

# MAINE STATE LEGISLATURE

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# 118th MAINE LEGISLATURE

## FIRST REGULAR SESSION-1997

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Legislative Document

No. 1470

S.P. 468

In Senate, March 11, 1997

**An Act to Lower Property Taxes by Requiring School Boards to  
Purchase Certain Insurance from the State.**

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Reference to the Committee on Banking and Insurance suggested and ordered printed.

A handwritten signature in cursive script that reads "Joy J. O'Brien".

JOY J. O'BRIEN  
Secretary of the Senate

Presented by Senator NUTTING of Androscoggin.  
Cosponsored by Representative McKEE of Wayne and  
Senators: LaFOUNTAIN of York, MICHAUD of Penobscot, PINGREE of Knox, TREAT of  
Kennebec, Representative: MITCHELL of Vassalboro.

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

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4       **Sec. 1. 5 MRSA §1737, sub-§4**, as amended by PL 1993, c. 619, §1, is further amended to read:

6       **4. Directed services.** Notwithstanding the provisions of  
8 subsection 2, the director may provide insurance advice or  
10 services for family foster homes as defined in Title 22, section  
12 8101, subsection 3; respite care providers as defined in Title  
14 34-B, section 6201, subsection 2-A; the Casco Bay Island Transit  
16 District created by Private and Special Law 1981, chapter 22; the  
University of Maine System; the Maine Technical College System;  
the Maine Maritime Academy; and the State's service delivery  
areas designated under the federal Job Training Partnership Act,  
Public Law 97-300, as amended; and school administrative units.

18       **Sec. 2. 20-A MRSA §1001, sub-§5-A**, as amended by PL 1989, c.  
878, Pt. B, §17, is repealed.

20       **Sec. 3. 20-A MRSA §1001, sub-§14**, as enacted by PL 1993, c.  
423, is repealed.

22       **Sec. 4. 20-A MRSA §1001, sub-§14-A** is enacted to read:

24       **14-A. Insurance purchase.** A school board shall purchase  
26 insurance from the state-administered fund as defined in Title 5,  
28 section 1737, except when the line of insurance is workers'  
30 compensation or an employee benefit such as life, disability or  
health insurance in accordance with subsection 5.

32       **Sec. 5. 30-A MRSA §2253, sub-§1**, as amended by PL 1991, c.  
885, Pt. E, §40 and affected by §47, is further amended to read:

34       **1. Coverage.** Any public self-funded pool formed by 10 or  
36 more municipalities ~~or school administrative districts~~ or an  
organization representing 10 or more political subdivisions may  
38 provide risk management and coverage for pool members and  
employees of pool members, for acts or omissions arising out of  
40 the scope of their employment, including any of the following:

42       A. Casualty insurance, including general and professional  
liabilities coverage, but excluding workers' compensation  
44 insurance provided under Title 39-A;

46       B. Property insurance, including marine insurance and  
inland navigation, transportation, boiler and machinery  
48 insurance coverage;

2 C. Automobile insurance and protection against other  
liability and loss associated with the ownership of motor  
vehicles;

4 D. Surety and fidelity insurance coverage; and

6 E. Environmental impairment insurance coverage.

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### SUMMARY

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This bill requires that school boards purchase all insurance  
other than that for workers' compensation or insurance related to  
14 employee benefits from the state-administered fund administered  
by the risk management division within the Department of  
16 Administrative and Financial Services.