

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

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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:

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

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

and when an application is filed. It makes other technical changes to application processing and holding company laws and establishes an assessment fee on nondepository trust companies chartered by the State but not affiliated with another state-chartered financial institution.

Part K also repeals the outdated provisions of the banking laws that contained the powers and authorities of savings banks, savings and loan associations and trust companies that subsequently will operate with the powers of the universal bank charter.

Part L corrects cross-references.

Committee Amendment "A" (H-523) proposed to add a definition of real-estate related services, an emergency preamble and an emergency clause to the bill.

Senate Amendment "A" (S-284) was presented on behalf of the Committee on Bills in the Second Reading to correct an incorrect history and to prevent a conflict by incorporating changes made to the Maine Revised Statutes, Title 9-B, section 316 in Public Law 997, chapter 182.

Enacted law summary

Public Law 1997, chapter 398 establishes a universal bank charter for state-chartered financial institutions. It repeals provisions in the Maine Banking Code related to the powers and authorities of state-chartered savings banks, savings and loan associations and trust companies and enacts provisions that unite these types of institutions under the powers and authorities of a universal bank charter. The law provides state-chartered financial institutions with broad authority in the areas of investing, lending and deposit-taking and also broadens the authority to engage, directly or indirectly, in closely related activities. It removes the requirement for approval by the Superintendent of Banking for most transactions to establish or relocate a branch and removes all regulatory approvals for the establishment, relocation or closing of an automated teller machine. Financial institutions and bank management are also given sole discretion to establish hours and days of operation, including remaining open for business on weekends and holidays.

Public Law 1997, chapter 398 also enacts provisions clarifying the general purpose, authority and organization of specialty or limited purpose financial institutions, including nondepository trust companies, merchant banks and uninsured banks.

Public Law 1997, chapter 398 was enacted as an emergency measure effective June 5, 1997.

LD 1879

An Act Authorizing the Bureau of Insurance to Release Aggregate Ratios of Consumer Complaints to the Public

PUBLIC 314

Sponsor(s)

Committee Report

Amendments Adopted

LD 1879 was reported out by the Joint Committee on Banking and Insurance pursuant to joint order. The bill proposed to enact a portion of LD 1783, "An Act Clarifying Claims Settlement Practices," which was carried over to the Second Regular Session. This bill authorizes the Superintendent of Insurance to make public aggregate ratios of substantiated consumer complaints against insurance companies. Only those complaints determined by the Bureau of Insurance to be valid are included in the development of these ratios. The method for calculating the

ratios must be established by rule. These rules are major substantive rules and must be submitted for legislative review no later than January 1, 1998.

Enacted law summary

Public Law 1997, chapter 314 authorizes the Superintendent of Insurance to make public aggregate ratios of substantiated consumer complaints against insurance companies. The method for calculating these aggregate ratios must be established by rules to be submitted for legislative review no later than January 1, 1998.