

MAINE STATE LEGISLATURE

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SL
R. 07/98

L.D. 345

(Filing No. H-174)

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
116TH LEGISLATURE
FIRST REGULAR SESSION

COMMITTEE AMENDMENT "A" to H.P. 267, L.D. 345, Bill, "An Act Clarifying the Laws Limiting Insurance Charged to Credit Cards"

Amend the bill by striking out the title and substituting the following:

'An Act Regarding Recurring Charges Charged to Credit or Charge Cards'

Further amend the bill by striking out everything after the enacting clause and before the statement of fact and inserting in its place the following:

'Sec. 1. 9-A MRSA §8-304 is enacted to read:

§8-304. Recurring charges to credit or charge cards

If a sale of goods, services or insurance is charged to a credit card or charge card account on an annual basis without substantially contemporaneous authorizations by the consumer, the seller shall inform the consumer of the voluntary nature of the charge to the credit or charge card account and of the steps necessary to prevent this charge at least 30 days prior to the annual charge. The card issuer may provide the notice on behalf of the seller. This section does not apply to insurance subject to notice and cancellation rights pursuant to section 4-204.

Sec. 2. 24-A MRSA §2184, as enacted by PL 1991, c. 727, §1, is repealed.'

COMMITTEE AMENDMENT

H. of S.

STATEMENT OF FACT

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This amendment allows initial purchases to be made with a credit card, but requires the seller or card issuer to provide 30 days' advance notice before additional assessments are charged to a consumer's account if these assessments are charged to a consumer's account on an annual basis. This bill also clarifies that the law does not apply to open-end credit insurance since open-end credit is subject to the Maine Revised Statutes, Title 9-A, section 4-204.

Reported by the Committee on Banking and Insurance
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4/16/93 (Filing No. H-174)