16

17 AN ACT Relating to Ownership of Stock
18 in Maine Financial Institutions.
19

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

22 9-B MRSA §463, as amended by PL 1979, c. 663,
23 §42, is repealed and the following enacted in its
24 place:

25 §463. Stock in Maine financial institutions

26 A financial institution authorized to do business
27 in this State may acquire control of any other finan-
28 cial institution authorized to do business in this
29 State or of a Maine financial institution holding
30 company with the prior approval of the superinten-
31 dent. A financial institution authorized to do busi-
32 ness in this State may acquire more than 5% of the
33 voting shares of any other financial institution

1 authorized to do business in this State or of a Maine
2 financial institution holding company with the prior
3 approval of the superintendent.

4 STATEMENT OF FACT

5 Under existing law a Maine financial institution
6 may not acquire greater than 5% of the voting shares
7 of another financial institution. This bill author-
8 izes the acquisition of controlling shares subject to
9 the prior approval of the Superintendent of Banking.
10 The banking industry is presently experiencing numer-
11 ous mergers, acquisitions and consolidations which
12 are designed to strengthen the resulting institution
13 through economies of scale and broadened markets.
14 This bill removes one limitation to such transactions
15 by allowing the acquisition of shares while still re-
16 quiring regulatory approval.

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