



115th MAINE LEGISLATURE

FIRST REGULAR SESSION-1991

Legislative Document

No. 930

S.P. 340

In Senate, March 4, 1991

Submitted by the Department of Education pursuant to Joint Rule 24. Received by the Secretary of the Senate on March 4, 1991. Referred to the Committee on Education and 1,400 ordered printed pursuant to Joint Rule 14.

JOY J. O'BRIEN Secretary of the Senate

Presented by Senator BRAWN of Knox Cosponsored by Senator ESTES of York and Representative HANDY of Lewiston.

STATE OF MAINE

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

An Act to Clarify the Certification of Correspondence Schools.

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

Sec. 1. 20-A MRSA §9201, as enacted by PL 1981, c. 693, §§5 4 and 8, is amended to read:

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§9201. Certificate of approval; exemptions

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Requirement for certificate of approval. Any privately 1. owned post-secondary correspondence school located either within the State or outside the State shall but having a solicitor or agent in this State to recruit students or promote the school and its program must obtain a certificate of approval from the commissioner before soliciting or selling in Maine this State any correspondence course or collecting any tuition, fee or other charge. In addition, each correspondence school shall supply a listing of solicitors authorized by it that school to recruit in Maine this State.

1-A. Residence component. A privately owned correspondence school offering courses or programs that require a residence component must be classified as a proprietary school and is subject to the licensing provisions of sections 9501 to 9504. 22

Exemptions. Public institutions which that are exempt 2. from property taxation under Maine state laws, and courses or programs of instruction conducted under contract with an employer for employees exclusively, are exempt from the requirements of this chapter.

Sec. 2. 20-A MRSA §9202, sub-§1, as amended by PL 1983, c. 651, \$1, is further amended to read:

Application requirements; certification period; bonding 1. 34 and revocation of certificate. The application for a certificate of approval required in section 9201 shall must be made on forms 36 furnished by the commissioner and shall be accompanied by a fee of \$50 <u>\$100</u> and a surety bond in the penal sum of \$10,000.

A certificate shall-be is valid for the calendar year in Α. which it is issued. 40

Β. The bond shall must be continuous and shall provide indemnification to any student suffering loss as a result of any fraud or misrepresentation by the school. the The bond shall 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 results in the revocation of the certificate of approval.

Sec. 3. 20-A MRSA §9202, sub-§2, as enacted by PL 1981, c. 50 693, §§5 and 8, is amended to read:

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2. Renewal. A fee of \$25-shall-be <u>\$50 is</u> charged for the renewal of a certificate.

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STATEMENT OF FACT

This bill clarifies the certificate of approval process for 8 privately owned post-secondary correspondence schools and increases both the initial certification fee and the renewal 10 certification fee.