

MAINE STATE LEGISLATURE

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123rd MAINE LEGISLATURE

FIRST REGULAR SESSION-2007

Legislative Document

No. 1829

S.P. 651

April 5, 2007

**An Act To Amend the Banking Laws Regarding the Establishment
of Branches by Financial Institutions with Affiliates That Engage in
Commercial Activity**

Reported by Senator SULLIVAN of York for the Joint Standing Committee on Insurance and Financial Services pursuant to Joint Order S.P. 575 and ordered printed pursuant to Joint Rule 401.

A handwritten signature in cursive script that reads "Joy J. O'Brien".

JOY J. O'BRIEN
Secretary of the Senate

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

2 **Sec. 1. 9-B MRSA §131, sub-§6-B** is enacted to read:

3 **6-B. Commercial activity.** “Commercial activity” means any activity in which a
4 bank holding company, a financial holding company, a national bank or a national bank
5 financial subsidiary may not engage under federal law.

6 **Sec. 2. 9-B MRSA §331, sub-§2,** as amended by PL 1997, c. 398, Pt. E, §1, is
7 further amended to read:

8 **2. Statewide branching.** Subject to the conditions and limitations contained in this
9 chapter, a financial institution may establish a branch ~~office~~ anywhere within this State,
10 except that a financial institution may not establish a branch within 1.5 miles of any
11 location of an affiliate where the affiliate engages in commercial activity and may not
12 conduct any commercial activity at any branch.

13 **Sec. 3. 9-B MRSA §376, sub-§3** is enacted to read:

14 **3. Commercial activity prohibited.** An out-of-state financial institution may not
15 establish or maintain a branch in this State within 1.5 miles of any location of an affiliate
16 where the affiliate engages in commercial activity.

17 **SUMMARY**

18 This bill adds “commercial activity” to the definitions included in the Maine banking
19 laws and clarifies that out-of-state financial institutions and their affiliates, like Maine
20 financial institutions and their affiliates, are prohibited from conducting any commercial
21 activity at in-state branches and cannot establish a branch within 1.5 miles of the location
22 of an affiliate where the affiliate engages in any commercial activity.