

MAINE STATE LEGISLATURE

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MS

L.D. 1717

DATE: 2-4-04

(Filing No. S-376)

INSURANCE AND FINANCIAL SERVICES

Reported by:

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STATE OF MAINE SENATE 121ST LEGISLATURE SECOND SPECIAL SESSION

COMMITTEE AMENDMENT "A" to S.P. 649, L.D. 1717, Bill, "An Act To Clarify Membership on Boards of Directors for Maine Financial Institutions"

Amend the bill by striking out everything after the enacting clause and before the emergency clause and inserting in its place the following:

Sec. 1. 9-B MRSA §326, first ¶, as corrected by RR 2001, c. 2, Pt. B, §10 and affected by §58, is amended to read:

Except as provided in this section and section 327, the management and operations of a financial institution organized under this chapter must be pursuant to Title 13-C, chapter 8.

Sec. 2. 9-B MRSA §326, sub-§1, ¶A, as amended by PL 1997, c. 398, Pt. D, §13, is further amended to read:

A. The number of directors on the board of a mutual financial institution may not be less than 5, --all-of-whom must-be-residents-of-the-financial-institution's-geographic-area-or-an-area-proximate-to-that-geographic-area.

Sec. 3. 9-B MRSA §326, sub-§1, ¶C, as enacted by PL 1975, c. 500, §1, is amended to read:

C. Vacancies on the board occurring during the year may be filled by the board until the next annual meeting of the incorporators or members, who shall elect a director at such time to fill such position for the remainder of the term. Any vacancy which that causes the number of directors to fall below the minimum required in paragraph A or in the

COMMITTEE AMENDMENT

R.S.

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2 institution's bylaws shall or articles of incorporation must
be filled immediately.'

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SUMMARY

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8 This amendment replaces the substantive provisions of the
bill but retains the emergency preamble and emergency clause. It
removes the requirement that a member of the board of directors
10 of a financial institution be a resident of the financial
institution's geographic area, making the law consistent with
12 requirements for other business entities under the Maine Business
Corporation Act. The amendment also clarifies that boards of
14 financial institutions must be managed and operated as permitted
under chapter 8 of the Maine Business Corporation Act and makes
16 other technical changes.

FISCAL NOTE REQUIRED
(See attached)

COMMITTEE AMENDMENT



**121st Maine Legislature
Office of Fiscal and Program Review**

LD 1717

**An Act To Clarify Membership on Boards of Directors for Maine
Financial Institutions**

LR 2474(02)

**Fiscal Note for Bill as Amended by Committee Amendment *A*
Committee: Insurance and Financial Services**

Fiscal Note Required: Yes

Fiscal Note

Minor cost increase - Other Special Revenue Funds

Fiscal Detail and Notes

Any additional costs to the Department of Professional and Financial Regulation in implementing this legislation can be absorbed by the Department utilizing existing resources.