

MAINE STATE LEGISLATURE

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MINORITY
BUSINESS AND ECONOMIC DEVELOPMENT

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
118TH LEGISLATURE
SECOND REGULAR SESSION

COMMITTEE AMENDMENT "B" to H.P. 1565, L.D. 2198, Bill, "An Act to Implement the Recommendations Relating to the Review of the Department of Professional and Financial Regulation's Office of the Commissioner, Office of Consumer Credit Regulation and Office of Licensing and Registration under the State Government Evaluation Act"

Amend the bill in Part B by inserting after section 1 the following:

Sec. B-2. 9-A MRSA §1-301, sub-§14, ¶A, as amended by PL 1987, c. 396, §6, is further amended to read:

A. Except as provided in paragraph B, a "consumer loan" is a loan made by a person regularly engaged in the business of making loans in which:

(i) the debtor is a person other than an organization;

(ii) the debt is incurred primarily for a personal, family or household purpose;

(iii) either the debt is payable in instalments installments or a finance charge is made; and

(iv) ~~either the amount financed does not exceed \$25,000 or the debt is secured by manufactured housing or an interest in land.~~ for loans made by:

(a) A supervised financial organization, either the amount financed does not exceed \$25,000 or the

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2 debt is secured by manufactured housing or an
3 interest in land; or

4 (b) A supervised lender other than a supervised
5 financial organization, either the amount financed
6 does not exceed \$35,000 or the debt is secured by
7 manufactured housing or an interest in land.'

8
9 Further amend the bill in Part B by striking out all of
10 section 9 and inserting in its place the following:

11 'Sec. B-9. 9-A MRSA §2-401, sub-§2, as repealed and replaced
12 by PL 1987, c. 129, §39, is amended to read:

13
14 2. With respect to a consumer loan, other than a loan
15 pursuant to open-end credit, a lender may contract for and
16 receive a finance charge calculated according to the actuarial
17 method, not exceeding the equivalent ~~of the greater of either~~ of
18 the following:

19 A. The total of:

20
21 (i) 30% per year on that part of the unpaid balances
22 of the amount financed ~~which that~~ is ~~\$700~~ \$2,000 or
23 less;

24
25 (ii) ~~21%~~ 24% per year on that part of the unpaid
26 balances of the amount financed ~~which that~~ is more than
27 ~~\$700~~ \$2,000 but does not exceed ~~\$2,000~~ \$4,000; and

28
29 (iii) ~~15%~~ 18% per year on that part of the unpaid
30 balances of the amount financed ~~which that~~ is more than
31 ~~\$2,000~~ \$4,000.

32
33 ~~B. 18% per year on the unpaid balances of the amount~~
34 ~~financed.~~

35
36
37 Notwithstanding paragraph A, with respect to a consumer loan in
38 which the amount financed exceeds \$8,000, a lender may not
39 contract for and receive a finance charge calculated according to
40 the actuarial method in excess of 18% per year on the entire
41 amount of the loan.'

42
43
44 Further amend the bill in Part C in section 4 in subsection
45 3 in the 7th to 11th lines (page 7, lines 23 to 27 in L.D.) by
46 striking out the following: "The department shall hold hearings
47 on the first Tuesday of February of each year for the purpose of
48 considering changes in the rules pertaining to ~~plumbing--and~~
49 ~~subsurface sewage disposal systems' and the installation and~~
50 ~~inspection thereof."~~ and inserting in its place the following:

2 ~~'The department shall hold hearings on the first Tuesday of~~
3 ~~February of each year for the purpose of considering changes in~~
4 ~~the rules pertaining to plumbing and subsurface sewage disposal~~
5 ~~systems and the installation and inspection thereof.'~~

6 Further amend the bill in Part C by striking out all of
7 section 7.

8
9 Further amend the bill in Part C in section 8 in subsection
10 1 in the 4th line (page 9, line 34 in L.D.) by inserting after
11 the following: "to," the following: 'internal'

12
13 Further amend the bill in Part C in section 9 in that part
14 designated "§3403-B." in subsection 2 in the 5th line (page 10,
15 line 8 in L.D.) by inserting after the following: "is the" the
16 following: 'joint'

17
18 Further amend the bill in Part C in section 9 in that part
19 designated "§3403-B." in subsection 2 in the 6th line (page 10,
20 line 9 in L.D.) by striking out the following: "rather than" and
21 inserting in its place the following: 'and'

22
23 Further amend the bill in Part C in section 16 in subsection
24 8 in the first line (page 12, line 8 in L.D.) by striking out the
25 following: "flammable liquid" and inserting in its place the
26 following: 'propane and natural gas'

27
28 Further amend the bill in Part C in section 16 in subsection
29 8 in the 3rd line (page 12, line 10 in L.D.) by striking out the
30 following: "flammable liquid" and inserting in its place the
31 following: 'propane and natural gas'

32
33 Further amend the bill in Part C in section 16 in subsection
34 8 in the 4th line (page 12, line 11 in L.D.) by striking out the
35 following: "flammable" and inserting in its place the
36 following: 'propane and natural gas'

37
38 Further amend the bill by inserting after Part C and before
39 the summary the following:

40
41
42 **'PART D**

43
44 **Sec. D-1. Allocation.** The following funds are allocated from
45 Other Special Revenue to carry out the purposes of this Act.

46
47
48 1998-99

49
50 **PROFESSIONAL AND FINANCIAL REGULATION,
DEPARTMENT OF**

2 **Division of Licensing and Enforcement**

4 All Other \$10,300

6 Allocates funds to reflect
8 the transfer of the
10 responsibility for the
12 permitting and inspection of
aboveground flammable liquid
storage facilities to the
Propane and Natural Gas Board.

14 **Division of Licensing and Enforcement**

16 All Other (\$938)

18 Deallocates funds to reflect
20 the transfer of the Maine
22 State Pilotage Commission to
the Department of
Transportation.

24 **DEPARTMENT OF PROFESSIONAL AND FINANCIAL
26 REGULATION**

TOTAL \$9,362

28 **Sec. D-2. Allocation.** The following funds are allocated from
30 the Marine Ports Fund to carry out the purposes of this Act.

1998-99

32 **TRANSPORTATION, DEPARTMENT OF**

34 **Ports and Marine Transportation**

36 All Other \$938

38 Allocates funds for general operating
40 expenses of the Maine State Pilotage
Commission.

42 **DEPARTMENT OF TRANSPORTATION
44 TOTAL**

\$938'

46 Further amend the bill by relettering or renumbering any
48 nonconsecutive Part letter or section number to read
consecutively.

Further amend the bill by inserting at the end before the summary the following:

FISCAL NOTE

1998-99

APPROPRIATIONS/ALLOCATIONS

Other Funds \$10,300

REVENUES

Other Funds \$9,445

The Department of Human Services will realize some minor savings from transferring responsibility for the state plumbing code to the Plumbers' Examining Board within the Department of Professional and Financial Regulation. In the future, the board may require an additional Plumbing Inspector position at an annual cost of approximately \$34,000 to administer the state plumbing code. Any such additional costs by the board are not likely to occur before fiscal year 1999-2000.

Eliminating aboveground propane and natural gas inspection and permitting authority of the Department of Public Safety will reduce dedicated revenue to the department by \$855 annually beginning in fiscal year 1998-99. This reduction in dedicated revenue will not significantly impact the operation of the licensing and inspection unit of the Department of Public Safety.

The transfer of the responsibility for the permitting and inspection of aboveground propane and natural gas storage facilities to the Propane and Natural Gas Board within the Department of Professional and Financial Regulation will increase the annual dedicated revenues collected by the board by \$10,300 beginning in fiscal year 1998-99. The board's annual expenditures will also increase by an equivalent amount.

The transfer of the Maine State Pilotage Commission from the Department of Professional and Financial Regulation to the Department of Transportation will result in the redistribution to other boards within the Department of Professional and Financial Regulation \$16,739 in overhead costs charged to the commission for services provided by the Division of Licensing and Enforcement in fiscal year 1998-99. The redistribution of these costs will result in a prorated increase in costs for each of the

2 remaining boards. The commission will also retain revenues equal
3 to this amount which were transferred to the division to cover
4 the commission's overhead expenses. The transfer of the
5 commission to the Department of Transportation will also result
6 in a transfer of annual costs of \$938 in certain commission
7 operating expenses and annual dedicated revenues of \$6,700 from
8 license fees. Allocations and deallocations are included to
9 reflect this transfer. In addition, depending on the effective
10 date of the transfer, whatever amount of funds the commission has
11 as a cash balance in its account will also be transferred to the
12 Department of Transportation.

13
14 The Bureau of Banking and the Office of Consumer Credit
15 Regulation, which are within the Department of Professional and
16 Financial Regulation, will incur some minor additional costs to
17 administer certain provisions of the Maine Consumer Credit Code
18 pertaining to automobile credit sales. These costs can be
19 absorbed within these agencies' existing budgeted resources.

20 Inclusion of certain automobile credit sales transactions
21 within the purview of the Maine Consumer Credit Code will result
22 in insignificant increases of dedicated revenue to the Bureau of
23 Banking and the Office of Consumer Credit Regulation from volume
24 fees and examination costs.

25 The additional workload and administrative costs associated
26 with the minimal number of new cases filed in the court system
27 can be absorbed within the budgeted resources of the Judicial
28 Department. The collection of additional fines may increase
29 General Fund revenue by minor amounts.'

31
32
33 **SUMMARY**

34 This amendment, which is the minority report, strikes a
35 section of the bill thereby retaining the existing law which
36 provides only for criminal prosecutions of individuals accused of
37 unlicensed practice in the areas enumerated in the Maine Revised
38 Statutes, Title 10, section 8001, subsection 38.

39 This amendment also establishes modified consumer loan
40 finance charges at levels consistent with other New England
41 states. It also applies the Maine Consumer Credit Code
42 protections to loans up to \$35,000 when made by supervised
43 lenders other than supervised financial organizations. The
44 amendment clarifies that the boards listed under Title 10,
45 section 8001-A are included in the complaint procedure of Title
46 32, section 60-G. The amendment clarifies that the plumbing code
47 applies to internal plumbers and not external or subsurface
48 sewage disposal rules. The amendment clarifies that the
49

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2 enforcement of the plumbing code is the joint responsibility of
municipalities and the Plumbers' Examining Board. The amendment
4 clarifies the referenced inspections with respect to propane and
natural gas.

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