

MAINE STATE LEGISLATURE

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LAWS
OF THE
STATE OF MAINE

AS PASSED BY THE
ONE HUNDRED AND SEVENTEENTH LEGISLATURE

SECOND SPECIAL SESSION
September 5, 1996 to September 7, 1996

ONE HUNDRED AND EIGHTEENTH LEGISLATURE

FIRST REGULAR SESSION
December 4, 1996 to March 27, 1997

FIRST SPECIAL SESSION
March 27, 1997 to June 20, 1997

THE GENERAL EFFECTIVE DATE FOR
FIRST REGULAR SESSION
NON-EMERGENCY LAWS IS
JUNE 26, 1997

FIRST SPECIAL SESSION
NON-EMERGENCY LAWS IS
SEPTEMBER 19, 1997

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
1997

person, including investments in any "security" as defined in Title 32, section 10501, subsection 18. The board of directors, management committee or other similar governing body of a merchant bank shall establish a written policy under which the merchant bank's investment activities are conducted. At a minimum, this policy must address the following:

- (1) Investment quality parameters;
- (2) Investment mix and diversification;
- (3) Investment maturities; and
- (4) Delegation of authority to officers and committees responsible for making loans and investments and administering the investment portfolio.

B. This policy must be reviewed and ratified by the board of directors, management committee or other similar governing body of the merchant bank at least annually.

C. The terms of any loans by a merchant bank to, or investments by a merchant bank in, any of the following must be disclosed to the board of directors, management committee or other similar governing body of the merchant bank:

- (1) Any person that owns 25% or more of the merchant bank's common stock or other similar equity capital;
- (2) Any member of the board of directors, management committee or other similar governing body of a merchant bank;
- (3) Any policy-making officer of a merchant bank; or
- (4) Any person, 25% of the voting shares or other similar voting equity of which is owned by any of the foregoing.

2. Provisions inapplicable. The following provisions of this Title do not apply to merchant banks: sections 141, 142, 143, 223, 314, 315, 316, 317, 439-A, 445, 446, 465-A, 621, 622, 623, subsection 2, paragraphs E and F, and chapters 33 and 42. The following provisions of this Title do not apply to a person or company that controls a merchant bank and is not otherwise a Maine financial institution holding company: section 1014, 1015, subsection 1, paragraphs D and E, 1017 and 1019-A.

3. Organizational documents. The articles of incorporation, articles of organization or other organizational documents of a merchant bank must contain the following statement: "This entity is subject to the Maine Revised Statutes, Title 9-B,

chapter 107 and Acts supplementing or amending that chapter, and this entity may not solicit, receive or accept money or its equivalent on deposit." The foregoing provision of the articles of incorporation, articles of organization or other organizational documents of a merchant bank may not be amended.

4. Name. Notwithstanding section 241, subsection 9, a merchant bank may use as a part of its name the word or words "bank," "banker," or "banking" or the plural of any such word or words or any abbreviations of those words.

5. Offices. At least 30 days prior to the establishment of any office or branch office for the transaction of its business, a merchant bank shall notify the superintendent.

6. Rules. The superintendent may prescribe rules governing the activities of merchant banks and implementing this chapter. These rules must take into account the objective of merchant banks to provide needed capital and the nondepository nature of merchant banks. Rules adopted pursuant to this subsection are routine technical rules as defined in Title 5, chapter 375, subchapter II-A.

Sec. 7. 10 MRSA §1312, sub-§10-A, as enacted by PL 1995, c. 309, §19 and affected by §29, is amended to read:

10-A. Supervised financial organization. "Supervised financial organization" means supervised financial organization as defined in Title 9-A, section 1-301, subsection 38 38-A.

Sec. 8. 32 MRSA §11002, sub-§10, as enacted by PL 1995, c. 309, §23 and affected by §29, is amended to read:

10. Supervised financial organization. "Supervised financial organization" has the same meaning as defined in Title 9-A, section 1-301, subsection 38 38-A.

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

Effective April 8, 1997.

CHAPTER 67

H.P. 13 - L.D. 9

An Act to Amend the Criminal Code Concerning the Crime of Assault on an Officer

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

Sec. 1. 17-A MRSA §752-A, sub-§2, as amended by PL 1983, c. 408, §2, is repealed.

See title page for effective date.

CHAPTER 68

S.P. 26 - L.D. 24

An Act to Clarify the School Budget Approval Process

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

Sec. 1. 20-A MRSA §1307, sub-§3, as amended by PL 1983, c. 485, §13, is further amended to read:

3. **Summary action.** To summarize the action taken on the school budget for the purposes of determining state and local cost sharing, the articles prescribed in chapter ~~605~~ shall 606 must also be voted upon.

Sec. 2. 20-A MRSA §1307, sub-§4 is enacted to read:

4. **Budget explanation.** The warrant may include an explanation of the relationship between warrant articles authorizing specific line item expenditures as provided in subsection 1 and the articles prescribed in chapter 606 summarizing the budget proposal.

See title page for effective date.

CHAPTER 69

H.P. 17 - L.D. 42

An Act to Allow Veterans to Get Vanity Veteran License Plates

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

Sec. 1. 29-A MRSA §523, sub-§4 is enacted to read:

4. **Veterans vanity plates.** Upon request and as provided by section 453, the Secretary of State shall issue veterans registration plates that are also vanity plates. Veterans registration vanity plates are issued in accordance with this section and section 453. The

annual service fee of \$15 for vanity plates is credited to the Highway Fund.

See title page for effective date.

CHAPTER 70

H.P. 97 - L.D. 121

An Act to Require Disclosure to Prison Workers in the Case of an Inmate Who Tests Positive for Acquired Immune Deficiency Syndrome

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

Sec. 1. 5 MRSA §19203, sub-§7, as repealed and replaced by PL 1987, c. 811, §3 and amended by PL 1995, c. 560, Pt. K, §82 and affected by §83, is further amended to read:

7. **Other agencies.** To employees of, or other persons designated by, the Department of Corrections, the Department of Human Services and the Department of Mental Health, Mental Retardation and Substance Abuse Services, to the extent that those employees or other persons are responsible for the treatment or care of subjects of the test. Those agencies shall ~~promulgate~~ adopt rules, within 90 days of the effective date of this subsection, pursuant to the Maine Administrative Procedure Act, chapter 375, subchapter II, designating the persons or classes of persons to whom the test results may be disclosed. The rules of the Department of Corrections must designate those persons who may receive the results of an HIV test of a county jail inmate;

See title page for effective date.

CHAPTER 71

S.P. 46 - L.D. 156

An Act to Amend the Charter of the Loring Development Authority as It Pertains to Immunity of the Authority

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

Whereas, appointments to the board of trustees of the Loring Development Authority will take place soon; and