

# MAINE STATE LEGISLATURE

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**LAWS**  
OF THE  
**STATE OF MAINE**  
AS PASSED BY THE

ONE HUNDRED AND TENTH LEGISLATURE

**SECOND SPECIAL SESSION**

September 25, 1981

AND

**THIRD SPECIAL SESSION**

December 9, 1981

AND

**SECOND REGULAR SESSION**

January 6, 1982 to April 13, 1982

AND AT THE

**FOURTH SPECIAL SESSION**

April 28, 1982 to April 29, 1982

AND AT THE

**FIFTH SPECIAL SESSION**

May 13, 1982

PUBLISHED BY THE DIRECTOR OF LEGISLATIVE RESEARCH IN  
ACCORDANCE WITH MAINE REVISED STATUTES ANNOTATED,  
TITLE 3, SECTION 164, SUBSECTION 6.

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J.S. McCarthy Co.  
Augusta, Maine  
1981

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**PUBLIC LAWS**  
OF THE  
**STATE OF MAINE**

AS PASSED AT THE  
SECOND AND THIRD SPECIAL SESSIONS

and

SECOND REGULAR SESSION

and

FOURTH AND FIFTH SPECIAL SESSIONS

of the

ONE HUNDRED AND TENTH LEGISLATURE

1981

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employees, unless it confers benefits in addition to those provided under this Act at least commensurate with such contributions. Such substitute system may be terminated by the superintendent with the advice of the commission on reasonable notice and hearing to the interested parties, if it appears that the substitute system is not fairly administered, or if its operation discloses latent defects threatening its solvency, or if for any substantial reason it fails to accomplish the purposes of this Act. Notwithstanding Title 5, section 10051, the superintendent is expressly granted the authority to revoke or suspend the authority of an employer to continue with a substitute system of benefits under this section after a hearing held in accordance with Title 5, chapter 375, subchapter IV, and Title 24-A, chapter 3. An employer who is authorized to substitute a plan under sections 21 to 27 shall give his employees notice thereof in a form to be prescribed by the commission, and a statement of the plan approved shall be filed with the superintendent.

2. Substitute benefit plan. The authority of any employer to continue a substitute benefit plan pursuant to this section shall, without exception, terminate automatically on June 30, 1983. On or before that date, each such employer shall secure the compensation and other benefits required by this Act in one or more of the ways prescribed by section 23 and in so doing shall be subject to all applicable requirements imposed by statute and any regulations promulgated pursuant thereto. Failure to comply with the requirements of this subsection shall constitute failure to secure payment of compensation provided for by this Act within the meaning of section 104-A and shall subject the employer to the penalties prescribed by that section.

**Emergency clause.** In view of the emergency cited in the preamble, this Act shall take effect when approved.

Effective April 6, 1982.

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## CHAPTER 638

S.P. 787 - L.D. 1852

AN ACT to Amend the Maine Consumer Credit  
Code Regarding Educational Loans and  
Cosigner Notices.

**Emergency preamble.** Whereas, Acts of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

Whereas, recent changes in the federal student loan program provide for loans to be made to parents of students as well as to students; and

Whereas, the interest rate on these federal loans has increased to 14%; and

Whereas, the Maine Consumer Credit Code should be amended to be consistent with federal law and to permit students and parents of students to benefit from the changes in the federal law; and

Whereas, the cosigner notice provisions of the Maine Consumer Credit Code, which were enacted in the First Regular Session and are scheduled to take effect on April 1, 1982, have inadvertently created considerable confusion about the notices to be given cosigners, especially in cases of open-end credit; and

Whereas, in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now, therefore,

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

**Sec. 1.** 9-A MRSA §1-202, sub-§7, as last amended by PL 1979, c. 541, Pt. A, §85, is further amended to read:

7. A loan made by a supervised financial organization or an institution of higher education when the loan is a low interest educational loan made for the purpose of financing expenses related to the borrower's attendance at an institution of post-secondary education, and on which the finance charge does not exceed 7 1/2% that rate per year on the unpaid balances of the amount financed or such finance charge in excess thereof as the United States Secretary of Health, Education and Welfare shall from time to time establish as shall be established by federal law or, for loans for which federal law does not establish a rate, the highest rate established for educational loans under any federal program, and which is insured, guaranteed or subsidized by the Federal Government or a state or by a nonprofit private loan guaranty or organization or by the institution of higher education itself or through an endowment or trust fund affiliated with such an institution; or

Sec. 2. 9-A MRSA §3-206, sub-§1, first ¶, as enacted by PL 1981, c. 264, §1, is amended to read as follows:

A ~~natural person~~ consumer is not obligated as a cosigner, comaker, guarantor, endorser, surety or similar party with respect to a consumer credit transaction, unless before or contemporaneously with signing any separate agreement of obligation, or any writing setting forth the terms of the debtor's agreement, the ~~person~~ consumer receives a written notice conforming to the requirements of subsection 2 and the following notices required to be given to the debtor as applicable:

Sec. 3. 9-A MRSA §3-206, sub-§1, ¶B, as enacted by PL 1981, c. 264, §1, is amended to read:

B. The material disclosures required under Article VIII;

Sec. 4. 9-A MRSA §3-206, sub-§2, ¶C, as enacted by PL 1981, c. 264, §1, is amended to read:

C. Except for open-end credit, the total of payments and, if applicable, the fact that delinquency charges and other costs may also be assessed;

Sec. 5. 9-A MRSA §3-206, sub-§2, ¶E, as enacted by PL 1981, c. 264, §1, is amended to read:

E. A statement informing the person of his right to a copy of the agreement of obligation that creates his obligation.

Sec. 6. 9-A MRSA §3-206, sub-§4, as enacted by PL 1981, c. 264, §1, is amended to read:

4. Copy of agreement. A person entitled to notice under this section shall be given a copy of any writing setting forth the terms of the debtor's agreement and any separate agreement of obligation signed by the person entitled to the notice.

Sec. 7. 9-A MRSA §3-206, sub-§6 is enacted to read:

6. Definition. For the purposes of this section, "consumer credit transaction" means, with respect to open-end credit, an open-end credit plan or open-end credit account and the notices required by subsection 1, paragraph B and the notice described in subsection 2 shall be given before the first extension of credit pursuant to the open-end account.

Sec. 8. 9-A MRSA §3-206, sub-§7 is enacted to read:

7. Application. This section shall apply to all consumer credit transactions entered into after October 1, 1982.

Emergency clause. In view of the emergency cited in the preamble, this Act shall take effect when approved.

Effective April 6, 1982.

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## CHAPTER 639

S.P. 823 - L.D. 1923

### AN ACT to Revise the Allocation of Funds to Provide Photographic Nonalterable Driver's Licenses and Identification Cards.

Emergency preamble. Whereas, Acts of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

Whereas, the next fiscal year will begin before the 90-day period terminates, and funds must be made available prior to that time to carry out the intent of this legislation; and

Whereas, in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now, therefore,

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

Sec. 1. 22 MRSA §2904, sub-§2, 2nd sentence, as amended by PL 1975, c. 79, §1, is repealed.

Sec. 2. 29 MRSA §540, last ¶, as enacted by PL 1975, c. 79, §2, is repealed and the following enacted in its place:

The Secretary of State shall provide, on each license to operate motor vehicles or motorcycles issued to a person 18 years of age or older at time of issuance, a statement indicating a willingness to make an anatomical gift under Title 22, chapter 710.