

MAINE STATE LEGISLATURE

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LAWS
OF THE
STATE OF MAINE

AS PASSED BY THE
ONE HUNDRED AND THIRTEENTH LEGISLATURE

FIRST SPECIAL SESSION

October 9, 1987 to October 10, 1987

SECOND SPECIAL SESSION

October 21, 1987 to November 20, 1987

and the

SECOND REGULAR SESSION

January 6, 1988 to May 5, 1988

PUBLISHED BY THE REVISOR OF STATUTES
IN ACCORDANCE WITH MAINE REVISED STATUTES ANNOTATED,
TITLE 3, SECTION 163-A, SUBSECTION 4.

Twin City Printery
Lewiston, Maine
1988

PUBLIC LAWS

OF THE

STATE OF MAINE

AS PASSED AT THE
FIRST AND SECOND SPECIAL SESSIONS
and
SECOND REGULAR SESSION
of the
ONE HUNDRED AND THIRTEENTH LEGISLATURE
1987

(2) Except where this Article or Article 8 otherwise provides, a security interest continues in collateral notwithstanding sale, exchange or other disposition thereof, unless the disposition was authorized by the secured party in the security agreement or otherwise, and also continues in any identifiable proceeds including collections received by the debtor.

Sec. 15. 11 MRSA §9-306, sub-§(3), as repealed and replaced by PL 1977, c. 696, §134, is amended to read:

(3) The security interest in proceeds is a continuously perfected security interest if the interest in the original collateral was perfected but it ceases to be a perfected security interest and becomes unperfected 10 days after receipt of the proceeds by the debtor, unless

(a) A filed financing statement covers the original collateral and the proceeds are collateral in which a security interest may be perfected by filing in the office or offices where the financing statement has been filed and, if the proceeds are acquired with cash proceeds, the description of collateral in the financing statement indicates the types of property constituting the proceeds; or

(b) A filed financing statement covers the original collateral and the proceeds are identifiable cash proceeds; or

(c) The security interest in the proceeds is perfected before the expiration of the 10-day period.

Except as provided in this section and in Article 8, a security interest in proceeds can be perfected only by the methods or under the circumstances permitted in this Article for original collateral of the same type.

Sec. 16. 11 MRSA §9-309, as amended by PL 1965, c. 306, §28, is further amended to read:

§9-309. Protection of purchasers of instruments, documents and securities

Nothing in this Article limits the rights of a holder in due course of a negotiable instrument (section 3-302) or a holder to whom a negotiable document of title has been duly negotiated (section 7-501) or a bona fide purchaser of a security (section ~~8-301~~ 8-302) and such holders or purchasers take priority over an earlier security interest even though perfected. Filing under this Article does not constitute notice of the security interest to such holders or purchasers.

Sec. 17. 11 MRSA §9-312, sub-§(7), as repealed and replaced by PL 1977, c. 696, §140, is amended to read:

(7) If future advances are made while a security interest is perfected by filing ~~or~~, by the taking of possession, or under section 8-321 on securities, the security interest has the same priority for the purposes of subsection (5) with respect to the future advances as it does

with respect to the first advance. If a commitment is made before or while the security interest is so perfected, the security interest has the same priority with respect to advances made pursuant thereto. In other cases, a perfected security interest has priority from the date the advance is made.

Effective August 4, 1988.

CHAPTER 626

S.P. 868 — L.D. 2263

AN ACT Providing Conformity with the United States Revenue Code Under the Maine Income Tax Law for 1987.

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

Whereas, the 90-day period would delay the processing of the 1987 income tax returns; and

Whereas, legislative action is necessary immediately in order to ensure continued and efficient administration of the Maine income tax law and certain other state taxes; 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. 36 MRSA §111, sub-§1-A, as enacted by PL 1987, c. 504, §2, is amended to read:

1-A. Code. "Code" means the United States Internal Revenue Code of 1986 and amendments to that Code as of December 31, ~~1986~~ 1987.

Sec. 2. Application. This Act applies to tax years beginning on or after January 1, 1987.

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

Effective March 23, 1988.

CHAPTER 627

H.P. 1820 — L.D. 2495

AN ACT Pertaining to the Establishment of Market Assistance Plans.

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

24-A MRSA §2325-A is enacted to read:

§2325-A. Market assistance plans

1. Establishment. Whenever a particular type of insurance is unavailable or unaffordable, the superintendent may establish a market assistance plan.

2. Definition. For purposes of this section a "market assistance plan" is a voluntary agreement between the Bureau of Insurance and insurers that the insurers will write insurance at an agreed upon rate for those persons or groups that are unable to obtain coverage.

3. Notification. Whenever the superintendent determines that a market assistance plan is needed, the superintendent shall notify all insurers authorized to write the type of insurance covered by the plan that a market assistance plan is being established and their participation in the plan is requested.

4. Participation. Each insurer receiving a notice referred to in subsection 3, shall respond within 30 days to the notice. Their response shall indicate the extent to which they are willing to participate and any reasons why they do not wish to participate or only wish to participate on a limited basis.

5. Report. The superintendent shall report to the joint standing committee of the Legislature having jurisdiction over insurance by January 30th of each year whether there is, or may be, within the year a lack of availability in any line of insurance.

Effective August 4, 1988.

CHAPTER 628

S.P. 745 — L.D. 2004

AN ACT to Make Changes to the Public Utilities Law.

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

Sec. 1. 35-A MRSA §102, sub-§4, as enacted by PL 1987, c. 141, Pt. A, §6, is repealed and the following enacted in its place:

4. Customer. "Customer" includes any person, government or governmental division which has applied for, been accepted and is currently receiving service from a public utility.

Sec. 2. 35-A MRSA §6104, sub-§§2 and 3, as amended by PL 1987, c. 490, Pt. B, §12, are amended to read:

2. Utilities which elect to set rates under this section. Consumer-owned water utilities which elect to set rates under this section may not file with the commission or increase any rate, toll or charge without first holding a public hearing at which the Public Advocate and any customer may testify and may question the officials present regarding the proposed increase.

3. Notice of proposed rate increase and hearing. The consumer-owned water utility shall, at least 14 days prior to the hearing, publish a notice of the proposed rate increase and the hearing, including the date, time, place and purpose of the hearing, in a newspaper of general circulation in the area encompassed by the consumer-owned water utility and give one notice of the proposed rate increase and the date, time and place of the hearing to each of its customers. The published and individual notices shall include a statement describing the amount of the increase and the percentage increase for each customer class and copies, the customer's right to request information relating to the present and proposed rates, the right to an open and fair hearing and the right to further hearings before the commission, and the availability of assistance from the Public Advocate. Copies of the notice shall be sent to the commission and the Public Advocate at least 14 days prior to the hearings.

Sec. 3. 35-A MRSA §6104, sub-§4-A is enacted to read:

4-A. Supporting materials. The water utility shall file a copy of all materials supporting the proposed increase with the commission and the Public Advocate, at least 30 days prior to the hearing. A copy of all material supporting the proposed increase shall be made available to customers for examination at the offices of the utility for at least 30 days prior to the hearing. The utility shall promptly provide any readily available relevant additional material or information requested by a customer, the commission or the Public Advocate.

Sec. 4. 35-A MRSA §6104, sub-§9, as enacted by PL 1987, c. 141, Pt. A, §6, is amended to read:

9. Water utility may challenge petitions. The water utility has 10 days from receipt of notice to notify the commission whether it intends to contest any aspect of the validity of the petitions, after which it shall lose that right. If the water utility notifies the commission in a timely fashion that it wishes to contest the validity of the petitions, the commission shall schedule a hearing. It shall hold the hearing and issue its decision on the validity of the petitions within 30 days of notification by the water utility that it intends to contest the validity of the petitions. If the commission finds the petitions to be invalid, it shall lift its order of suspension. For the purposes of this section, "customer" means, in the case of residential accounts, any one adult residing in a household where the utility's service is provided, and, in the case of all other accounts where the utility's service is provided, a corporate officer, a partner or a proprietor. No one person may sign on behalf of more than one account unless receiving service at the residence of the account.