

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)

DATE: 3-21-01

(Filing No. H-43)

BANKING AND INSURANCE

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

**STATE OF MAINE
HOUSE OF REPRESENTATIVES
120TH LEGISLATURE
FIRST REGULAR SESSION**

COMMITTEE AMENDMENT "A" to H.P. 297, L.D. 375, Bill, "An Act to Ensure Parity in the Sale of Securities by Maine Financial Institutions"

Amend the bill by inserting after the title and before the enacting clause the following:

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

Whereas, the United States Congress passed the Gramm-Leach-Bliley Act, which includes amendments to the Securities Exchange Act that become effective May 12, 2001; and

Whereas, Maine law governing securities sales by state-chartered financial institutions will not conform with the new federal law governing federally-chartered financial institutions as of May 12, 2001; and

Whereas, state-chartered banks in Maine will be at a competitive disadvantage to federally-chartered banks without enactment of this legislation; and

Whereas, in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now, therefore, '

Further amend the bill by striking out everything after the enacting clause and before the summary and inserting in its place the following:

COMMITTEE AMENDMENT

2 'Sec. 1. 32 MRSA §10501, sub-§1, ¶C, as enacted by PL 1985, c.
400, §2, is amended to read:

4
6 C. A depository institution when it is engaged in its
8 ~~regular--course-of-business~~ one or more of the activities
10 described in 15 United States Code, Section 78c(a)(4)(B)
12 except for the activities described in 15 United States
14 Code, Section 78c(a)(4)(B), Subsections (vii) and (xi),
except that this paragraph does not exempt any broker-dealer
that enters into a contractual or other written arrangement
described in 15 United States Code, Section 78c(a)(4)(B),
Subsection (i) with that depository institution from the
licensing requirements of section 10301; or

16 'Sec. 2. 32 MRSA §10501, sub-§1, ¶D, as amended by PL 1989, c.
542, §36, is further amended to read:

18
20 D. Any other persons the administrator may exclude, by rule
22 or order, consistent with the public interest and protection
24 of investors. Rules adopted pursuant to this paragraph are
routine technical rules as defined in Title 5, chapter 375,
subchapter II-A.

26 **Emergency clause.** In view of the emergency cited in the
preamble, this Act takes effect when approved.'

28 Further amend the bill by inserting at the end before the
summary the following:

30
32 **FISCAL NOTE**

34 Establishing parity between financial institutions in Maine
36 and financial institutions in other states with respect to the
38 need to register as a broker-dealer in the sale of securities
will result in insignificant reductions of dedicated revenue to
the Department of Professional and Financial Regulation from the
loss of licensing fees due to bank broker-dealers no longer
needing to be licensed to engage in the practice.'

40
42 **SUMMARY**

44 This amendment establishes parity between state-chartered
46 and federally-chartered financial institutions with respect to
the need to be licensed as a broker-dealer for the sale of
48 securities except in connection with private securities offerings
and certain de minimis transactions.

50 The amendment also adds an emergency preamble, an emergency
clause and a fiscal note to the bill.