

MAINE STATE LEGISLATURE

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119th MAINE LEGISLATURE

FIRST REGULAR SESSION-1999

Legislative Document

No. 467

H.P. 351

House of Representatives, January 14, 1999

An Act Authorizing Municipalities to Create Nonprofit Corporations for the Sole Purpose of Providing Homeowners Liability Insurance to Citizens of the Municipalities.

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

A handwritten signature in cursive script that reads "Joseph W. Mayo".

JOSEPH W. MAYO, Clerk

Presented by Representative PERKINS of Penobscot. (By Request)

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

2
4 **Sec. 1. 30-A MRSA §2351, sub-§4**, as amended by PL 1989, c. 104, Pt. C, §§8 and 10, is further amended to read:

6 **4. Quasi-municipal corporation or district.**
8 "Quasi-municipal corporation or district" means any governmental
10 unit that includes a portion of a municipality, a single
12 municipality or several municipalities and ~~which~~ that is created
14 by law to deliver public services but ~~which~~ is not a general
16 purpose governmental unit. ~~"Quasi-municipal corporation or~~
18 ~~district" does not include School-Administrative-Districts school~~
 administrative districts or hospital districts. "Quasi-municipal
 corporation or district" specifically includes a nonprofit
 corporation established and operated by a municipality or
 municipalities for the sole purpose of providing multiple-peril
 homeowners liability insurance to the citizens of the
 municipality or municipalities comprising the corporation.

20 **Sec. 2. 30-A MRSA §2358** is enacted to read:

22 **§2358. Creating municipal homeowners liability insurance**
24 **corporations**

26 A nonprofit corporation may be created by a single
28 municipality or a group of municipalities for the sole purpose of
 providing multiple-peril homeowners liability insurance to
 citizens of the municipality or group of municipalities.

30 **1. Requirements.** A nonprofit corporation created under this
32 section must be wholly owned and administered by a municipality
34 or group of municipalities. Each municipality or group of
36 municipalities establishing a nonprofit corporation under this
38 section must have its original charter endorsed at a public
 meeting or by public vote in accordance with chapter 121. A
 nonprofit municipal corporation established under this section
 shall operate in accordance with the other provisions of this
 chapter and is subject to the provisions of Title 24-A, chapter
 41.

40 **2. Annual reports.** A nonprofit municipal corporation
42 established under subsection 1 shall submit reports on an annual
44 basis to:

46 A. The municipality or municipalities comprising the
 nonprofit corporation;

48 B. The Superintendent of Insurance; and

2 C. The joint standing committee of the Legislature having
4 jurisdiction over banking and insurance matters.

6 The annual reports must describe the financial and operational
8 conditions of the nonprofit municipal corporation as of December
 31st of each year of operation. The annual reports must be
 submitted by the subsequent July 1st of each year of operation.

10

SUMMARY

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14 This bill authorizes the creation of nonprofit municipal
 corporations, which are wholly owned and administered by a
16 municipality or group of municipalities, for the sole purpose of
 providing homeowners liability insurance to the citizens of the
 municipality or group of municipalities.