

# MAINE STATE LEGISLATURE

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# 118th MAINE LEGISLATURE

## FIRST REGULAR SESSION-1997

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Legislative Document

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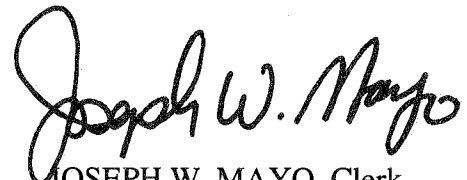
H.P. 705

House of Representatives, February 11, 1997

**An Act to Authorize the Issuance of a Credit Card to Benefit the  
Scholarships for Maine Fund.**

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Reference to the Committee on Banking and Insurance suggested and ordered printed.

  
JOSEPH W. MAYO, Clerk

Presented by Representative DAVIDSON of Brunswick.  
Cosponsored by Senator ABROMSON of Cumberland and  
Representatives: BRUNO of Raymond, CAMERON of Rumford, CARLETON of Wells,  
KONTOS of Windham, PERRY of Bangor, SAXL of Bangor, SAXL of Portland, STEVENS  
of Orono.

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

2  
4 **Sec. 1. 10 MRSA §1013, sub-§2**, as repealed and replaced by PL 1989, c. 698, §10, is repealed and the following enacted in its place:

6  
8 2. **Teachers for Maine Program.** The Teachers for Maine Program, as established in Title 20-A, chapter 428;

10 **Sec. 2. 10 MRSA §1013, sub-§10**, as amended by PL 1995, c. 462, Pt. A, §17, is further amended to read:

12  
14 **10. Student financial assistance counseling and outreach program.** The student financial assistance counseling and outreach program, as established in Title 20-A, chapter 430-B; and

16  
18 **Sec. 3. 10 MRSA §1013, sub-§13**, as amended by PL 1991, c. 824, Pt. C, §1, is further amended to read:

20 **13. Higher Education Loan Program.** The Higher Education Loan Program, as established in Title 20-A, chapter 417-C;

22 **Sec. 4. 10 MRSA §1013, sub-§§14 and 15** are enacted to read:

24  
26 14. **University of Maine System Scholarship Fund.** The University of Maine Scholarship Fund, as established in Title 20-A, chapter 419-B; and

28  
30 15. **Scholarships for Maine Fund.** The Scholarships for Maine Fund, as established in Title 20-A, chapter 419-C.

32 **Sec. 5. 20-A MRSA c. 419-C** is enacted to read:

34 **CHAPTER 419-C**

36 **SCHOLARSHIPS FOR MAINE FUND**

38 **§11651. Scholarships for Maine Fund**

40 The Scholarships for Maine Fund is created and established as a nonlapsing fund under the jurisdiction and control of the Finance Authority of Maine. All revenues credited to this fund must be distributed as scholarships based on need for residents of the State who are enrolled in an accredited postsecondary education program of at least one year. The Finance Authority of Maine shall award scholarships and adopt rules for determining eligibility, terms and conditions of grants. Rules adopted pursuant to this section are routine technical rules pursuant to Title 5, chapter 375, subchapter II-A. Interest earned on

2 amounts in the fund may be used for the costs of administering  
3 the grants.

4 **§11652. Finance Authority of Maine sponsored credit card**

6 **1. Finance Authority of Maine sponsored credit card.** The  
7 Finance Authority of Maine may enter into an agreement with a  
8 financial institution, as defined in Title 9-B, section 131,  
9 subsection 17 or a credit union, as defined in Title 9-B, section  
10 131, subsection 12 to issue a credit card for the benefit of the  
11 Scholarships for Maine Fund.

12 **2. Agreement.** If the Finance Authority of Maine enters  
13 into an agreement with a financial institution or credit union in  
14 accordance with subsection 1, the Finance Authority of Maine  
15 shall negotiate the most favorable agreement for the Finance  
16 Authority of Maine, considering such factors as:

17 A. The rate of the fee by a credit card issuer;

18 B. The ability of a financial institution or credit union  
19 to market the card successfully; and

20 C. Customer service offered by the financial institution or  
21 credit union.

22 **3. Distribution of proceeds.** Funds received by the Finance  
23 Authority of Maine under the agreement with the financial  
24 institution or credit union must be deposited into the  
25 Scholarships for Maine Fund.

26  
27  
28 **SUMMARY**

29 This bill authorizes the Finance Authority of Maine to enter  
30 into an agreement with a financial institution or a credit union  
31 for a sponsored credit card. The purpose of the credit card is  
32 to provide voluntary funding for the Scholarships for Maine Fund  
33 from which grants are made to students who evidence financial  
34 need when attending an accredited postsecondary education  
35 program. The bill also updates the list of the higher education  
36 assistance programs the Finance Authority of Maine is authorized  
37 to administer.  
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