

MAINE STATE LEGISLATURE

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131st MAINE LEGISLATURE

FIRST REGULAR SESSION-2023

Legislative Document

No. 1277

S.P. 514

In Senate, March 21, 2023

An Act to Amend the Laws Regarding Property Investment by Credit Unions

Reference to the Committee on Health Coverage, Insurance and Financial Services
suggested and ordered printed.

A handwritten signature in black ink, appearing to read 'D M Grant'.

DAREK M. GRANT
Secretary of the Senate

Presented by Senator ROTUNDO of Androscoggin.
Cosponsored by Representative MORRIS of Turner and
Representatives: ABDI of Lewiston, ARATA of New Gloucester, BLIER of Buxton,
CLOUTIER of Lewiston, CRAVEN of Lewiston, DHALAC of South Portland, LAJOIE of
Lewiston.

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

2 **Sec. 1. 9-B MRSA §863**, as amended by PL 2017, c. 143, §10, is further amended
3 to read:

4 **§863. Real estate ~~for office facilities~~ property**

5 **1. Authorizing.** A Except as provided by subsection 3, a credit union may invest in
6 real estate property by the purchase of improved or unimproved real estate property, and in
7 the erection or improvement of buildings thereon together with fixtures and equipment, for
8 the purpose of providing offices for the transaction of its business. Such buildings may
9 include space for rental purposes.

10 **2. Limitation.** The cost to the credit union of lands, buildings, fixtures and equipment
11 described in subsection 1 may not exceed 60% of the credit union's total surplus at the time
12 the investment is made; except that the superintendent may, for good cause shown, upon
13 application by the credit union in writing, approve an amount in excess of 60% of total
14 surplus, subject to such conditions as the superintendent considers necessary.

15 **3. Exception.** To the extent allowed by federal law, a credit union may invest in real
16 property for the purpose of transferring ownership of that property to a 3rd party, as long
17 as the transfer of that property is completed not later than the 180th day after the date the
18 title to the property was acquired by the credit union.

19 **SUMMARY**

20 This bill allows credit unions to invest in real property for a limited period of time, to
21 the extent allowed by federal law.