

MAINE STATE LEGISLATURE

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LAWS
OF THE
STATE OF MAINE

AS PASSED BY THE

ONE HUNDRED AND THIRTY-SECOND LEGISLATURE

FIRST REGULAR SESSION
December 4, 2024 to March 21, 2025

FIRST SPECIAL SESSION
March 25, 2025 to June 25, 2025

THE GENERAL EFFECTIVE DATE FOR
FIRST REGULAR SESSION
NONEMERGENCY LAWS IS
JUNE 20, 2025

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FIRST SPECIAL SESSION
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PUBLISHED BY THE REVISOR OF STATUTES
IN ACCORDANCE WITH THE MAINE REVISED STATUTES ANNOTATED,
TITLE 3, SECTION 163-A, SUBSECTION 4.

Augusta, Maine
2025

with the following provisions with respect to the reporting of medical ~~expenses~~ debt on a consumer report.

A. A consumer reporting agency may not report ~~debt from medical expenses~~ medical debt on a consumer's consumer report ~~when the date of the first delinquency on the debt is less than 180 days prior to the date that the debt is reported~~ and a medical creditor, debt collector or debt buyer may not report a consumer's medical debt to a consumer reporting agency.

B. ~~Upon the receipt of reasonable evidence from the consumer, creditor or debt collector that a debt from medical expenses has been settled in full or paid in full, a consumer reporting agency:~~

- (1) ~~May not report that debt from medical expenses; and~~
- (2) ~~Shall remove or suppress the report of that debt from medical expenses on the consumer's consumer report.~~

C. ~~As long as the consumer is making regular, scheduled periodic payments toward the debt from medical expenses reported to the consumer reporting agency as agreed upon by the consumer and medical provider, the consumer reporting agency shall report that debt from medical expenses on the consumer's consumer report in the same manner as debt related to a consumer credit transaction is reported.~~

See title page for effective date.

CHAPTER 202

S.P. 346 - L.D. 786

An Act to Promote Public Safety and Retain Essential First Responders by Converting the Maine Length of Service Award Program Trust Fund to a Nonlapsing Fund

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

Sec. 1. 5 MRSA §3372, sub-§16, as enacted by PL 2015, c. 352, §1, is amended to read:

16. Investment of program funds. The board shall establish a program trust fund within which the funds paid into the program must be deposited. A participant shall select investments for the amounts credited to the participant's program account from a menu of investment options. Distributions of accrued service awards must be made from the program trust fund in accordance with the program provisions. The program

trust fund must be established and maintained in accordance with applicable sections of the United States Internal Revenue Code. Subject to review and approval by the Treasurer of State, the program trust fund investment options made available to participants must be selected by the board. Any unexpended balance in the program trust fund at the end of a year may not lapse and must be carried forward to be available for expenditure by the board in the subsequent year for program purposes.

See title page for effective date.

CHAPTER 203

H.P. 553 - L.D. 867

An Act Regarding Pre-need Funeral Insurance

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

Sec. 1. 24-A MRSA §2176, as amended by PL 1999, c. 258, §1, is further amended to read:

§2176. Funeral and burial service contracts ~~prohibited~~

An insurer may not contract or agree with any funeral ~~director~~ practitioner, funeral establishment, mortuary establishment, cemetery, cemetery corporation or association, crematorium, mausoleum or columbarium or any representative of any of these ~~directors~~ practitioners or establishments to the effect that the ~~director~~ practitioner or establishment shall must conduct the funeral, burial, or cremation or other disposal of the remains of any individual insured by the insurer. ~~An insurer may not retain, utilize or employ any director or establishment as a producer or agency of the insurer and a director or establishment may not act as or purport to be an insurance producer or engage in insurance producer activities. Nothing in this section prevents This section does not prevent~~ compliance with Title 39-A, section 216, or the use of an insurance policy, including, subject to the provisions of section 2420, the assignment of rights under life insurance contracts, to provide security for the payment for a funeral, burial or cremation or, subject to chapter 27, the naming of a funeral ~~home establishment~~ or funeral ~~director~~ practitioner as beneficiary under a life insurance policy to provide payment for a funeral, burial or cremation. ~~Nothing in this This section prohibits does not prohibit~~ the use of an insurance policy as an investment by a mortuary trustee pursuant to Title 32, section 1401.

Sec. 2. 24-A MRSA §2176-A is enacted to read:

§2176-A. Disclosures required for sale of pre-need insurance in connection with prearranged funerals

1. Definition. For purposes of this section, "pre-need insurance" means a type of life insurance policy designed to cover the costs of funeral and burial services selected in a statement of goods and services contract and for which the entire death benefit is paid directly to the funeral establishment.

2. Disclosures. At the time an application is made, and prior to accepting the applicant's initial premium or deposit for a pre-need insurance policy that is being sold in connection with a prearranged funeral service or plan as described in Title 32, section 1402, a producer shall adequately disclose the following information:

A. The fact that a pre-need insurance policy is involved or being used to fund a prearranged funeral service or plan;

B. The nature of the relationship among the soliciting producer, the provider of the funeral or cemetery merchandise or services, the administrator and any other person;

C. The relationship of the pre-need insurance policy to the funding of the prearranged funeral service or plan and the nature and existence of any guarantees relating to the prearranged funeral service or plan;

D. A list of the goods and services that are selected or contracted for in the prearranged funeral service or plan and all relevant information concerning the price of the funeral and burial services, including an indication that the purchase price is either guaranteed at the time of purchase or to be determined at the time of need;

E. The fact that the face amount of the pre-need insurance policy may not exceed the maximum amount of the goods and services that are contracted for in the prearranged funeral service or plan;

F. All relevant information concerning what occurs and whether any entitlements or obligations arise if there is a difference between the proceeds of the pre-need insurance policy and the amount actually needed to fund the prearranged funeral service or plan;

G. Any penalties or restrictions, including, but not limited to, geographic restrictions or the inability of the provider to perform, on the delivery of merchandise or services or the prearranged funeral service or plan guarantee; and

H. Whether a sales commission or other form of compensation is being paid for the sale of the pre-need insurance policy and the identity of the individual or entity to whom it is paid.

Sec. 3. 32 MRSA §1401, sub-§1, as amended by PL 2007, c. 402, Pt. J, §1, is further amended to read:

1. Plan requirements. Except as provided in ~~sub-section~~ subsections 1-A and 1-B, ~~any~~ a prearranged funeral or burial plan contracted or undertaken within this State must comply with the following.

A. All money paid during a person's lifetime to any individual, firm, association, partnership or corporation, by that person or by someone on behalf of that person, under an agreement that services will be performed or personal property will be delivered in connection with the disposition of that person's body after death must be deposited by the payee within 10 days after receipt of the money in a separate account in a financial institution or credit union authorized to do business in this State, as defined in Title 9-B, section 131, subsections 12-A and 17-A, in the name of the payee as mortuary trustee for the person for whose benefit the payment was made and must be held in that account together with interest if any. If money is paid by check, share draft or money order, the payee shall instruct the payor to make the instrument payable to the financial institution or credit union into which it is to be deposited and to include on the instrument the name of the mortuary trustee and the person for whose benefit the payment was made.

B. The payee shall deposit the money in either a federally insured deposit or share account or a trust account; the type of account must be disclosed to the payor or the payor's representative and a deposit in a trust account may be invested in or used to purchase only the following:

- (1) Federally insured deposit or share accounts;
- (2) Securities issued, insured or guaranteed by the United States or by any agency or corporate or other instrumentality of the United States;
- (3) Municipal securities that are exempt from registration under Title 32, section 16201, subsection 1; and
- (4) Permanent life insurance, other than variable life insurance and annuities, from an insurer authorized to transact insurance in this State, subject to the provisions of Title 24-A, chapter 27. ~~A payee or mortuary trustee may not receive any commission, fee or other consideration from an insurer in connection with the procurement or purchase of insurance permitted by this subparagraph.~~

Except for fees allowed by this section, all investments made with trust assets remain trust assets.

C. Within 30 days after the deposit of funds by the payee, the financial institution or credit union shall provide a written confirmation of the deposit, including the amount deposited, to the payor or the

payor's legal representative. ~~Nothing in this~~ This section may not be construed to prevent the direct transfer of these funds to another financial institution or credit union by payee transfer, by financial institution or credit union merger or consolidation or by operation of law, ~~provided that~~ as long as within 30 days after the direct transfer of the funds, the recipient financial institution or credit union ~~shall provide~~ provides a written confirmation of the deposit, including the amount deposited, to the payor or the payor's legal representative.

D. The agreement must be in writing and a copy must be furnished to the payor or the payor's legal representative by the payee when the agreement is executed. The agreement may be revocable or irrevocable; however, if irrevocable, there must be a provision to allow for the transfer of the account by the appointment of successor trustees. The agreement must clearly state the name of the initial financial institution or credit union into which the money will be deposited and must direct the payor to send a copy of the agreement to the named financial institution or credit union. The agreement must clearly state terms providing for disposition of excess funds after funeral goods and services have been provided. The agreement must clearly state any fees that may be charged against the account; fees must be reasonable, as defined by the board, and may be charged only:

- (1) Upon transfer of the account by the appointment of a successor trustee;
- (2) Upon revocation of the agreement if the agreement is revocable; and
- (3) For the actual financial and tax administration of the account.

The payee shall maintain a complete record of the deposit of all funds, including principal and interest. The record must be available for inspection by the payor, the payor's legal representative, the commissioner's designee or an inspector for the board and must contain the name and address of the financial institution or credit union currently in possession of the funds and the dates and amounts of deposits.

E. The funds may be directed by the payee to another financial institution or credit union or directed back to the payor or the payor's legal representative, if otherwise lawful and permitted by contract, on written instructions of the payor or the payor's legal representative. The funds may only be withdrawn by the payee on presentation of a certified copy of the death certificate of the person for whose benefit the funds were paid, in which event they must be used in accordance with the agreement.

Sec. 4. 32 MRSA §1401, sub-§1-A, as enacted by PL 2003, c. 109, §3, is amended to read:

1-A. Plan funded with mortuary trust agreement and proceeds of life insurance policy. A prearranged funeral or burial plan agreement may be funded with a mortuary trust agreement that receives the proceeds of a life insurance policy in accordance with this subsection.

A. During a person's lifetime, a person or that person's legal representative may enter into an agreement that services will be performed or personal property will be delivered in connection with the disposition of that person's body after death by:

- (1) Assigning the mortuary trustee as owner and beneficiary of a life insurance policy payable to the mortuary trustee upon that person's death; or
- (2) Designating the mortuary trustee as a beneficiary of a life insurance policy payable to the mortuary trustee upon that person's death.

B. An agreement under paragraph A must be in writing and a copy must be furnished to the person or the person's legal representative by the mortuary trustee when the agreement is executed. The agreement may be revocable or irrevocable; however, if the agreement is irrevocable, there must be a provision to allow for the transfer of the trust account by the appointment of successor trustees. The agreement must clearly state terms providing for disposition of excess funds after funeral goods and services have been provided. The agreement must clearly state any fees that may be charged against the trust account. Fees must be reasonable, as defined by the board, and may be charged only:

- (1) Upon transfer of a trust account by the appointment of a successor trustee;
- (2) Upon revocation of the agreement if the agreement is revocable; and
- (3) For the actual financial and tax administration of the trust account.

C. The mortuary trustee shall maintain a complete record of a trust account established under this subsection. The record must be available for inspection by the person, the person's legal representative, the commissioner's designee or an inspector for the board.

This subsection may not be construed to alter the terms of a life insurance policy or supersede any law governing the regulation of life insurance policies.

Sec. 5. 32 MRSA §1401, sub-§1-B is enacted to read:

1-B. Plan funded with proceeds of pre-need life insurance policy. A prearranged funeral service or

plan may be funded with proceeds of a pre-need insurance policy in accordance with this subsection. For the purposes of this section, "pre-need insurance" has the same meaning as in Title 24-A, section 2176-A, subsection 1.

A. During a person's lifetime, a person or that person's legal representative may enter into an agreement that services will be performed or personal property will be delivered in connection with the disposition of that person's body after death by the assignment of proceeds of a pre-need insurance policy to the funeral establishment upon that person's death.

B. The face amount of a pre-need insurance policy sold in connection with a prearranged funeral service or plan as described in section 1402 may not exceed the maximum amount of the goods and services that are contracted for in the prearranged funeral service or plan.

C. An agreement under paragraph A must be in writing and a copy must be furnished to the person or the person's legal representative by the funeral establishment when the agreement is executed. The agreement must identify the parties to the agreement and must be signed by an authorized representative of the funeral establishment.

The receipt of a commission for the sale of pre-need insurance by a licensee that is also licensed as an insurance producer does not constitute a violation of section 1455-B, subsection 5.

This subsection may not be construed to alter the terms of an insurance policy or supersede any law governing the regulation of insurance policies.

Sec. 6. 32 MRSA §1401, sub-§2, as enacted by PL 1999, c. 258, §2 and affected by §3, is amended to read:

2. Rulemaking. The board shall adopt rules regarding prearranged funeral agreements, including, but not limited to:

A. The form, format and content of trust agreements;

B. Standards regarding when service contracts are required in conjunction with trust agreements and the form, format and content of the service contracts;

C. The establishment of reasonable fees that may be charged only pursuant to subsection 1, paragraph D; ~~and~~

D. Inspection of trust agreements, account information and any related documentation; ~~and~~

E. The form, format and content of agreements for prearranged funeral services or plans as described in section 1402 funded by pre-need insurance.

Rules adopted pursuant to this section are routine technical rules under ~~the Maine Revised Statutes~~, Title 5, chapter 375, subchapter ~~H-A~~ 2-A.

Sec. 7. 32 MRSA §1402, first ¶ is amended to read:

~~No~~ A funeral home, funeral establishment or person holding a license under this chapter ~~shall may not~~ as, or through, an agent or principal solicit a prearranged funeral service or plan for any person or persons. "Prearranged funeral service or plan" ~~shall mean~~ means any funeral service or plan ~~which that~~ is arranged, planned or determined prior to the demise of a person or persons for whom the funeral service is to be performed. Funeral homes, funeral establishments and licensees under this chapter may enter into contracts or agreements for prearranged funeral services or plans ~~provided that, as long as they do not in any manner either as, or through, principals or agents solicit such that contract or agreement. This section does not prohibit the sale of insurance, in compliance with section 1401, subsection 1-B and Title 24-A, section 2176-A, to a consumer who has contacted a funeral home, funeral establishment or licensee under this chapter to prearrange a funeral.~~

See title page for effective date.

CHAPTER 204

H.P. 605 - L.D. 940

An Act to Increase the Maximum Cash Prize for the Long Lake Ice Fishing Derby

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

Sec. 1. 12 MRSA §12504, sub-§3, ¶B, as amended by PL 2013, c. 358, §5, is further amended to read:

B. Fixing the maximum total value of prizes that may be awarded at each derby, except that for ~~a~~ derby 2 derbies, ~~one held on Sebago Lake in Cumberland County and in conjunction with the department's fisheries management objectives~~ the Long Lake Ice Fishing Derby held in northern Aroostook County, the maximum total value of prizes at each derby may not exceed \$100,000. These derbies must be conducted in such a manner as to be consistent with the department's fisheries management objectives.

See title page for effective date.