

MAINE STATE LEGISLATURE

The following document is provided by the
LAW AND LEGISLATIVE DIGITAL LIBRARY
at the Maine State Law and Legislative Reference Library
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied
(searchable text may contain some errors and/or omissions)

LAWS
OF THE
STATE OF MAINE

AS PASSED BY THE

ONE HUNDRED AND FIFTEENTH LEGISLATURE

FIRST REGULAR SESSION

December 5, 1990 to July 10, 1991

Chapters 1 - 590

THE GENERAL EFFECTIVE DATE FOR
NON-EMERGENCY LAWS IS
OCTOBER 9, 1991

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

J.S. McCarthy Company
Augusta, Maine
1991

PUBLIC LAWS
OF THE
STATE OF MAINE

AS PASSED AT THE
FIRST REGULAR SESSION

of the
ONE HUNDRED AND FIFTEENTH LEGISLATURE

1991

all or part of the price paid for the business opportunity, or repurchase any of the products, equipment, supplies or chattels supplied by the seller; or

~~(5) That upon payment by the purchaser of a fee or sum of money to the seller or an affiliated person, the~~ The seller or an affiliated person will provide a sales program or marketing program ~~which will enable the purchaser to derive income from the business opportunity which exceeds the price paid for the business opportunity, provided except~~ that this subsection ~~shall does~~ not apply to the sale of a marketing program ~~made provided~~ in conjunction with the licensing of a federally registered trademark or service mark; and

Sec. 2. 32 MRSA §4692, as enacted by PL 1979, c. 571, is amended to read:

§4692. When disclosure statement must be provided

Seller shall provide all purchasers with a disclosure statement meeting the requirements of this chapter at the ~~earlier earliest~~ of: at least 72 hours before the purchaser signs a business opportunity agreement; at least 72 hours before the purchaser makes payment of any consideration in connection with the sales or proposed sale of the business opportunity; or the first face-to-face meeting between the seller and the purchaser ~~which that~~ is held for the purpose of discussing the sale or proposed sale of a business opportunity.

Sec. 3. 32 MRSA §4693, first ¶, as enacted by PL 1979, c. 571, is amended to read:

The disclosure statement ~~shall must~~ include the following information accurately, clearly and concisely stated, in a legible written document, ~~except that a~~ . A disclosure statement meeting the criteria of any rules or regulations of the Federal Trade Commission requiring disclosure statements by sellers ~~shall also fulfill~~ fulfills the requirements of this section to the extent that the substituted disclosure statement meets or exceeds the requirements of this section:

Sec. 4. 32 MRSA §4693, sub-§3, ¶A, as enacted by PL 1979, c. 571, is amended to read:

A. The total funds ~~which shall that must~~ be paid by the purchaser to the seller or an affiliated person in order to obtain or commence the business opportunity operation, ~~such as including, but not limited to,~~ deposits, down payments and fees;

Sec. 5. 32 MRSA §4693, sub-§§5-A and 13 are enacted to read:

5-A. Licenses and permits. A detailed description of any licenses or permits that are necessary in order for the purchaser to engage in or operate the business opportunity.

13. Additional information. Any additional information that the Securities Administrator requires by rule.

Sec. 6. 32 MRSA §4697, as enacted by PL 1979, c. 571, is amended to read:

§4697. Renewal of registration

A registration is effective for one year commencing on the date of effectiveness. Sellers shall A seller may annually renew ~~their the~~ registration by paying a \$10 fee, filing a copy of a current disclosure statement and providing evidence of a bond or escrow account satisfying the requirements of section 4695. Failure to renew at the close of the one-year period of effectiveness results in expiration of the registration.

Sec. 7. 32 MRSA §4698, sub-§1, as enacted by PL 1979, c. 571, is amended to read:

1. Return of goods. Within 20 days after a notice of avoidance is effective, the purchaser shall tender to the seller any goods or commodities delivered to the purchaser pursuant to the contract. Tender is sufficient if the purchaser makes the goods or commodities available to the seller at the purchaser's residence or business. If the seller fails to take possession of the goods or commodities within 20 days after the notice of avoidance is effective, the goods or commodities ~~shall~~ become the property of the purchaser without obligation to pay for them.

Sec. 8. 32 MRSA §4700, sub-§3, as enacted by PL 1979, c. 571, is amended to read:

3. Temporary restraining order. Upon application ~~to~~ by the Attorney General, the Superior Court shall issue a temporary restraining order, under Unfair Trade Practices, Title 5, section 209, enjoining any ~~franchise business opportunity~~ franchise business opportunity seller who has committed an act prohibited by section 4699, subsection 1, ~~paragraphs~~ paragraph A, B or C, from engaging in any conduct relating to the sale, offering for sale or promotion of business opportunities in this State until such time as the seller satisfies the court that it has complied with the provisions of this chapter. The Superior Court shall grant such a temporary restraining order without requiring a showing of immediate and irreparable harm or injury.

See title page for effective date.

CHAPTER 211

H.P. 869 - L.D. 1255

An Act to Prohibit the Sale of Individual Specific Disease Health Insurance Providing Minimal Benefits

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

Sec. 1. 24-A MRSA §2413, sub-§1, ¶E, as amended by PL 1981, c. 234, §2, is further amended to read:

E. As to a life insurance or health insurance policy, if it contains a provision or provisions such as to encourage misrepresentation; ~~or~~

Sec. 2. 24-A MRSA §2413, sub-§1, ¶F, as amended by PL 1989, c. 27, §1, is further amended to read:

F. As to Medicare supplement policies or contracts, as defined in chapter 67, if the policy cannot be anticipated, as estimated for the entire period for which rates are to be computed to provide coverage, on the basis of incurred claims experience and earned premiums for that period and in accordance with accepted actuarial principles and practices, to return to policyholders in the form of aggregate benefits provided under the policy at least 65% of the aggregate amount of premiums collected in the case of individual policies and at least 75% of the aggregate amount of premiums collected in the case of group policies: ; or

Sec. 3. 24-A MRSA §2413, sub-§1, ¶G is enacted to read:

G. As to an individual health insurance policy, contract or rider, if it insures against a specific disease and does not meet the minimum loss ratio standards specified in subparagraph (2).

(1) As used in this paragraph, unless the context otherwise indicates, the following terms have the following meanings.

(a) "Conditionally renewable" means renewal may be declined by the insurer by class, geographic area or for stated reasons other than health.

(b) "Guaranteed renewable" means renewal may be declined by the insurer only for nonpayment of premium but rates may be revised on a class basis.

(c) "Noncancelable" means renewal may not be declined by the insurer and rates may not be revised.

(d) "Optionally renewable" means renewal is at the option of the insurer.

(2) The loss ratio standards for each type of renewal clause are:

(a) Optionally renewable insurance, 60%;

(b) Conditionally renewable insurance, 55%; and

(c) Guaranteed renewable and noncancelable insurance, 50%.

See title page for effective date.

CHAPTER 212

H.P. 895 - L.D. 1292

An Act to Clarify Regulation of Private Label Credit Cards

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

9-A MRSA §8-303, sub-§7 is enacted to read:

7. With respect to an open-end credit plan involving a credit card offered in connection with a seller located in this State using cards displaying the name of the seller:

A. The terms of the credit card contract must comply with the laws that would apply if the seller were the creditor; or

B. The name and location of the financial institution underwriting the debt must appear with equal prominence on the face of the credit card with the name of the seller.

This subsection applies to any new credit card programs implemented after November 1, 1991 or to the next renewal for any credit card accounts existing at that time. A violation of this section constitutes a violation of Title 5, chapter 10, Unfair Trade Practices Act.

See title page for effective date.

CHAPTER 213

S.P. 509 - L.D. 1358

An Act to Grant Enforcement Powers to Sewer Districts

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

Sec. 1. 38 MRSA §1151-A is enacted to read:

§1151-A. Enforcement power

A sanitary district may seek in a civil action injunctive relief from an industrial user that violates any pretreatment standard or requirement administered by the district. The district may seek a civil penalty of up to \$1,000 a day for each violation by an industrial user of a pretreatment standard or requirement.