

MAINE STATE LEGISLATURE

The following document is provided by the
LAW AND LEGISLATIVE DIGITAL LIBRARY
at the Maine State Law and Legislative Reference Library
<http://legislature.maine.gov/lawlib>



Reproduced from electronic originals
(may include minor formatting differences from printed original)

**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

Rep. Christopher P. O'Neil

Rep. Joseph C. Perry

Rep. Stephen S. Stanley

Rep. Joseph G. Carleton, Jr.

Rep. Sumner A. Jones, Jr.

Rep. Arthur F. Mayo III

Rep. Joseph Bruno

Staff:

Colleen McCarthy Reid, Legislative Analyst

Office of Policy and Legal Analysis

Room 101/107/135, 13 State House Station

Augusta, ME 04333

(207)287-1670



Maine State Legislature

OFFICE OF POLICY AND LEGAL ANALYSIS

13 State House Station, Augusta, Maine 04333-0013
Telephone: (207) 287-1670
Fax: (207) 287-1275

**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

Enacted law summary

Public Law 1997, chapter 79 requires health maintenance organizations to pay an assessment for the regulatory expenses of maintaining the Maine Bureau of Insurance.

LD 808

An Act to Amend the Laws Governing Banking Institutions

PUBLIC 22

<u>Sponsor(s)</u> LAFOUNTAIN CARLETON	<u>Committee Report</u> OTP	<u>Amendments Adopted</u>
---	--------------------------------	---------------------------

LD 808 proposed to do the following:

1. Expand the definition of activities that may be performed by a service corporation to include those activities permitted for service corporations owned by national banks;
2. Eliminate the application requirement for establishing, closing or relocating a satellite facility and replace it with a notification requirement;
3. Permit the Superintendent of the Bureau of Banking to expedite the conversion of a federally chartered financial institution to state charter if the superintendent considers it necessary for the protection of depositors, shareholders or the public. This provision is consistent with expedited authorities for mergers, acquisitions and other conversion transactions;
4. Change the provisions for the acquisition of a stock institution by a mutual institution;
5. Eliminate references to shareholders in the subordination of claims from the issuance of capital notes or debentures;
6. Change the current application process for most service corporations and subsidiaries to a notice process with no formal approval, which is similar to the process provided under federal law;
7. Change the provisions relating to insider lending to more closely track federal regulation of this area;
8. Repeal language that prohibits a bank director, officer or employee from engaging in the business of selling securities;
9. Repeal outdated requirements in thrift deposit-taking law regarding the payment of interest or dividends on deposit; and
10. Make consistent the process for annual review of lines of credit for banks and thrift institutions.

Enacted law summary

Public Law 1997, chapter 22 makes technical changes to modernize and update the Maine Banking Code. The law streamlines and reduces the regulatory requirements with respect to certain applications filed with the Bureau of

Banking. It amends the provisions related to insider lending to more closely track federal regulations. The law also repeals outdated provisions related to payment of interest on deposits by savings banks and savings and loan associations and to outside business interests of bank directors, officers or employees.

LD 822 **An Act to Grant Visually Impaired Operators of Government Vending Facilities Access to State Health Insurance at Their Own Expense** **PUBLIC 80**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
MILLS	OTP-AM	S-56

LD 822 proposed to authorize the purchase of health insurance through the state employee health insurance program by blind and visually impaired vending facility managers participating in a state program administered by the Division for the Blind and Visually Impaired.

Committee Amendment "A" (S-56) proposed to correct an error in the bill and reflect that the Division for the Blind and Visually Impaired is located in the Department of Labor.

The amendment also adds a fiscal note.

Enacted law summary

Public Law 1997, chapter 80 authorizes the participation of blind and visually impaired vending facility managers at their own expense in the state employee health insurance program.

LD 828 **An Act to Require Public Insurers to Supply Insurance Data to Schools and Municipalities** **ONTP**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
SHANNON	ONTP MAJ	
JENKINS	OTP-AM MIN	

LD 828 proposed to allow school administrative units to engage in competitive bidding by ensuring that school administrative units have access to their own experience ratings and claims history. This bill proposed to require that insurers provide such information to school administrative units at their request, regardless of the identity of the insurers' official clients, and to the municipalities in which the school unit is located if the municipality so requests.

Committee Amendment "A" (H-272) is the minority report and replaced the bill. It proposed to clarify that nonprofit hospital and medical service organizations, insurers and health maintenance organizations are required to provide school administrative units with information concerning their own experience ratings and claims history as members covered under a group policy or contract at the unit's request and to the municipalities in which the school unit is located at the municipality's request. Committee Amendment "A" was not adopted.