

# MAINE STATE LEGISLATURE

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**LAWS**  
OF THE  
**STATE OF MAINE**

AS PASSED BY THE  
ONE HUNDRED AND ELEVENTH LEGISLATURE

**SECOND SPECIAL SESSION**

November 18, 1983

AND AT THE

**SECOND REGULAR SESSION**

January 4, 1984 to April 25, 1984

AND AT THE

**THIRD SPECIAL SESSION**

September 4, 1984 to September 11, 1984

PUBLISHED BY THE DIRECTOR OF LEGISLATIVE RESEARCH  
IN ACCORDANCE WITH MAINE REVISED STATUTES  
ANNOTATED, TITLE 3, SECTION 164, SUBSECTION 6.

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J.S. McCarthy Co., Inc.  
Augusta, Maine  
1986

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**PUBLIC LAWS**  
OF THE  
**STATE OF MAINE**

AS PASSED AT THE  
SECOND REGULAR SESSION  
of the  
ONE HUNDRED AND ELEVENTH LEGISLATURE  
JANUARY 4, 1984 TO APRIL 25, 1984

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The location of all pipes, hydrants and other structures for the conducting and maintaining of these pipes and hydrants, under the surface of and in these streets and highways in which these companies are empowered to obtain locations for their pipes and hydrants which have been located over, under the surface of and in the streets and highways prior to January 17, 1977, and which shall be hereafter so located in accordance with chapters 171 to 179, are valid and declared legal and these shall henceforth be legal structures in these streets and highways until the location thereof shall have been changed in any manner required or authorized by law.

Effective July 25, 1984.

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## CHAPTER 597

H.P. 1500 - L.D. 1974

### AN ACT Revising the Maine Bank Holding Company Act.

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

Whereas, the reciprocity requirements in Maine bank law are subject to varied interpretations in relation to the laws or prospective laws of the 49 other states and constitute an unnecessary barrier to the attraction of new capital into this State; and

Whereas, Maine law provides standards of capitalization and business conduct sufficient to protect the public interest; and

Whereas, the repeal of the reciprocity requirements in Maine law will encourage further competition in interstate banking and attract additional capital to the State; 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,

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

Sec. 1. 9-B MRSA §417, as enacted by PL 1983, c. 55, §1, is amended by adding at the end a new paragraph to read:

Notwithstanding the investment limitations in section 554, and subject to any approval required under this section, and subject to any approval required by and any limitations contained in section 1013, a Maine financial institution may acquire control of a financial institution within or outside this State.

Sec. 2. 9-B MRSA §1013, sub-§2, as amended by PL 1983, c. 302, §2, is further amended to read:

2. Acquisition by out-of-state company. A non-Maine financial institution holding company may establish or acquire control of one or more Maine financial institutions or Maine financial institution holding companies with the prior approval of the superintendent; ~~provided that the state in which the operations of such financial institution holding company are principally conducted authorizes the establishment of, or acquisition of control of, financial institutions or financial institution holding companies in that state by Maine financial institution holding companies, under conditions no more restrictive than those imposed by this Title, as determined by the superintendent.~~

Sec. 3. 9-B MRSA §1013, sub-§3, ¶B, as enacted by PL 1983, c. 302, §3, is amended to read:

B. A Maine financial institution or Maine financial institution holding company, control of which is to be acquired or held, shall have, on the date of acquisition or establishment, and shall maintain a minimum equity capital which the superintendent determines acceptable given the market area to be served and the general plan of business of the Maine financial institution or Maine financial institution holding company. In no event shall such equity capital be less than \$3,000,000 in the case of an establishment, or \$1,000,000 in the case of an acquisition. Equity capital shall be maintained consistent with sound banking practices.

Sec. 4. 9-B MRSA §1013, sub-§4, as enacted by PL 1983, c. 302, §3, is amended to read:

4. Application; information on "net new funds" to be brought to Maine. The application for the acquisition or establishment shall address the issue of how the transaction will bring "net new funds" to Maine. It shall include, but not be limited to, a discussion of initial capital investments, loan policy, investment policy, dividend policy and the general plan of business, including the full range of con-

sumer and business services which will be offered. The loan policy and general plan of business shall specifically address steps that will be taken to meet the credit needs of individuals and small businesses, as defined in Title 10, chapter 110, subchapter 1-B, in the community served, in the case of an acquisition, or to be served, in the case of an establishment. This information shall be updated in annual reports to the bureau. Annual reports shall be provided to the bureau which detail the compliance with the policies and plans contained in the application and their impact on the satisfaction of the "net new funds" requirement. The bureau may require independent verification of data to be certain the Maine financial institution remains in compliance regarding its commitment to bring "net new funds" into the State.

Sec. 5. 9-B MRSA §1020 is enacted to read:

§1020. Annual reports to the Legislature

The superintendent shall annually report to the Legislature by January 15th of each year the applications received and any actions taken pursuant to chapter 35 and chapter 101. The report shall include, but not be limited to, detailed information on the number, types and legal structures of all regulated financial institutions in Maine, the locations of all offices and total deposits held by these institutions, the steps taken or planned by non-Maine financial institution holding companies that have received approval under this chapter for acquisition or establishment to meet the credit needs of consumers and small businesses and an analysis of the impact of applications approved under chapter 35 and chapter 101 on the banking structure of Maine and the credit needs of the state's citizens and businesses.

Sec. 6. Transitional provision. Notwithstanding the Revised Statutes Title 1, section 302, Title 9-B, section 1013, as amended by section 2 of this Act, shall apply to any applications by non-Maine financial institution holding companies to establish or acquire control of Maine financial institution holding companies which applications for such establishment or acquisition have been filed with, and have either heretofore been approved or are currently pending hearing or decision by, the Superintendent of Banking upon the effective date of this Act. Title 9-B, section 1013, as amended by section 3 of this Act, shall not apply to any applications by non-Maine financial institution holding companies to establish or acquire control of Maine financial institution holding companies which applications for such establishment or acquisition have been filed with, and have either heretofore been approved or are currently

pending hearing or decision by, the Superintendent of Banking upon the effective date of this Act.

**Emergency clause.** In view of the emergency cited in the preamble, this Act shall take effect when approved.

Effective February 7, 1984.

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## CHAPTER 598

S.P. 648 - L.D. 1838

### AN ACT to Assure Equality between Finance Charges in Home Improvement Credit Sales and Loans.

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

Whereas, pursuant to Public Law 1981, chapter 229, which enacted the Revised Statutes, Title 9-A, section 2-201, subsection 7, paragraph A, the maximum annual interest rate allowed on home improvement credit sales was 18%, which was identical to the annual interest rate allowed on all other consumer credit transactions, pursuant to the Revised Statutes, Title 9-A, section 2-201, subsection 2; and

Whereas, the Revised Statutes, Title 9-A, section 2-201, subsection 7, paragraph A, was sunsetted effective May 7, 1983, which caused home improvement credit sales to be discriminated against under the Revised Statutes, Title 9-A, section 2-201, subsection 7, which provides that the maximum interest rate which may be charged on a home improvement credit sale shall be 15%; and

Whereas, home improvement credit sales and other consumer credit transactions should be treated alike and it is in the consumer's interests that they be treated alike; and

Whereas, the Revised Statutes, Title 9-A, section 2-201, subsection 7, paragraph A, did assist in promoting the building and home improvement industry in the State; and