

02-029

CHAPTER 137

Regulation #37

INTERSTATE BRANCH ASSESSMENT

SUMMARY:

On April 8, 1996, P.L. 628 was enacted into law. Through amendments to the Maine Banking Code, State law permits interstate mergers and establishment or acquisition of interstate branches effective January 1, 1997. To compensate for reasonable expenses incurred by the Bureau in fulfilling its responsibility to regulate interstate branch activities, this legislation provided for the establishment of an annual assessment to be paid by each out-of-state financial institution that operates branch(es) in Maine. This rule sets forth the amount and timing of payment of this assessment.

I. AUTHORITY

Title 9-B M.R.S.A. §214(2-A) authorizes the superintendent to promulgate rules establishing an assessment on interstate branches of out-of-state financial institutions. Regulations adopted pursuant to this subsection are routine technical rules as defined in Title 5, chapter 375, subchapter II-A.

II. PURPOSE

This regulation establishes a reasonable fee and timing for assessment in order to adequately cover the supervision costs, overhead, general office and administrative expenses associated with the regulation of interstate branches.

III. DEFINITIONS

- A. "Branch" has the same meaning as set forth in 9-B M.R.S.A. §131(3).
- B. "Out-of-state financial institution" has the same meaning as set forth in 9-B M.R.S.A. §131(29-B).
- C. "Satellite facility" has the same meaning as set forth in 9-B M.R.S.A. §131(35).

IV. GENERAL PROVISIONS OF THE REGULATION

Each out-of-state financial institution that plans to operate one or more branches in this State must notify the Superintendent of its intention to do so and pay a filing fee in accordance with Title 9-B M.R.S.A. Chapter 37. Thereafter each out-of-state financial institution operating one or more branches in this State shall file an annual notice, in the form and containing such information as

required by the Superintendent, and remit a fee in accordance with the following:

1. The branch assessment fee shall equal \$300 per branch being operated in this State, for all or any portion of, the preceding calendar year; for purposes of this assessment, a satellite facility is not considered to be a branch.
2. The annual notice shall be filed on or before January 31st of each year; and the branch assessment fee shall be due and payable on that date unless deferred by the Superintendent. Any deferred assessment on an interstate branch that is sold or closed during a calendar year shall be due and payable upon the sale or closing of such branch.

V. EFFECTIVE DATE: January 14, 1997

BASIS STATEMENT

On January 1, 1997, Maine laws authorizing interstate mergers and the operation of interstate branches by financial institutions will become effective. State-chartered banks that branch into Maine will be subject to consumer protection laws and regulation by the Bureau of Banking. This rule establishes a nominal per branch fee to be paid by out-of-state entrants to offset the cost of regulatory oversight.

A notice to interested parties was mailed on or about November 8, 1996, and published on or about November 20, 1996. Comments were solicited through December 20, 1996. No comments were received; therefore, the rule is being adopted as proposed.