

MAINE STATE LEGISLATURE

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SECOND REGULAR SESSION

ONE HUNDRED AND ELEVENTH LEGISLATURE

Legislative Document No. 1839

S.P. 649 In Senate, January 4, 1984

Reference to the Committee on Business Legislation. Ordered printed and sent down for concurrence.

Approved for introduction by the Legislative Council pursuant to Joint Rule 26.

JOY J. O'BRIEN, Secretary of the Senate

Presented by Senator Charette of Androscoggin.

STATE OF MAINE

IN THE YEAR OF OUR LORD
NINETEEN HUNDRED AND EIGHTY-FOUR

AN ACT to Streamline Procedures for Financial
Institution Branch Changes and to Clarify What
Constitutes an On-premise Satellite Facility.

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

Sec. 1. 9-B MRSA §334, sub-§5, as enacted by PL 1975, c. 500, §1, is amended to read:

5. Location of facilities on premises. Nothing shall preclude a financial institution from locating an electronic terminal on the premises of its main office or of a branch office for its customers' convenience. Access by other financial institutions to such on-premise facilities shall be at the discretion of said financial institution.

An on-premise facility is a facility which is located physically on the premises of a main office or branch

1 or one which is an extension of or ancillary to an
2 existing main office or branch.

3 Sec. 2. 9-B MRSA §336, sub-§1, as amended by PL
4 1975, c. 666, §17, is repealed and the following en-
5 acted in its place:

6 1. Notification required; application upon re-
7 quest. At least 30 days prior to the relocation of a
8 main office, or the establishment, moving or closing
9 of a branch or agency office or facility authorized
10 by this chapter, the institution shall notify the su-
11 perintendent of the proposed action. A complete ap-
12 plication for the action may be required only when
13 the superintendent or any interested person requests
14 that a complete application be filed within 30 days
15 of notice. If an application is requested, it shall
16 be filed with the superintendent in the form and man-
17 ner and containing information as the superintendent
18 may prescribe.

19 STATEMENT OF FACT

20 Section one of this bill makes an important tech-
21 nical clarification to the law governing satellite
22 facilities. Under existing law, it is unclear wheth-
23 er a satellite facility (ATM -- automated teller ma-
24 chine or EFT -- electronic funds transfer machine)
25 which is located adjacent to, but not actually on,
26 the physical premises of a main office or a branch is
27 an on-premise facility or an off-premise facility.
28 Thus, for example, it is unclear whether an adjacent
29 facility (located at the corner of a shopping center
30 parking lot for the convenience of drive-in custom-
31 ers) is on-premise or off-premise and subject to the
32 mandatory sharing requirements. Section one clari-
33 fies that adjacent facilities are on-premise.

34 Section 2 of this bill streamlines the procedures
35 for bank branch changes. Under existing law, changes
36 in the physical facilities of banks (new branch,
37 branch closing, etc.) are subject to an application
38 requirement and approval by the superintendent. Most
39 such changes are not objected to and are routinely
40 approved by the superintendent. As the application
41 process is both costly and time-consuming, it would

1 be desirable to dispense with the application re-
2 quirement except where an application is specifically
3 requested. This new procedure is consistent with re-
4 cent changes in federal regulatory requirements.

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