

MAINE STATE LEGISLATURE

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**STATE OF MAINE
118TH LEGISLATURE**

**FIRST REGULAR SESSION
AND
FIRST SPECIAL SESSION**

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

JULY 1997

MEMBERS:

Sen. Lloyd P. LaFountain III, Chair

Sen. Robert E. Murray, Jr.

Sen. I. Joel Abromson

Rep. Jane W. Saxl, Chair

Rep. Julie Winn

Rep. Thomas M. Davidson

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Rep. Sumner A. Jones, Jr.

Rep. Arthur F. Mayo III

Rep. Joseph Bruno

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Maine State Legislature

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**ONE HUNDRED EIGHTEENTH LEGISLATURE
FIRST REGULAR AND FIRST SPECIAL SESSIONS**

**Summary Of Legislation Before The Joint Standing Committees
August 1997**

We are pleased to provide this summary of bills that were considered by the 15 Joint Standing Committees of the Maine Legislature staffed by this office. The document is a compilation of bill summaries which describe each bill, committee amendments and other relevant amendments, as well as the final action taken on the bill. Also included are statistical summaries of bill activity this Session for the Legislature and each of its joint standing committees.

The document is organized for convenient reference to information on bills handled by the joint standing committees. It is organized alphabetically by committees and within committees by bill (LD) number. The committee report(s), prime sponsor for each bill and the lead co-sponsor(s), if designated, are listed below each bill title. All adopted amendments are listed by paper number. Two indices, a subject index and a numerical index by LD number are provided for easy reference to bills. They are located at the back of the document. A separate publication, History and Final Disposition of Legislative Documents, may also be helpful in providing information on the disposition of bills. These bill summaries also are available at the Law and Legislative Reference Library and on the Internet (www.state.me.us/legis/opla).

Final action on each bill is noted to the right of the bill title. The abbreviations used for various categories of final action are as follows:

- CARRIED OVER*.....*Bill carried over to Second Regular Session*
- CON RES XXX*.....*Chapter # of Constitutional Resolution passed by both Houses*
- CONF CMTE UNABLE TO AGREE*.....*Committee of Conference unable to agree; bill died*
- DIED BETWEEN BODIES*.....*House & Senate disagree; bill died*
- DIED IN CONCURRENCE*.....*One body accepts ONTP report; the other indefinitely postpones the bill*
- DIED ON ADJOURNMENT*.....*Action incomplete when session ended; bill died*
- EMERGENCY*.....*Enacted law takes effect sooner than 90 days*
- FAILED EMERGENCY ENACTMENT/FINAL PASSAGE*.....*Emergency bill failed to get 2/3 vote*
- FAILED ENACTMENT/FINAL PASSAGE*.....*Bill failed to get majority vote*
- FAILED MANDATE ENACTMENT*.....*Bill imposing local mandate failed to get 2/3 vote*
- INDEF PP*.....*Bill Indefinitely Postponed*
- ONTP*.....*Ought Not To Pass report accepted*
- OTP ND*.....*Committee report Ought To Pass In New Draft*
- OTP ND/NT*.....*Committee report Ought To Pass In New Draft/New Title*
- P&S XXX*.....*Chapter # of enacted Private & Special Law*
- PUBLIC XXX*.....*Chapter # of enacted Public Law*
- RESOLVE XXX*.....*Chapter # of finally passed Resolve*
- UNSIGNED*.....*Bill held by Governor*
- VETO SUSTAINED*.....*Legislature failed to override Governor's Veto*

Please note the effective date for all non-emergency legislation enacted in the First Regular Session (unless otherwise specified in a particular law) is June 26, 1997 and September 19, 1997 for the First Special Session.

David E. Boulter, Director

Offices Located in the State House, Rooms 101/107/135

<u>Sponsor(s)</u> SKOGLUND		<u>Committee Report</u> ONTP		<u>Amendments Adopted</u>
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LD 716 proposed to require insurers to disclose the names of its five highest-paid executives or officers, the state of their residence, their salaries and benefit packages and the profits of the company at the time insureds are billed for an insurance policy or contract.

<u>Sponsor(s)</u> MAYO ABROMSON		<u>Committee Report</u> OTP-AM		<u>Amendments Adopted</u> H-105 MAYO H-90
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LD 745 proposed to remove the limits on late fees that retailers may charge customers to whom they extend credit. The bill also proposed to allow creditors to charge a single late fee when they change late fees on all future payments that are due, rather than having to charge the old fee for past due payments and the newer fee for new balances.

Committee Amendment "A" (H-90) proposed to strike section 2 of the bill and insert a new section that authorizes the refinancing of the balloon payment portion of a consumer loan if the transaction is made for a term of not less than four years and if the contract evidencing the obligation gives the consumer the right to refinance the final payment on terms then offered by the creditor if the consumer satisfies reasonable credit standards and the property satisfies reasonable loan to value standards. It also adds a fiscal note to the bill.

House Amendment "A" to Committee Amendment "A" (H-105) proposed to change a reference from "borrower" to "consumer."

Enacted law summary

Public Law 1997, chapter 94 removes the limits on late fees that retailers may charge customers to whom the retailers extend credit and allows creditors to charge a single late fee when they charge late fees on all future payments that are due, rather than having to charge the old fee for past due payments and the newer fee for balances. The law also authorizes the refinancing of the balloon payment portion of a consumer loan if the transaction is made for a term of not less than four years and if the contract evidencing the obligation gives the consumer the right to refinance the final payment on terms then offered by the creditor if the consumer satisfies reasonable credit standards and the property satisfies reasonable loan to value standards.