

MAINE STATE LEGISLATURE

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FIRST REGULAR SESSION

ONE HUNDRED AND TENTH LEGISLATURE

Legislative Document

No. 220

H. P. 165

House of Representatives, January 12, 1981

Submitted by the Department of Educational and Cultural Services pursuant to Joint Rule 24.

Referred to the Committee on Education. Sent up for concurrence and ordered printed.

EDWIN H. PERT, Clerk

Presented by Mrs. Beaulieu of Portland.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED AND EIGHTY-ONE

**AN ACT to Amend the Law Relating to the Licensing of Privately-owned
Business, Trade and Technical Schools.**

Be it enacted by the People of the State of Maine, as follows:

Sec. 1. 20 MRSA §§ 2661 to 2663, as enacted by PL 1969, c. 451 and as amended, are repealed and the following enacted in their place:

§ 2661. Certificate of approval; exempt institutions

1. **Requirement of certificate of approval.** Any person, partnership, corporation or school located either within or outside the State shall obtain a certificate of approval from the commissioner before conducting any course of instruction or before collecting any tuition, fee or other charge for conducting or soliciting for any educational services or related training.

2. **Exemptions.** Schools of hairdressing and beauty culture which are subject to the approval of the State Board of Cosmetology, schools offering educational programs to prepare students for the real estate professions which are subject to the approval by the Board of Real Estate Brokers and Salesmen, and any institution authorized by the laws of this State to grant a degree are exempt from the requirements of this chapter.

§ 2662. Application form; fee; bond

1. **Application requirements; certification; bonding and cancellation of certificate.** The application for a certificate of approval required in section 2661 shall be made on forms furnished by the commissioner and shall be accompanied by a fee of \$100 and a surety bond in the penal sum of \$1,000.

A. A certificate of approval is valid for the calendar year in which it is issued.

B. The required surety bond must be continuous and must provide indemnification to any student suffering loss as a result of any fraud or misrepresentation. The bond must provide for written notification by the surety to the department in the event of cancellation. Cancellation of the bond by the surety shall result in the revocation of the certificate of approval.

2. **Renewal fee.** A fee of \$50 shall be charged for the renewal of a certificate.

3. **General Fund.** All fees collected for the issuance or renewal of a certificate shall be deposited in the State Treasury.

§ 2663. Penalty

Any person, partnership, corporation or school which operates or maintains a private business, trade or technical school in violation of this chapter, or represents itself as operating and maintaining such a school, is guilty of a Class E crime.

Sec. 2. 20 MRSA § 2664 is enacted to read:

§ 2664. Rules and regulations

The commissioner may adopt rules and regulations for the administration and enforcement of this chapter. These rules and regulations shall be adopted in accordance with the provisions set forth in chapter 2.

STATEMENT OF FACT

This bill would provide a more efficient way to administer the licensing of proprietary schools. It would eliminate the required permits for out-of-state solicitors by forcing responsibility for their actions upon the school and would increase the application fee to provide more adequate reimbursement to the State for costs incurred through the approval process.