

MAINE STATE LEGISLATURE

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115th MAINE LEGISLATURE

SECOND REGULAR SESSION-1992

Legislative Document

No. 2101

H.P. 1489

House of Representatives, January 7, 1992

Submitted by the Department of Professional and Financial Regulation pursuant to Joint Rule 24.

Reference to the Committee on Banking and Insurance suggested and ordered printed.

A handwritten signature in cursive script that reads "Ed Pert".

EDWIN H. PERT, Clerk

Presented by Representative MITCHELL of Vassalboro.

Cosponsored by Representative LIPMAN of Augusta and Senator CLARK of Cumberland.

STATE OF MAINE

IN THE YEAR OF OUR LORD
NINETEEN HUNDRED AND NINETY-TWO

**An Act to Authorize the Establishment of Nondepository Trust
Companies.**



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

2
4 **Sec. 1. 9-B MRSA §131, sub-§17**, as enacted by PL 1975, c. 500, §1, is amended to read:

6 **17. Financial institution.** "Financial institution" means a
8 trust company, nondepository trust company, savings bank,
10 industrial bank or savings and loan association organized under
12 the laws of this State; and each shall ~~must~~ represent a type of
institution. As the term "financial institution" is used in Parts
1 and 2 and in chapter 46, it shall ~~include~~ includes credit
unions organized pursuant to the laws of this State.

14 **Sec. 2. 9-B MRSA §131, sub-§28-A** is enacted to read:

16 **28-A. Nondepository trust company.** "Nondepository trust
18 company" means any financial institution organized under chapter
31 with powers expressly restricted or otherwise limited to the
conduct of general trust business.

20 **Sec. 3. 9-B MRSA §311**, as enacted by PL 1975, c. 500, §1, is
22 amended to read:

24 **§311. Applicability of chapter**

26 The provisions of this chapter shall govern the organization
28 and management of trust companies, nondepository trust companies,
savings banks and savings and loan associations operating as
stock financial institutions.

30 **Sec. 4. 9-B MRSA §343, sub-§3**, as repealed and replaced by PL
32 1977, c. 155, §2, is amended to read:

34 **3. Vote of stockholders, corporators or members.** The
36 conversion plan of a trust company, nondepository trust company
or a mutual savings bank, as approved by the superintendent,
38 shall ~~must~~ be submitted to the stockholders or corporators for
their approval at an annual meeting, or at a special meeting,
40 called for that purpose, pursuant to the requirements of section
352, subsection 3 or section 353, subsection 3. Approval shall
~~require~~ requires a 2/3 vote of those entitled to vote thereon.

42 The conversion plan of a savings and loan association, as
44 approved by the superintendent, shall ~~must~~ be submitted to the
members for their approval at an annual meeting, or at a special
46 meeting, called for that purpose, pursuant to the requirements of
section 352, subsection 3 or section 353, subsection 3. Approval
48 by a savings and loan association shall ~~require~~ requires a
majority vote of those entitled to vote. Each holder of a
50 savings account in a savings and loan association shall ~~be is~~

2 entitled to cast one vote for each \$100 or fraction thereof, of
the withdrawable value of his the holder's accounts, up to a
4 maximum of 50 votes. A borrowing member of a savings and loan
association shall--be is permitted, as a borrower, to cast one
6 vote and to cast the number of votes to which he the borrowing
member may be entitled as the holder of savings accounts. The
8 members who shall--be are entitled to vote at the meeting of the
members to adopt the conversion plan shall must be holders of
10 savings accounts and borrowing members of record on the books of
the association as of such date as may be prescribed by the
superintendent.

12 14 16 18 20 22 24 26 28 30 32 **STATEMENT OF FACT**

This bill amends the banking laws to authorize the
establishment of nondepository trust companies. This change
provides state chartering authority similar to that of the
Comptroller of the Currency.

This bill also makes the necessary changes to
cross-references in the law to ensure that all state-chartered
nondepository trust companies are subject to the appropriate
sections of the banking laws.

Finally, this bill clarifies the law to ensure that a
state-chartered nondepository trust company may convert to
another type of financial institution upon application and
approval by the Superintendent of Banking. The approval process
would involve a review of decision-making criteria.