

# MAINE STATE LEGISLATURE

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

**AS PASSED BY THE**  
**ONE HUNDRED AND SEVENTEENTH LEGISLATURE**

**FIRST SPECIAL SESSION**  
**November 28, 1995 to December 1, 1995**

**SECOND REGULAR SESSION**  
**January 3, 1996 to April 4, 1996**

**THE GENERAL EFFECTIVE DATE FOR**  
**FIRST REGULAR SESSION**  
**NON-EMERGENCY LAWS IS**  
**JULY 4, 1996**

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

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**J.S. McCarthy Company**  
**Augusta, Maine**  
**1995**

2. Aroostook Residential Center; and

4. Freeport Towne Square.

**Sec. 4. 34-B MRSA §5405** is enacted to read:

**§5405. Freeport Towne Square**

**1. Establishment.** Freeport Towne Square is established in the Town of Freeport as a facility to care for persons with mental retardation.

**2. Manager.** The administrative head of Freeport Towne Square is the manager. The manager reports directly to the commissioner or the commissioner's designee.

**3. Duties of the manager.** The manager:

A. Is responsible for the training, education, treatment and care of all persons received into or receiving services from Freeport Towne Square;

B. Is responsible for the discharge of all persons received into Freeport Towne Square; and

C. Has direct supervision, management and control of the grounds, buildings, property, officers and employees of Freeport Towne Square, subject to the approval of the commissioner.

See title page for effective date.

**CHAPTER 551**

**H.P. 1200 - L.D. 1650**

**An Act Enabling the Maine  
Employers' Mutual Insurance  
Company to Better Serve the Needs  
of Small Business**

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

**Sec. 1. 24-A MRSA §2385-A, sub-§2**, as enacted by PL 1991, c. 885, Pt. B, §12 and affected by §13, is amended to read:

**2. Optional deductible of \$250 or \$500.** ~~To employers whose premium is between 100% and 500% of the premium qualifying for experience rating and to all employers in the logging and lumbering industries, including employers of drivers, and sawmill industries who are experience-rated, insurers shall offer a deductible of \$250 or \$500 per occurrence.~~

**Sec. 2. 24-A MRSA §2385-A, sub-§3**, as enacted by PL 1991, c. 885, Pt. B, §12 and affected by §13, is repealed.

**Sec. 3. 24-A MRSA §3702, sub-§3-A** is enacted to read:

**3-A. Maine-based employer.** "Maine-based employer" means an employer with a principal place of business located in this State.

**Sec. 4. 24-A MRSA §3703, sub-§1**, as amended by PL 1991, c. 885, Pt. C, §3, is further amended to read:

**1. Workers' compensation.** The company shall provide workers' compensation insurance and employers' liability insurance incidental to and written in connection with workers' compensation coverage to employees employers in this State. The company may not write other lines of insurance. The company may not write reinsurance or excess insurance. For the purpose of providing insurance to Maine-based employers operating in other states, the company may apply to appropriate regulatory authorities in those states for authority to write workers' compensation and employers' liability insurance for Maine-based employers' operations in those states. Until the company has obtained the surplus otherwise required under this Title for casualty insurance companies, the company must receive approval from the superintendent before actually writing policies in each other state.

**Sec. 5. 24-A MRSA §3710, sub-§2, ¶¶A and B**, as enacted by PL 1991, c. 885, Pt. C, §8, are amended to read:

A. Shall collect from each applicant an advance premium of 25% of the estimated annual premium and shall bill subsequent premiums with advance notice to insureds to ensure that, if periodic premiums are not paid by insureds in a timely manner, ~~that~~ adequate time is available to give proper notice of cancellation prior to a previously collected premium being fully earned; ~~and~~

B. May assess its policyholders for additional funds to meet operating needs or as required by law; ~~and~~

**Sec. 6. 24-A MRSA §3710, sub-§2, ¶C** is enacted to read:

C. May provide premium payment plans and premium financing programs providing payment terms other than those specified in paragraph A. Until the company has obtained the surplus otherwise required under this Title for casualty insurance companies, the company must receive

approval from the superintendent before implementing these programs.

See title page for effective date.

**CHAPTER 552**

**H.P. 1209 - L.D. 1659**

**An Act to Allow Municipalities and Regions to Include Beneficial Use of Waste Originated in Their Jurisdiction As Credit in Demonstrating Recycling Progress**

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

**Sec. 1. 38 MRSA §2132, sub-§3,** as amended by PL 1995, c. 23, §1, is further amended to read:

**3. Beneficial use of waste.** The use of waste paper, waste plastics, waste wood, including wood from demolition debris, used motor vehicle tires or corrugated cardboard as a fuel in industrial boilers or waste-to-energy facilities for the generation of heat, steam or electricity constitutes recycling only for the ~~sole purpose~~ purposes of determining whether the goals in subsection 1 are met ~~and if the wastes would otherwise be placed in or stockpiled at a landfill and for determining municipal progress as provided in section 2133.~~ In order for the use of waste under this subsection to constitute recycling, the office ~~determines~~ must determine that there is no reasonably available market in the State for recycling that waste and ~~if the wastes are~~ must be incinerated as a substitute for, or supplement to, fossil or biomass fuels ~~that constitute the primary fuels~~ incinerated in the industrial boiler or waste-to-energy facility.

See title page for effective date.

**CHAPTER 553**

**H.P. 1215 - L.D. 1665**

**An Act to Amend the Maine Insurance Code with Respect to Domestic Violence**

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

**Sec. 1. 24-A MRSA §2159-B** is enacted to read:

**§2159-B. Discrimination against victims of domestic abuse prohibited**

An insurer, nonprofit hospital and medical service organization or health maintenance organization that issues life, health or disability coverage may not deny, cancel, refuse to renew or restrict coverage of any person or require the payment of additional charges based solely on the fact or perception that the person is, or may become, the victim of domestic abuse, under Title 19, section 762. This section does not prohibit applying an underwriting or rating criterion to a victim of domestic abuse based on physical or mental history or other factors of general applicability regardless of the underlying cause and in accordance with the requirements of section 2159, subsections 1 and 2. An insurer, nonprofit hospital and medical service organization or health maintenance organization may not be held criminally or civilly liable for any cause of action that may result from compliance with this section. This section does not prohibit an insurer from declining to issue coverage to an applicant known to be, or to have been, an abuser of the proposed insured.

See title page for effective date.

**CHAPTER 554**

**S.P. 639 - L.D. 1674**

**An Act to Allow Voluntary Withholding of Federal and State Income Taxes from Unemployment Compensation Benefits**

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

**Sec. 1. 26 MRSA §1191, sub-§9** is enacted to read:

**9. Voluntary withholding of income tax.** Individuals must be notified that federal, state and local income tax may be withheld from payments made on or after January 1, 1997 as follows.

A. An individual filing a new claim for unemployment compensation must be advised at the time of filing the claim, that:

- (1) Unemployment compensation is subject to federal and state income taxes;
- (2) Requirements exist pertaining to estimated tax payments;
- (3) The individual may elect to have federal income tax deducted and withheld from the individual's payment of unemployment compensation at the amount specified in the federal Internal Revenue Code;