

LD 224
OTP-A
FOR HCIFS REVIEW
Changes highlighted in yellow

Committee: HCIFS
LA: CMR
File Name: G:\COMMITTEES\IFS\Bill amendments\130th 1st\011302.docx
LR (item): 0113 (02)
New Title?: n
Add Emergency?: Y
Date: February 15, 2021

COMMITTEE AMENDMENT ". TO LD 224, An Act To Modify Requirements for Multiple-party Accounts, Limited Purpose Financial Institutions and Mergers

Amend the bill by inserting 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, financial institutions in this State are committed to preventing elder financial abuse; and

Whereas, the enactment of a new Probate Code in July 2019 made a change in the procedures for opening a multiple-party account; and

Whereas, this legislation clarifies a provision in the Maine Banking Code requiring financial institutions to affirm when a multiple-party account is established or a single account is converted whether the party establishing the account intends for any sum remaining in the account upon death to belong to the surviving party; and

Whereas, this change allows financial institutions to establish procedures for opening multiple-party accounts to help combat elder financial abuse;

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,

Amend the bill in section 1 as follows:

Sec. 1. 9-B M.R.S. § 354, sub -§ 2, as amended by PL 1997, c. 398, §4 is further amended to read:

2. Resulting investor-owned institution. Except as the superintendent may authorize pursuant to section 354-A, a mutual financial institution may not merge into an investor- owned institution organized under the laws of this State without prior compliance with section 344 and all rules adopted under that section. In accordance with section 1054, subsection 3, paragraph B, a mutual holding company may acquire a ~~state or federal~~ **mutual financial institution or mutual federal association** through merger into a subsidiary universal bank or an interim subsidiary universal bank of the mutual holding company without prior compliance with section 344 and all rules adopted under that section.

Amend the bill in section 3 as follows:

Sec. 3. 9-B MRSA §1054, sub-§3, ¶B, as amended by PL 2009, c. 228, §15, is further amended to read:

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B. Acquire a ~~state or federal~~ mutual financial institution **or a mutual federal association** through merger into a subsidiary universal bank or an interim subsidiary universal bank of the mutual holding company;

Amend the bill at the end before the summary the following:

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

SUMMARY

This amendment clarifies language related to authorization of mergers to better reflect the organizational structure of the entities being merged. The amendment also adds an emergency preamble and emergency clause to the bill.

DRAFT