

MAINE STATE LEGISLATURE

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132nd MAINE LEGISLATURE

FIRST REGULAR SESSION-2025

Legislative Document

No. 97

H.P. 62

House of Representatives, January 8, 2025

An Act to Facilitate the Improvement of Credit Scores of Residents of Department of Corrections Facilities

Submitted by the Department of Corrections pursuant to Joint Rule 204.
Reference to the Committee on Health Coverage, Insurance and Financial Services
suggested and ordered printed.

A handwritten signature in cursive script that reads "Robert B. Hunt".

ROBERT B. HUNT
Clerk

Presented by Representative SAYRE of Kennebunk.

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

2 **Sec. 1. 17-A MRSA §2016, sub-§2**, as amended by PL 2021, c. 299, Pt. A, §2, is
3 further amended to read:

4 **2. Payment of restitution or fines from other sources.** A prisoner, other than one
5 addressed by subsection 1, who receives money, from any source, shall pay 25% of that
6 money to any victim or the court if the court has ordered that restitution or a fine be paid.
7 The chief administrative officer of the correctional facility in which the prisoner is
8 incarcerated shall collect and disburse to the victim or victims that portion of the prisoner's
9 money ordered as restitution. The chief administrative officer of the correctional facility
10 where the prisoner is incarcerated shall also collect and disburse to the court that portion
11 of the prisoner's money ordered as fines after the restitution is paid in full. If the victim or
12 victims ordered by the court to receive restitution cannot be located, the correctional facility
13 shall forward the funds, as provided in section 2009, to the Treasurer of State to be handled
14 as unclaimed property. Money received by the prisoner and directly deposited into a
15 telephone call account established by the Department of Corrections for the sole purpose
16 of paying for use of the department's client telephone system is not subject to this
17 subsection, except that 25% of any money received by the prisoner and transferred from
18 the telephone call account to the department's general client account at the time of the
19 prisoner's discharge or transfer to supervised community confinement must be collected
20 and disbursed as provided in this subsection. Money received by the prisoner as a credit
21 improvement loan in accordance with Title 34-A, section 3039, subsection 6 is not subject
22 to this subsection.

23 **Sec. 2. 34-A MRSA §3032, sub-§5-A, ¶A**, as amended by PL 2005, c. 506, §4, is
24 further amended to read:

25 A. Restitution may be imposed for the purpose of replacing or repairing property
26 destroyed or damaged by the prisoner or juvenile while the prisoner or juvenile is at
27 the institution. When restitution is imposed at a facility, a prisoner or a juvenile who
28 is subject to that restitution and who receives money from any source shall pay 25% of
29 that money to the facility where the destruction or damage occurred. The facility shall
30 collect that money and apply it to defray the cost of replacement or repair of the items
31 destroyed or damaged. Money received by the prisoner or juvenile and directly
32 deposited into a telephone call account established by the department for the sole
33 purpose of paying for use of the department's client telephone system is not subject to
34 this paragraph, except that 25% of any money received by the prisoner or juvenile and
35 transferred from the telephone call account to the department's general client account
36 at the time of the prisoner's or juvenile's discharge or transfer to supervised community
37 confinement or community reintegration status must be collected and disbursed as
38 provided in this paragraph. Money received by the prisoner or juvenile as a credit
39 improvement loan in accordance with section 3039, subsection 6 is not subject to this
40 paragraph.

41 **Sec. 3. 34-A MRSA §3032, sub-§5-A, ¶A-1**, as amended by PL 2005, c. 506, §5,
42 is further amended to read:

43 A-1. Restitution may be imposed for the purpose of paying the cost of medical care
44 incurred as a result of the conduct of a prisoner or juvenile while the prisoner or
45 juvenile is at the institution. When restitution is imposed at a facility, a prisoner or a

1 juvenile who is subject to that restitution and who receives money from any source
2 shall pay 25% of that money to the facility where the medical care was provided. The
3 facility shall collect that money and apply it to defray the cost of medical care. Money
4 received by the prisoner or juvenile and directly deposited into a telephone call account
5 established by the department for the sole purpose of paying for use of the department's
6 client telephone system is not subject to this paragraph, except that 25% of any money
7 received by the prisoner or juvenile and transferred from the telephone call account to
8 the department's general client account at the time of the prisoner's or juvenile's
9 discharge or transfer to supervised community confinement or community
10 reintegration status must be collected and disbursed as provided in this paragraph.
11 Money received by the prisoner or juvenile as a credit improvement loan in accordance
12 with section 3039, subsection 6 is not subject to this paragraph.

13 **Sec. 4. 34-A MRSA §3032, sub-§5-B, ¶A**, as amended by PL 2005, c. 506, §6, is
14 further amended to read:

15 A. When a monetary sanction is imposed at a facility, a prisoner who is subject to that
16 monetary sanction and who receives money from any source shall pay 25% of that
17 money to the facility where the monetary sanction was imposed. The facility shall
18 collect that money and apply it to defray the cost of holding disciplinary hearings.
19 Money received by the prisoner and directly deposited into a telephone call account
20 established by the department for the sole purpose of paying for use of the department's
21 client telephone system is not subject to this paragraph, except that 25% of any money
22 received by the prisoner and transferred from the telephone call account to the
23 department's general client account at the time of the prisoner's discharge or transfer to
24 supervised community confinement must be collected and disbursed as provided in this
25 paragraph. Money received by the prisoner as a credit improvement loan in accordance
26 with section 3039, subsection 6 is not subject to this paragraph.

27 **Sec. 5. 34-A MRSA §3039, sub-§6** is enacted to read:

28 **6. Credit improvement loan.** The commissioner may allow a client, in accordance
29 with rules adopted by the commissioner, to receive a loan from a financial institution
30 without the loan money being deposited in the department's general client account or the
31 department's telephone call account if:

- 32 A. The loan is designed to improve the client's credit score;
33 B. The loan money is deposited in the client's savings account at the financial
34 institution;
35 C. The loan is secured in full by money disbursed by the client from the department's
36 general client account to the client's savings account at the financial institution after
37 any collections provided for by statute or rule; and
38 D. The loan is required to be repaid in full from the secured money under paragraph
39 C or from other money disbursed by the client from the department's general client
40 account after collections provided for by statute or rule.

41 As used in this subsection, "financial institution" has the same meaning as in Title 9-B,
42 section 131, subsection 17 and includes a credit union as defined in Title 9-B, section 131,
43 subsection 12.

1 Rules adopted pursuant to this subsection are routine technical rules as defined in Title 5,
2 chapter 375, subchapter 2-A.

3 **Sec. 6. 34-A MRSA §3047, sub-§2, ¶A,** as amended by PL 2005, c. 506, §10, is
4 further amended to read:

5 A. Has, within the 6 months prior to the date of parole or discharge, transferred from
6 the department's general client account to any person more than \$500, excluding any
7 money transferred for the support of dependents or a credit improvement loan in
8 accordance with section 3039, subsection 6; or

9 **Sec. 7. 34-A MRSA §3047, sub-§2, ¶B,** as amended by PL 2007, c. 102, §9, is
10 further amended to read:

11 B. Has, on the date of parole or discharge, more than \$500 in personal assets not
12 including a credit improvement loan in accordance with section 3039, subsection 6.

13 SUMMARY

14 This bill allows, under rules established by the Commissioner of Corrections, a juvenile
15 or adult client of a correctional or detention facility to obtain a loan from a financial
16 institution or credit union. The bill exempts the loan funds from being used for restitution
17 or the client's telephone call account if the loan is designed to improve the client's credit
18 score; the funds are deposited in the client's savings account at the financial institution or
19 credit union; the loan is secured in full by funds disbursed by the client after any collections
20 required by law; and the loan is required to be repaid in full using those secured funds or
21 other funds disbursed by the client.