117th MAINE LEGISLATURE

FIRST REGULAR SESSION-1995

Legislative Document **No. 620**

H.P. 454 House of Representatives, February 23, 1995

An Act to Include Loss of Tax Revenue to the State When Considering a Credit Union Application for Expansion.

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

JOSEPH W. MAYO, Clerk

Presented by Representative DONNELLY of Presque Isle.
Cosponsored by Representatives: BIRNEY of Paris, CAMERON of Rumford, CARLETON of Wells, DAGGETT of Augusta, GIERINGER of Portland, GOULD of Greenville, HEINO of Boothbay, JONES of Pittsfield, KNEELAND of Easton, LIBBY of Kennebunk, LOVETT of Scarborough, MAYO of Bath, McALEVEY of Waterboro, McELROY of Unity, RICE of South Bristol, SPEAR of Nobleboro, Senators: BEGLEY of Lincoln, HARRIMAN of Cumberland, KIEFFER of Aroostook.

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

Sec. 1. 9-B MRSA §253, sub-§2, ¶¶F and G, as enacted by PL 1975, c. 500, §1, are amended to read:

F. The likely impact of the proposed transaction on other financial institutions in the market area or areas to be served; ~~and~~

G. The fairness and equities involved in any merger, consolidation, conversion or acquisition~~.~~; and

Sec. 2. 9-B MRSA §253, sub-§2, ¶H is enacted to read:

H. In the case of an application by a credit union to expand its field of membership, the superintendent shall consider the impact of the expansion of the credit union's assets on the loss of tax revenue to the State. The superintendent shall consider, in estimating the impact on tax revenues, the number of other financial institutions in the market area or areas that would lose customers as a result of the credit union expansion.

STATEMENT OF FACT

This bill requires the Superintendent of Banking to consider impact on tax revenues prior to authorizing a credit union to expand its field of membership. If the expansion is likely to reduce assets or future growth of assets in competing, tax-paying financial institutions, then the superintendent shall weigh that tax loss in comparison to possible benefits of the credit union expansion.