

MAINE STATE LEGISLATURE

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L.D. 949

DATE: 4.12.05

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INSURANCE AND FINANCIAL SERVICES

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**STATE OF MAINE
SENATE
122ND LEGISLATURE
FIRST SPECIAL SESSION**

COMMITTEE AMENDMENT "A" to S.P. 324, L.D. 949, Bill, "An Act To Enhance the Supervisory Powers of the Department of Professional and Financial Regulation, Bureau of 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 Superintendent of Financial Institutions has identified certain enforcement powers essential to the regulation of Maine-chartered financial institutions that are not currently included in the banking laws; and

Whereas, these powers should be made available to the superintendent as soon as possible so that, in the event a Maine-chartered financial institution encounters serious financial difficulties, the superintendent may use the new powers for the protection of depositors, beneficiaries of fiduciary accounts, creditors and the public; and

Whereas, pressures of market forces in Maine and across the nation may adversely affect Maine-chartered financial institutions and may warrant responsive action by the superintendent including the use of these new enforcement powers; and

COMMITTEE AMENDMENT

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 in section 7 in that part designated "~~§469.~~" by striking out all of subsection 4 (page 11, lines 9 to 14 in L.D.) and inserting in its place the following:

'4. Rules. The superintendent may adopt rules defining a change in the composition of all or substantially all of a financial institution's assets and setting forth the factors to consider in determining what constitutes a fundamental change in assets. Rules adopted pursuant to this subsection are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A.'

Further amend the bill by inserting after section 10 the following:

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

Further amend the bill by relettering or renumbering any nonconsecutive Part letter or section number to read consecutively.

SUMMARY

This amendment clarifies the rule-making authority of the Superintendent of Financial Institutions by making the language in that subsection referring to a change in asset composition of a financial institution consistent with the rest of the section of law. The amendment also adds an emergency preamble and emergency clause to the bill.

FISCAL NOTE REQUIRED
(See attached)



122nd MAINE LEGISLATURE

LD 949

0444(02)

An Act To Enhance the Supervisory Powers of the Department of Professional and Financial Regulation, Bureau of Financial Institutions

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 Bureau of Financial Institutions within the Department of Professional and Financial Regulation, can be absorbed by the Bureau utilizing existing resources.