

# MAINE STATE LEGISLATURE

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(EMERGENCY)

SECOND REGULAR SESSION

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ONE HUNDRED AND ELEVENTH LEGISLATURE

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Legislative Document

No. 1933

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H.P. 1472 House of Representatives, January 12, 1984

Referred to the Committee on Business Legislation. Ordered printed and sent up for concurrence.

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

EDWIN H. PERT, Clerk

Presented by Representative Brannigan of Portland,

Cosponsors: Representative Stevens of Bangor, Senator Charette of Androscoggin and Representative Perkins of Brooksville.

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STATE OF MAINE

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

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**AN ACT to Clarify the Reciprocity  
Provisions of Maine's Interstate Banking Act.**

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**Emergency preamble.** Whereas, Acts of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

Whereas, Maine law provides for interstate ownership by financial institution holding companies in this State and those in other states having interstate banking laws reciprocal with those of Maine; and

Whereas, other states, including Connecticut, Massachusetts, New York and Rhode Island, have enacted reciprocal laws; and

Whereas, it would be advantageous to the people of Maine and Maine financial institutions to make it clear that affiliations between Maine financial in-

1 stitutions or Maine financial institution holding  
2 companies and the financial institution holding com-  
3 panies of such other states with substantially simi-  
4 lar banking laws are authorized; and

5 Whereas, it is necessary to obtain clarification  
6 from the Legislature to further the economic inter-  
7 ests of this State; and

8 Whereas, in the judgment of the Legislature,  
9 these facts create an emergency within the meaning of  
10 the Constitution of Maine and require the following  
11 legislation as immediately necessary for the preser-  
12 vation of the public peace, health and safety; now,  
13 therefore,

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

16 Sec. 1. 9-B MRSA § 1013, sub-§2, as amended by  
17 PL 1983, c. 302, §2, is further amended to read:

18 2. Acquisition by out-of-state company; reci-  
19 procity. A non-Maine financial institution holding  
20 company may establish or acquire control of one or  
21 more Maine financial institutions or Maine financial  
22 institution holding companies with the prior approval  
23 of the superintendent; provided that the state in  
24 which the operations of such financial institution  
25 holding company are principally conducted authorizes  
26 the establishment of, or acquisition of control of,  
27 financial institutions or financial institution hold-  
28 ing companies in that state by Maine financial insti-  
29 tution holding companies, under conditions no more  
30 restrictive than those imposed by this Title, as de-  
31 termined by the superintendent.

32 Conditions shall not be considered more restrictive:

33 A. Because a Maine financial institution holding  
34 company is prohibited from establishing or ac-  
35 quiring control of a financial institution or a  
36 financial institution holding company in that  
37 state because the Maine financial institution  
38 holding company is directly or indirectly con-  
39 trolled by another company which has its princi-

1 pal place of business in a state other than  
2 Maine;

3 B. Because a Maine financial institution holding  
4 company is prohibited from establishing or ac-  
5 quiring control of financial institutions or fi-  
6 ancial institution holding companies in that  
7 state of a class other than one of the class  
8 which is then sought to be established, or con-  
9 trol of which is then sought to be acquired, in  
10 Maine; or

11 C. Solely because such other state imposes a  
12 condition or conditions other than those in para-  
13 graph A or B and not imposed by this Title, un-  
14 less the superintendent determines such other  
15 conditions materially impair the ability of a  
16 Maine financial institution holding company to  
17 enter such state.

18 **Sec. 2. Transition clause.** The Revised Stat-  
19 **utes, Title 9-B, section 1013, as amended, applies to**  
20 **any application by non-Maine financial institution**  
21 **holding companies to establish or acquire control of**  
22 **a Maine financial institution or Maine financial in-**  
23 **stitution holding company, whether those applications**  
24 **have been filed with, and are either previously ap-**  
25 **proved or currently pending decision by, the Superin-**  
26 **tendent of Banking, upon the effective date of this**  
27 **Act or are filed thereafter.**

28 **Emergency clause.** In view of the emergency cited  
29 **in the preamble, this Act shall take effect when ap-**  
30 **proved.**

31 **STATEMENT OF FACT**

32 This bill makes a technical change in Maine's in-  
33 **terstate banking law to clarify the operation and ap-**  
34 **plication of the reciprocity provision of that law.**  
35 **This is necessary in view of a recent interpretation**  
36 **which raises questions about the extent to which**  
37 **Maine's law is reciprocal with the laws of some other**  
38 **states, including Massachusetts and New York. The**  
39 **bill definitely retains reciprocity as a condition to**  
40 **interstate banking in Maine.**

1           The bill clarifies that the enactment of abso-  
2           lutely parallel laws in other states would not be re-  
3           quired in order to support a finding of reciprocity  
4           with Maine. Instead, the laws of the other state in  
5           general must allow Maine financial institution hold-  
6           ing companies, which are of the same general type as  
7           the non-Maine holding company trying to enter Maine,  
8           similar rights of entry into such other state. This  
9           bill would have an immediate effect of making it  
10          clear that Maine bank holding companies could be ac-  
11          quired by bank holding companies of certain other  
12          states which have also enacted reciprocal legisla-  
13          tion, including Massachusetts and New York.

14           It also makes it clear that the judgment of which  
15          state laws, taken as a whole, are reciprocal with  
16          Maine's is to be made by the superintendent.

17           Section 2 provides that these clarifying amend-  
18          ments apply to existing applications pending before  
19          the superintendent, those already approved by the su-  
20          perintendent and those which may be filed in the fu-  
21          ture with the superintendent.

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