

# MAINE STATE LEGISLATURE

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**STATE OF MAINE  
115TH LEGISLATURE**

**FIRST REGULAR SESSION  
AND  
FIRST SPECIAL SESSION**

**BILL SUMMARIES  
JOINT STANDING COMMITTEE  
ON  
BANKING AND INSURANCE**

**AUGUST 1991**

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**ONE HUNDRED AND FIFTEENTH LEGISLATURE  
FIRST REGULAR SESSION  
AND  
FIRST SPECIAL SESSION  
JOINT STANDING COMMITTEE  
BILL SUMMARIES  
AUGUST 1991**

This document is a compilation of the bill summaries prepared by this office for the Joint Standing Committees and Joint Select Committees of the Maine Legislature. The volume is organized alphabetically by committee; within each committee, the summaries are arranged by LD number. A subject index is provided at the beginning of each committee's summaries.

All adopted amendments are listed, by paper number (e.g., H - 584 or S - 222), together with the sponsor for floor amendments. Final action on each bill is listed to the right of the title. Various types of final action are abbreviated as follows:

<b>PUBLIC XXX</b>	<i>Chapter # of enacted Public Law</i>
<b>P&amp;S XXX</b>	<i>Chapter # of enacted Private &amp; Special Law</i>
<b>RESOLVE XXX</b>	<i>Chapter # of enacted Resolve</i>
<b>CON RES XXX</b>	<i>Chapter # of Constitutional Resolution passed by both Houses</i>
<b>EMERGENCY</b>	<i>Enacted law takes effect sooner than 90 days</i>
<b>CARRIED OVER</b>	<i>Bill carried over to 2nd Session</i>
<b>FAILED EMERGENCY ENACTMENT</b>	<i>Bill failed to get 2/3 vote</i>
<b>ONTP</b>	<i>Ought Not to Pass report accepted</i>
<b>LVWD</b>	<i>Leave to Withdraw report accepted</i>
<b>INDEF PP</b>	<i>Bill Indefinitely Postponed</i>
<b>DIED BETWEEN BODIES</b>	<i>House &amp; Senate disagree; bill died</i>
<b>VETO SUSTAINED</b>	<i>Legislature failed to override Governor's Veto</i>
<b>UNSIGNED</b>	<i>Not signed by Governor within 10 days</i>
<b>DIED ON ADJOURNMENT</b>	<i>Action incomplete when 1st session ended</i>

These summaries were prepared by the analyst or analysts assigned to the committee. But, this document was produced by the efforts of all the office staff, including secretaries: Charlene Raymond and Valarie Parlin, and especially Laurette Knox who coordinated preparation of the overall document.

If you have any suggestions or comments on these summaries, please let us know.

eliminate serious administrative problems caused by a conflict between state law and the practices of the Central Registration Depository, the nationwide computer system on which all states keep their licensing records.

5. The bill clarifies some confusing language with respect to the administrator's authority to create additional exemptions from the securities registration requirement. It is not intended to make any substantive changes in that authority.
6. The bill makes it explicit that in a civil action brought by the Attorney General under the Revised Maine Securities Act, a person in control of a brokerage firm could be liable for the wrongful acts of the firm unless the person proved that the person did not know, and could not reasonably have known, of those acts. This would prevent the owners of a firm from attempting to evade responsibility and possibly deprive investors of restitution by simply closing down the firm, a problem that has occurred in several penny stock enforcement cases. The same language already exists for actions brought under the Act by private parties.

Committee Amendment "A" (S-68) provides that if a defendant is ordered to pay restitution in an action brought by the State, nothing in the law is intended to limit the right that the defendant may have under common law to recover from other persons also liable for the unlawful conduct. The amendment also adds a fiscal note to the bill.

**LD 813      An Act Concerning Insurance Cancellation Hearings      LV/MD**

SPONSOR(S)	COMMITTEE REPORT	AMENDMENTS ADOPTED
THERIAULT JOSEPH MITCHELL E	LV/WD	

**SUMMARY**

There currently are no statutory or regulatory time limits within which the Superintendent of Insurance must render a decision in a cancellation hearing. This bill requires the superintendent to render a decision within 30 days of a hearing. If no decision is made within that time, the policy is deemed canceled.

**LD 831      An Act to Promote Choice for Bank Customers      LV/MD**

SPONSOR(S)	COMMITTEE REPORT	AMENDMENTS ADOPTED
HOLT KILKELLY RICHARDSON THERIAULT	LV/WD	

**SUMMARY**

This bill gives depositors the right to move their accounts without penalty to another branch of the same institution before their bank merges, consolidates, converts or is acquired. The bill requires the bank to give depositors 30 days' notice of this right.