

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

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

LD 1103 proposed to require property and casualty insurers doing business in this State to meet certain risk-based capital standards. Similar standards have been applicable to life and health insurers for several years. The standards are based on National Association of Insurance Commissioners model legislation as part of the nationwide insurance regulatory agency accreditation effort.

Enacted law summary

Public Law 1997, chapter 81 requires property and casualty insurers licensed to do business in the State to meet certain risk-based capital standards based on National Association of Insurance Commissioners model legislation.

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
KIEFFER DAVIDSON	OTP-AM	S-120 S-143 MURRAY

Governor Angus S. King, Jr., established by Executive Order dated August 2, 1995 the Maine Task Force on Interstate Banking and Branching. The task force consisted of the Commissioner of Professional and Financial Regulation, the Superintendent of the Bureau of Banking, the two co-chairs of the Joint Standing Committee on Banking and Insurance, five members representing the Maine banking industry and five members representing the business community and the general public. The mission of the task force was to make recommendations regarding the State's response to the Riegle-Neal Interstate Banking and Branching Efficiency Act of 1994.

The task force issued its report on November 30, 1995, including proposed legislation implementing the recommendations of the task force. Ultimately, LD 1750, "An Act to Implement the Recommendations of the Maine Task Force on Interstate Banking and Branching," was enacted into law during the Second Regular Session of the 117th Legislature.

While LD 1750 contained most of the legislation necessary to respond to Riegle-Neal, the task force concluded it lacked the time and resources to fully explore an appropriate response to the provisions of Riegle-Neal regarding foreign banking and branching. The task force recommended that the Bureau of Banking study the issue of foreign banking and branching and, in consultation with the Maine banking industry, develop an appropriate legislative response.

Parts A and B of LD 1119 constitute the recommended response to the issue of foreign banking and branching. Specifically, Part A proposed to clarify that foreign banks and foreign bank holding companies can establish or acquire Maine financial institutions and financial institution holding companies subject to the prior approval of the Superintendent of Banking. Part B of the bill proposed to create Maine Revised Statutes, Title 9-B, chapter 107 to