

STATE OF MAINE

—
IN THE YEAR OF OUR LORD
TWO THOUSAND TWENTY-ONE

—
H.P. 159 - L.D. 224

An Act To Modify Requirements for Multiple-party Accounts, Limited Purpose Financial Institutions and Mergers

Emergency preamble. Whereas, acts and resolves 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, the following legislation clarifies a provision in the Maine Revised Statutes, Title 9-B requiring financial institutions to affirm when a multiple-party account is established or a single account is converted whether the party establishing or converting the account intends for any sum remaining in the account upon death to belong to the surviving party; and

Whereas, this change must be enacted before the expiration of the 90-day period to allow financial institutions to establish procedures for opening multiple-party accounts to immediately help combat elder financial abuse; 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 §354, sub-§2, as amended by PL 1997, c. 398, Pt. G, §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 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.

Sec. 2. 9-B MRSA §427, sub-§13-A, as enacted by PL 2019, c. 1, §2 and affected by §5, is amended to read:

13-A. Notice on opening certain accounts. ~~A signature card or other document establishing a multiple party account, as defined in Title 18-C, section 6-201, must contain a clear and conspicuous printed notice to the depositor that on the depositor's death the balance in the account will belong to the surviving party. At the time a multiple-party account, as defined in Title 18-C, section 6-201, subsection 5, is established or at the time a single-party account is converted to a multiple-party account with a financial institution, the document establishing the account or adding another party must include for each party to the account the question, "Do you intend for the sum remaining upon your death to belong to the surviving party or parties? Yes or No." The question required by this subsection must be answered in writing on the form by each party to the account prior to opening the account. The answer provided on the form required by this subsection does not have any effect on any legal presumption or inference available in any civil or criminal matter.~~

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

B. Acquire a 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;

Sec. 4. 9-B MRSA §1212, sub-§1-A is enacted to read:

1-A. Principal office in State. Except for a nondepository trust company organized prior to the effective date of this subsection, a nondepository trust company shall locate its principal office in this State, have at least one resident of this State on its governing board and hold at least one of its governing board meetings in this State each year.

Sec. 5. 9-B MRSA §1222, sub-§1-A is enacted to read:

1-A. Principal office in State. Except for a merchant bank organized prior to the effective date of this subsection, a merchant bank shall locate its principal office in this State, have at least one resident of this State on its governing board and hold at least one of its governing board meetings in this State each year.

Sec. 6. 9-B MRSA §1232, sub-§1-A is enacted to read:

1-A. Principal office in State. Except for an uninsured bank organized prior to the effective date of this subsection, an uninsured bank shall locate its principal office in this State, have at least one resident of this State on its governing board and hold at least one of its governing board meetings in this State each year.

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