

MAINE STATE LEGISLATURE

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LAWS
OF THE
STATE OF MAINE

AS PASSED BY THE
ONE HUNDRED AND SIXTEENTH LEGISLATURE

SECOND REGULAR SESSION

January 5, 1994 to April 14, 1994

THE GENERAL EFFECTIVE DATE FOR
SECOND REGULAR SESSION
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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
1993

strated working capital in such current statement of financial condition; the bond or deposit must be at least \$100,000.

Self-insurers that are unable to meet the preceding standards shall deposit acceptable funds or a surety bond in that amount produced by the formula described in this paragraph written by a corporate surety that meets the qualifications prescribed by rules adopted by the superintendent.

Within 30 days after notice by the superintendent, the self-insurer shall post the deposit indicated. This deadline may be extended by the superintendent for good cause, but in no event may exceed one year from the deadline for compliance as stated in the notice given to the self-insurer.

A bond or security deposit in excess of the amount prescribed by this subsection may be required if the superintendent determines that the self-insurer has experienced a deterioration in financial condition that adversely affects the self-insurer's ability to pay expected losses.

No judgment creditor other than claimants for benefits under this Act has a right to levy upon the self-insurer's assets held in deposit pursuant to this paragraph.

Sec. 2. 39-A MRSA §404, sub-§4, ¶¶E and F, as enacted by PL 1991, c. 885, Pt. A, §8 and affected by §§9 to 11, are amended to read:

E. For the purposes of this subsection, "annual standard premium for an individual self-insurer" means the annual premium produced by applying the manual rates advisory loss costs multiplied by 1.2, rating rules, excluding any premium discount, and experience rating procedure approved by the Superintendent of Insurance for the Safety Pool of the residual market mechanism described in designated workers' compensation advisory organization pursuant to Title 24-A, section 2386 2382-B, to the exposure and experience of the individual self-insurer.

F. For the purposes of this subsection, "annual standard premium for a group self-insurer" means the total annual premium that would have been paid by all members of that group using the manual rates advisory loss costs multiplied by 1.2, rating rules, excluding any premium discount, and experience rating procedure approved by the Superintendent of Insurance for that self-insurer the designated workers' compensation advisory organization pursuant to Title 24-A,

section 2382-B, to the exposure and experience of the self-insurance group members.

Sec. 3. Report. The Bureau of Insurance shall report to the joint standing committee of the Legislature having jurisdiction over banking and insurance matters on the formula for calculating annual standard premium pursuant to the Maine Revised Statutes, Title 39-A, section 404, subsection 4 on or before November 1, 1995.

See title page for effective date.

CHAPTER 492

H.P. 1178 - L.D. 1569

An Act to Amend the Maine Banking Code to Clarify the Definition of Limited-time and Seasonal Branches and to Provide a Definition of In-school Branches

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

Sec. 1. 9-B MRSA §131, sub-§22-A is enacted to read:

22-A. In-school branch. "In-school branch" means a branch office of a financial institution established pursuant to this Title and located on the premises of a school, not including a college or university, that is authorized to be open for the transaction of limited business only for specified hours or for specified days when a school is in session.

Sec. 2. 9-B MRSA §131, sub-§24, as enacted by PL 1975, c. 500, §1, is amended to read:

24. Limited-time branch. "Limited-time branch" means a branch office of a financial institution established pursuant to this Title ~~which that~~ is authorized to be open for the transaction of business ~~only for specified hours or for specified less than 5 business days during a week, which periods shall be excluding Saturday and Sunday, or less than the 5 hours which the main office or a full time branch office of the institution is opened day.~~

Sec. 3. 9-B MRSA §333, as enacted by PL 1975, c. 500, §1, is amended to read:

§333. Limited-time, in-school or seasonal branch offices

1. Directors' approval. A financial institution may transact all or any part of its business in a limited-time, in-school or seasonal branch office, as

defined in section 131, if the board of directors decides accordingly.

2. Superintendent's approval. ~~No~~ A financial institution ~~shall~~ may not establish a limited-time, in-school or seasonal branch office without prior approval of the superintendent, such approval to be obtained pursuant to section 336.

3. Limited-time or seasonal branch offices. ~~A limited-time or seasonal branch office of a financial institution shall not be established in any location served by a full-time branch office of such financial institution, or of another financial institution of the same type or within the primary service area of a full-time branch office of another financial institution of the same type; provided that the existence of a limited-time or seasonal branch office shall not preclude the establishment of a full-time branch office in the same area, nor shall the establishment of such full-time office preclude the continuing operation of a previously established limited-time or seasonal branch office. This subsection governs the establishment and continuing operation of a limited-time or seasonal branch office of a financial institution or credit union.~~

A. A limited-time or seasonal branch office of a financial institution may only be established in a community in which the same financial institution maintains a full-time branch office or in a community in which no other financial institution maintains a full-time branch office.

B. The existence of a previously established limited-time or seasonal branch office of a financial institution does not preclude the establishment of a full-time branch office in the same community.

C. The establishment of a full-time branch office of a financial institution does not preclude the continuing operation of a previously established limited-time or seasonal branch office in the same community.

D. A limited-time or seasonal branch office of a credit union may be established in any community in accordance with section 826.

3-A. In-school branch offices. An in-school branch office of a financial institution may be established to provide limited services to students, faculty or employees of a school but not to the public.

4. Conversion to different type office. A limited-time or seasonal branch office may become a full-time branch office with the prior approval of the superintendent pursuant to section 336. A full-time branch office may become a limited-time or seasonal branch office with the prior approval of the superintendent pursuant to section 336; provided that the

conditions set forth in subsection 3 ~~shall be~~ are applicable to ~~such~~ the change in the type of branch office.

Sec. 4. 9-B MRSA §339, sub-§1, as repealed and replaced by PL 1985, c. 577, is amended to read:

1. Mobile branches. In addition to permanent branches or agencies established pursuant to this chapter, a financial institution may establish and operate one or more mobile branches, as defined in section 131, as limited by this section. A mobile branch may not operate in any city or town in which there is a permanent branch location; nor may it be located within ~~10 road~~ 5 road miles of another branch or main office of any financial institution. An application for approval of a mobile branch must be filed with the superintendent. This application ~~shall~~ must specifically address:

A. The decision-making criteria found in section 252;

B. Additional security measures essential to maintaining a mobile unit;

C. The services to be offered at the mobile unit, which ~~shall~~ include such activities as: Teller services; taking personal loan applications; selling travelers checks or money orders; opening new accounts; and financial counseling to the extent that these services are offered at any other branch office of the applicant; and

D. Any additional information the superintendent requires.

If more than one financial institution apply for a mobile branch site in a given community, city or town, preference ~~shall~~ must be given to the financial institution or institutions ~~which~~ that have traditionally served the financial needs of the citizens and businesses in the community and have permanent facilities in close proximity. The superintendent may promulgate regulations regarding the operation of a mobile branch. ~~Approval to operate a mobile branch shall not be granted prior to January 1, 1987.~~

The use of a bank employee to transport deposits from an elementary or secondary school to a financial institution or the use of a bonded carrier to transport a commercial deposit from a customer's place of business, a state department or agency or a subdivision of the State to an office of a financial institution, whether paid for by the customer or the financial institution, ~~shall~~ may not be construed as the establishment or operation of a mobile branch. In the event a bonded carrier is used to transport deposits from a customer's place of business to a financial institution the messenger ~~shall~~ must be considered the agent of the customer rather than of the bank. Deposits col-

lected under this arrangement ~~shall~~ may not be considered to have been received by the bank until they are actually delivered to the teller at the bank's premises.

See title page for effective date.

CHAPTER 493

S.P. 606 - L.D. 1704

An Act Regarding the Implementation of the Provisions of the Higher Education Act of 1965 as Amended

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

Whereas, the Higher Education Act of 1965 as amended by the Higher Education Amendments of 1992 requires that each state designate a State Postsecondary Review Entity or SPRE; and

Whereas, the Maine Department of Education has been designated as the SPRE for the State and must develop standards and rules that are enforceable and consistent with the Constitution and laws of the State; and

Whereas, it is necessary that the Commissioner of Education be given statutory authority to make rules thereby giving a legal base to the standards as developed; and

Whereas, the standards as established by the SPRE must be submitted for approval to the Secretary of the United States Department of Education before being placed into the rule-making process required by the Maine Administrative Procedure Act; and

Whereas, the start up of the SPRE and the development and integration of the standards as rules should occur before June 30, 1994, in order for the SPRE to be able to apply for federal fiscal year 1994 funds for program implementing activities; and

Whereas, failure to fulfill the requirements as specified for the SPRE could mean the loss of eligibility for certain federal student aid programs for some state postsecondary educational institutions; 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. 20-A MRSA §10005 is enacted to read:

§10005. State postsecondary review entity

1. Department as state postsecondary review entity. The department is designated as the state postsecondary review entity for the purpose of carrying out the program integrity triad of the Higher Education Act of 1965, 20 United States Code, Sections 1099a to 1099a-3, as amended.

2. Rule-making authority. The commissioner has rule-making authority to implement the program integrity triad of the Higher Education Act of 1965, 20 United States Code, Sections 1099a to 1099a-3, as amended, concerning the conduct of the activities of the state postsecondary review entity.

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

Effective March 9, 1994.

CHAPTER 494

S.P. 600 - L.D. 1698

An Act to Eliminate the Maine School Building Authority

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

Sec. 1. 5 MRSA §12004-F, sub-§7, as enacted by PL 1987, c. 786, §5, is repealed.

Sec. 2. 20-A MRSA §3305, sub-§4, as enacted by PL 1981, c. 693, §§5 and 8, is amended to read:

4. Enlargement or extension of lot. The commissioner may extend or enlarge a schoolhouse lot ~~according to the procedure and conditions in section 15705, subsection 10 by purchase or otherwise, on the terms and conditions and in the manner the commissioner determines proper, or by the exercise of eminent domain or property rights.~~ Using eminent domain, the commissioner may not take more than 25 acres for one project. In using eminent domain, the commissioner is governed by Title 35-A, chapter 65. Land taken may not be within 50 feet of a dwelling.

Sec. 3. 20-A MRSA c. 607, as amended, is repealed.