

MAINE STATE LEGISLATURE

The following document is provided by the
LAW AND LEGISLATIVE DIGITAL LIBRARY
at the Maine State Law and Legislative Reference Library
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied
(searchable text may contain some errors and/or omissions)

2

DATE: 2/9/94

(Filing No. H-725)

4

6

BANKING & INSURANCE

8

10 Reproduced and distributed under the direction of the Clerk of
12 the House.

12

14

**STATE OF MAINE
HOUSE OF REPRESENTATIVES
116TH LEGISLATURE
SECOND REGULAR SESSION**

16

18

20 COMMITTEE AMENDMENT "A" to H.P. 1178, L.D. 1569, Bill, "An
22 Act to Amend the Maine Banking Code to Clarify the Definition of
Limited-time and Seasonal Branches and to Provide a Definition of
In-school Branches"

24

26 Amend the bill in section 2 in subsection 24 in the 3rd line
(page 1, line 17 in L.D.) by striking out the following: "which"
and inserting in its place the following: 'which that'

28

30 Further amend the bill by striking out all of section 3 and
inserting in its place the following:

30

32 'Sec. 3. 9-B MRSA §333, as enacted by PL 1975, c. 500, §1, is
amended to read:

34

§333. Limited-time, in-school or seasonal branch offices

36

38 1. **Directors' approval.** A financial institution may
transact all or any part of its business in a limited-time,
in-school or seasonal branch office, as defined in section 131,
if the board of directors decides accordingly.

40

42 2. **Superintendent's approval.** No A financial institution
shall may not establish a limited-time, in-school or seasonal
branch office without prior approval of the superintendent, such
approval to be obtained pursuant to section 336.

46

48 3. **Limited-time or seasonal branch offices.** ~~A limited-time
or seasonal branch office of a financial institution shall not be
established in any location served by a full-time branch office~~

COMMITTEE AMENDMENT

2 of--such--financial--institution,--or--of--another--financial
institution-of-the-same-type-or-within-the-primary-service-area
4 of-a-full-time-branch-office-of-another-financial-institution-of
the-same-type; provided-that-the-existence-of-a-limited-time-or
6 seasonal-branch-office-shall-not-preclude-the-establishment-of-a
full-time-branch-office-in-the-same-area,--nor--shall--the
8 establishment-of-such-full-time-office-preclude-the-continuing
operation-of-a-previously-established-limited-time-or-seasonal
10 branch-office. This subsection governs the establishment and
continuing operation of a limited-time or seasonal branch office
of a financial institution or credit union.

12
14 A. A limited-time or seasonal branch office of a financial
institution may only be established in a community in which
the same financial institution maintains a full-time branch
16 office or in a community in which no other financial
institution maintains a full-time branch office.

18
20 B. The existence of a previously established limited-time
or seasonal branch office of a financial institution does
22 not preclude the establishment of a full-time branch office
in the same community.

24 C. The establishment of a full-time branch office of a
financial institution does not preclude the continuing
26 operation of a previously established limited-time or
seasonal branch office in the same community.

28
30 D. A limited-time or seasonal branch office of a credit
union may be established in any community in accordance with
32 section 826.

34 3-A. In-school branch offices. An in-school branch office
of a financial institution may be established to provide limited
36 services to students, faculty or employees of a school but not to
the public.

38 **4. Conversion to different type office.** A limited-time or
40 seasonal branch office may become a full-time branch office with
the prior approval of the superintendent pursuant to section 336.
42 A full-time branch office may become a limited-time or seasonal
branch office with the prior approval of the superintendent
44 pursuant to section 336; provided that the conditions set forth
in subsection 3 shall-be are applicable to such the change in the
type of branch office.

46
48 **Sec. 4. 9-B MRSA §339, sub-§1, as repealed and replaced by PL
1985, c. 577, is amended to read:**

1. **Mobile branches.** In addition to permanent branches or agencies established pursuant to this chapter, a financial institution may establish and operate one or more mobile branches, as defined in section 131, as limited by this section. A mobile branch may not operate in any city or town in which there is a permanent branch location; nor may it be located within ~~10-~~5-road miles of another branch or main office of any financial institution. An application for approval of a mobile branch must be filed with the superintendent. This application shall must specifically address:

- A. The decision-making criteria found in section 252;
- B. Additional security measures essential to maintaining a mobile unit;
- C. The services to be offered at the mobile unit, which shall include such activities as: Teller services; taking personal loan applications; selling travelers checks or money orders; opening new accounts; and financial counseling to the extent that these services are offered at any other branch office of the applicant; and
- D. Any additional information the superintendent requires.

If more than one financial institution apply for a mobile branch site in a given community, city or town, preference shall must be given to the financial institution or institutions which that have traditionally served the financial needs of the citizens and businesses in the community and have permanent facilities in close proximity. The superintendent may promulgate regulations regarding the operation of a mobile branch. ~~Approval-to-operate a-mobile-branch-shall-not-be-granted-prior-to-January-1,-1987.~~

The use of a bank employee to transport deposits from an elementary or secondary school to a financial institution or the use of a bonded carrier to transport a commercial deposit from a customer's place of business, a state department or agency or a subdivision of the State to an office of a financial institution, whether paid for by the customer or the financial institution, shall may not be construed as the establishment or operation of a mobile branch. In the event a bonded carrier is used to transport deposits from a customer's place of business to a financial institution the messenger shall must be considered the agent of the customer rather than of the bank. Deposits collected under this arrangement shall may not be considered to have been received by the bank until they are actually delivered to the teller at the bank's premises.

FISCAL NOTE

2

4

6

8

The additional enforcement costs resulting from the changes in this bill can be absorbed by the Bureau of Banking utilizing existing budgeted resources.'

STATEMENT OF FACT

10

12

14

16

18

This amendment adds credit unions to the organizations that may open limited-time and seasonal branches under the Maine Revised Statutes, Title 9-B, section 333, as they are allowed to do so by cross-reference from Title 9-B, section 826. It reorganizes Title 9-B, section 333, subsection 3 to improve the grammar. It shortens the distance requirement for mobile branches from 10-road miles to 5-road miles. It deletes an out-of-date sentence in the statute on mobile branches. This amendment also makes necessary style and grammar changes.