

MAINE STATE LEGISLATURE

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STATE OF MAINE
116TH LEGISLATURE

FIRST REGULAR SESSION

BILL SUMMARIES
JOINT STANDING COMMITTEE
ON
BANKING AND INSURANCE

JULY 1993

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**ONE HUNDRED AND SIXTEENTH LEGISLATURE
FIRST REGULAR SESSION**

**JOINT STANDING COMMITTEE
BILL SUMMARIES**

JULY 1993

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.

The committee report or reports, the prime sponsor for each bill and the lead co-sponsor in each house if one has been designated are listed below each bill title. 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:

<i>PUBLIC XXX</i>	<i>Chapter # of enacted Public Law</i>
<i>P&S XXX</i>	<i>Chapter # of enacted Private & Special Law</i>
<i>RESOLVE XXX</i>	<i>Chapter # of enacted Resolve</i>
<i>CON RES XXX</i>	<i>Chapter # of Constitutional Resolution passed by both Houses</i>
<i>EMERGENCY</i>	<i>Enacted law takes effect sooner than 90 days</i>
<i>CARRIED OVER</i>	<i>Bill carried over to Second Session</i>
<i>ONTP</i>	<i>Ought Not to Pass report accepted</i>
<i>ENACTMENT FAILED</i>	<i>Bill failed to get majority vote</i>
<i>INDEF PP</i>	<i>Bill Indefinitely Postponed</i>
<i>FAILED EMERGENCY ENACTMENT</i>	<i>Emergency bill failed to get 2/3 vote</i>
<i>FAILED MANDATE ENACTMENT</i>	<i>Bill imposing local mandate failed to get 2/3 vote</i>
<i>DIED BETWEEN BODIES</i>	<i>House & Senate disagree; bill died</i>
<i>CONF CMTE UNABLE TO AGREE</i>	<i>Committee of Conference formed but unable to agree</i>
<i>VETO SUSTAINED</i>	<i>Legislature failed to override Governor's Veto</i>
<i>UNSIGNED</i>	<i>Not signed by Governor within 10 days</i>
<i>DIED ON ADJOURNMENT</i>	<i>Action incomplete when session ended; bill died</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.

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

4693NRG

LD 883

An Act to Allow the Bureau of General Services to Provide Insurance Services for Elementary and Secondary Schools in the State

ONTP

SPONSOR(S)
CLEVELAND

COMMITTEE REPORT
ONTP

AMENDMENTS ADOPTED

SUMMARY

This bill authorizes the Department of Administrative and Financial Services, Bureau of General Services, to provide insurance advice and services to school administrative units. Schools that choose to self-insure through the Bureau of General Services could realize savings in insurance expenditures, which could reduce future expenses to the Department of Education, General Purpose Aid to Local Schools account.

The bill further requires the Bureau of General Services to contract for annual actuarial services and to adopt rules to ensure that the insurance fund is adequately funded and the assets of the fund are protected.

See Education Committee bill, LD 586, and LD 1465 on Risk Management.

LD 894

An Act to Establish Maximum Interest Rates for Automobile Financing

PUBLIC 188

SPONSOR(S)
MITCHELL E

COMMITTEE REPORT
OTP-AM MAJ
ONTP MIN

AMENDMENTS ADOPTED
H-212
S-118 MCCORMICK

SUMMARY

This bill reduces the maximum permitted interest rate on a loan for a new motor vehicle from 18% to 13% and for a used motor vehicle not less than 3 years old from 20% to 15% and retains the rate of 23.5% on a loan for an older motor vehicle.

Committee Amendment "A" (H-212) establishes an interest rate cap of 18% per year. It applies to sales on or after January 1, 1994. It adds a fiscal note.

LD 900

An Act to Change the Fees Payable to the Bureau of Consumer Credit Protection

ONTP

SPONSOR(S)
LARRIVEE

COMMITTEE REPORT
ONTP

AMENDMENTS ADOPTED

SUMMARY

This bill exempts loans made by supervised financial organizations and secured by an interest in real estate from the Maine Consumer Credit Code, except for the purposes of complying with the State's truth-in-lending laws. This is consistent with the original enactment of the Maine Consumer Credit Code in 1973 when no real estate-secured bank loans were subject to that code.

The bill also restructures the fees payable to the Bureau of Consumer Credit Protection.

The bill requires that the fees generated by different types of creditors be used to examine those types of creditors and ensures that one class of creditor does not subsidize the examination and complaint resolution of another.