

MAINE STATE LEGISLATURE

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LAWS
OF THE
STATE OF MAINE

AS PASSED BY THE

ONE HUNDRED AND TWENTIETH LEGISLATURE

FIRST SPECIAL SESSION
November 13, 2002 to November 14, 2002

ONE HUNDRED AND TWENTY-FIRST LEGISLATURE

FIRST REGULAR SESSION
December 4, 2002 to June 14, 2003

THE GENERAL EFFECTIVE DATE FOR
FIRST SPECIAL SESSION
NON-EMERGENCY LAWS IS
FEBRUARY 13, 2003

THE GENERAL EFFECTIVE DATE FOR
FIRST REGULAR SESSION
NON-EMERGENCY LAWS IS
SEPTEMBER 13, 2003

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

Penmor Lithographers
Lewiston, Maine
2003

13-B. A creditor may not recommend or encourage default or further default by a consumer on an existing loan or other debt prior to the closing of a high-rate, high-fee mortgage that refinances all or any portion of the existing loan or debt.

13-C. Beginning January 1, 2004, a creditor that makes a high-rate, high-fee mortgage to a consumer and offers the consumer the option to purchase an individual or group credit life, accident, health, disability or unemployment insurance product on a prepaid single premium basis must also offer the consumer the option of purchasing that insurance product on a monthly premium basis.

If a consumer purchases from a lender an individual or group credit life, accident, health, disability or unemployment insurance product, that consumer has the right to cancel the insurance product at any time and receive a refund of any unearned premiums paid. Notice of the right to cancel must be sent by mail to the consumer by the creditor no later than 30 days after consummation. The notice must also disclose the type of insurance product purchased, the cost of the product and the procedure for canceling the product.

Sec. 6. 9-A MRSA §8-206-A, sub-§§16-A, 16-B and 18 are enacted to read:

16-A. A creditor that makes a high-rate, high-fee mortgage to a consumer and any assignee of that creditor have the obligation, jointly and severally, to refund or credit the consumer for any default charges, prepayment penalties or prepaid finance charges collected in excess of the limits set forth in this article.

16-B. A high-rate, high-fee mortgage may not include a call provision that permits the creditor, in its sole discretion, to accelerate the indebtedness. This subsection does not apply when repayment of the loan is accelerated by a bona fide default, pursuant to a due-on-sale clause provision or pursuant to another provision of the loan agreement unrelated to the payment schedule, including, but not limited to, bankruptcy or receivership.

18. A political subdivision of this State is prohibited from enacting, issuing and enforcing ordinances, resolutions, rules, regulations, orders, requests for proposals or requests for bids pertaining to the making of a high-rate, high-fee mortgage by a person who:

A. Is subject to the jurisdiction of the Office of Consumer Credit Regulation or the Bureau of Financial Institutions, including activities subject to this article;

B. Is subject to the jurisdiction or regulatory supervision of the Board of Governors of the Federal Reserve System, the Office of the Comp-

troller of the Currency, the Office of Thrift Supervision, the National Credit Union Administration, the Federal Deposit Insurance Corporation, the Federal Trade Commission or the United States Department of Housing and Urban Development;

C. Is subject to the jurisdiction or regulatory supervision of a department or agency of another state; or

D. Originates, purchases, sells, assigns, securitizes or services property interests or obligations created by financial transactions or loans made, executed or originated by a person referred to in paragraph A, B or C or assist or facilitate such transactions.

This subsection applies to all ordinances, resolutions, rules, regulations, orders, requests for proposals and requests for bids pertaining to financial or lending activities, including any ordinances, resolutions, rules, regulations, orders, requests for proposals and requests for bids disqualifying persons from doing business with a political subdivision based upon the making of a high-rate, high-fee mortgage or imposing reporting requirements or any other obligations upon persons regarding the making of a high-rate, high-fee mortgage.

This subsection applies retroactively to all ordinances, resolutions, rules, regulations, orders, requests for proposals and requests for bids in existence on the effective date of this subsection.

See title page for effective date.

CHAPTER 50

H.P. 1148 - L.D. 1566

An Act To Authorize a General Fund Bond Issue in the Amount of \$60,000,000 for Municipal Facilities and for Investments in Research, Development, Farming and Affordable Housing in Order To Sustain and Improve Maine's Economy

Preamble. Two thirds of both Houses of the Legislature deeming it necessary in accordance with the Constitution of Maine, Article IX, Section 14 to authorize the issuance of bonds on behalf of the State of Maine to provide funds as described in this Act,

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

PART A

Sec. A-1. Authorization of bonds. The Treasurer of State is authorized, under the direction of the Governor, to issue bonds in the name and on behalf of the State in an amount not exceeding \$60,000,000 to raise funds for recapitalizing the Municipal Investment Trust Fund; expanding research and development facilities in the University of Maine System; supporting marine research infrastructure and technology; supporting applied technology development centers; funding economic improvement; completing, expanding and equipping 2 floors of a University of Southern Maine science building; designing and constructing the Gulf of Maine Research Laboratory; funding the capital research infrastructure needs at the University of Maine agricultural research farms; supporting Maine Farms for the Future Program; funding educational technology improvements; supporting biomedical research and development; and developing affordable housing in Maine as authorized by this Part. The bonds are a pledge of the full faith and credit of the State. The bonds may not run for a period longer than 10 years from the date of the original issue of the bonds. At the discretion of the Treasurer of State, with the approval of the Governor, any issuance of bonds may contain a call feature.

Sec. A-2. Records of bonds issued kept by Treasurer of State. The Treasurer of State shall keep an account of each bond showing the number of the bond, the name of the successful bidder to whom sold, the amount received for the bond, the date of sale and the date when payable.

Sec. A-3. Sale; how negotiated; proceeds appropriated. The Treasurer of State may negotiate the sale of the bonds by direction of the Governor, but no bond may be loaned, pledged or hypothecated on behalf of the State. The proceeds of the sale of the bonds, which must be held by the Treasurer of State and paid by the Treasurer of State upon warrants drawn by the State Controller, are appropriated solely for the purposes set forth in this Part. Any unencumbered balances remaining at the completion of the project in this Part lapse to the debt service account established for the retirement of these bonds.

Sec. A-4. Interest and debt retirement. The Treasurer of State shall pay interest due or accruing on any bonds issued under this Part and all sums coming due for payment of bonds at maturity.

Sec. A-5. Disbursement of bond proceeds. The proceeds of the bonds must be expended as set out in this Part under the direction and supervision of the Department of Tourism, Economic and Community Development, the University of Maine System, the

Department of Agriculture, Food and Rural Resources and the Maine State Housing Authority.

Sec. A-6. Allocations from General Fund bond issue. The proceeds of the sale of the bonds must be expended as designated in the following schedule.

Tourism, Economic and Community Development, Department of

Recapitalize the Municipal Investment Trust Fund to provide grants and loans to municipalities for public facilities and infrastructure. \$6,000,000

University of Maine System - University of Maine

Provide funds for the Advanced Engineered Wood Composites Center to expand research facilities for engineered wood composite structures. \$6,000,000

University of Maine System

Provide funds for educational technology improvements. \$3,000,000

University of Maine System

Provide funds for the Maine Economic Improvement Fund, in anticipation of \$12,000,000 in federal and other funding, for research and development activities. \$3,600,000

University of Maine System - University of Southern Maine

Provide funds to complete, expand and equip 2 floors of the research wing of the science building on the Portland campus. \$4,400,000

Tourism, Economic and Community Development, Department of

Provide funds to the Marine Infrastructure and Technology Fund, in anticipation of \$1,000,000 in federal and private funding. Eligible institutions include Maine's private Nonprofit institutions and state governmental and quasi-governmental agencies, excluding organizations eligible to participate in the programs under the Maine Revised Statutes, Title 5, section 13103 and the University of Maine System. \$1,000,000

**Tourism, Economic and
Community Development,
Department of**

Provide funds to the Maine Biomedical Research Fund, in anticipation of approximately \$100,000,000 in federal and private funding, to support capital infrastructure and equipment. \$20,000,000

Eligible institutions are those delineated in the Maine Revised Statutes, Title 5, section 13103. These institutions are subject to the reporting requirements in this Act related to the Maine Biomedical Research Fund.

**Tourism, Economic and
Community Development,
Department of**

Provide funds to the applied technology development centers identified in section 10 of this Part for infrastructure improvements. \$2,000,000

These funds are subject to the allocation requirements identified in section 10 of this Part.

**Tourism, Economic and
Community Development,
Department of**

Provide funds to be allocated to design and construct the Gulf of Maine Research Laboratory to partner with the fishing community on marine research to protect and enhance the commercial fishery of the Gulf of Maine; to partner with the marine biotechnology industry to undertake marine biotechnology research; and to develop and make available an innovative marine sciences education hall focused on middle and secondary school students and the general public. \$3,000,000

**Agriculture, Food and Rural
Resources, Department of**

Provide funds to the Maine Farms for the Future Program. \$2,000,000

**University of Maine System -
University of Maine**

Provide funds for capital research infrastructure needs at the University of Maine agricultural research farms. \$1,000,000

Maine State Housing Authority

Provide funds for affordable housing, consistent with the Maine Revised Statutes, Title 30-A, section 4347-A, in anticipation of \$21,150,000 in federal and private funding. At least \$7,500,000 of the funds will be for workforce housing with the balance for other multifamily and single-family housing. \$8,000,000

TOTAL ALLOCATIONS \$60,000,000

Sec. A-7. Contingent upon ratification of bond issue. Sections 1 to 6 of this Part do not become effective unless the people of the State ratify the issuance of the bonds as set forth in this Part.

Sec. A-8. Appropriation balances at year-end. At the end of each fiscal year, all unencumbered appropriation balances representing state money carry forward. Bond proceeds that have not been expended within 10 years after the date of the sale of the bonds lapse to General Fund debt service.

Sec. A-9. Bonds authorized but not issued. Any bonds authorized but not issued, or for which bond anticipation notes are not issued within 5 years of ratification of this Part, are deauthorized and may not be issued, except that the Legislature may, within 2 years after the expiration of that 5-year period, extend the period for issuing any remaining unissued bonds or bond anticipation notes for an additional amount of time not to exceed 5 years.

Sec. A-10. Applied Technology Development Centers; criteria for distribution of bond proceeds. The Department of Tourism, Economic and Community Development shall establish a process for distributing the bond proceeds allocated in this Part among the following applied technology development centers: the Center for Environmental Enterprise in South Portland; the Thomas M. Teague Biotechnology Park in Fairfield; the River Valley Technology Center in Rumford; and the composite technology center facility in Greenville.

Funds must be allocated based upon the following priorities:

1. Safety and structural integrity;
2. Completion of renovations currently in process;
3. Accomplishment of planned renovations; and
4. Debt relief for completed projects.

Sec. A-11. Report. The Department of Tourism, Economic and Community Development shall report to the Joint Standing Committee on Business,

Research and Economic Development by November 15, 2003 on the planned distribution to date of the funds as provided in this Part.

Sec. A-12. Referendum for ratification; submission at statewide election; form of question; effective date. This Part must be submitted to the legal voters of the State at a statewide election on the Tuesday following the 2nd Monday of June following passage of this Part. The municipal officers of this State shall notify the inhabitants of their respective cities, towns and plantations to meet, in the manner prescribed by law for holding a statewide election, to vote on the acceptance or rejection of this Part by voting on the following question:

"Do you favor a \$60,000,000 bond issue to stimulate economic growth and job creation through investments in research and development, municipal infrastructure and facilities, the Maine Farms for the Future Program and affordable housing, in anticipation of approximately \$134,150,000 in federal and private funds? The bonds would be used for the following purposes:

1. The sum of \$6,000,000 to create jobs and reduce property tax burdens by providing grants and loans to municipalities for public facilities and infrastructure;
2. The sum of \$6,000,000 to create jobs and stimulate economic growth through expanded research, development, technology commercialization and business incubation facilities at the Advanced Engineered Wood Composites Center at the University of Maine;
3. The sum of \$3,000,000 to support educational technology improvements at the University of Maine System;
4. The sum of \$3,600,000 in anticipation of \$12,000,000 in federal and private funding for University of Maine System research and development activities;
5. The sum of \$4,400,000 to expand and equip research and development facilities at the Portland campus of the University of Southern Maine;
6. The sum of \$1,000,000 in anticipation of \$1,000,000 in federal and private funding for grants to nonprofit marine institutions for research and development;
7. The sum of \$20,000,000 for medical research and development by Maine-based biomedical research institutions in anticipation of approximately \$100,000,000 in federal and private funds

for health research to cure disease and to retain Maine graduates by providing quality Maine jobs;

8. The sum of \$2,000,000 to support the State's applied technology development centers;
9. The sum of \$3,000,000 to create jobs and stimulate economic growth through the design and construction of the Gulf of Maine Research Laboratory;
10. The sum of \$2,000,000 to support the Maine Farms for the Future Program;
11. The sum of \$1,000,000 to support funding for the University of Maine agricultural research farms; and
12. The sum of \$8,000,000 in anticipation of \$21,150,000 in federal and private funds for affordable housing.

The legal voters of each city, town and plantation shall vote by ballot on this question and designate their choice by a cross or check mark placed within a corresponding square below the word "Yes" or "No." The ballots must be received, sorted, counted and declared in open ward, town and plantation meetings and returns made to the Secretary of State in the same manner as votes for members of the Legislature. The Governor shall review the returns and, if a majority of the legal votes are cast in favor of this Part, the Governor shall proclaim the result without delay, and this Part becomes effective 30 days after the date of the proclamation.

The Secretary of State shall prepare and furnish to each city, town and plantation all ballots, returns and copies of this Part necessary to carry out the purposes of this referendum.

PART B

Sec. B-1. 5 MRSA §13103, sub-§2, ¶G, as amended by PL 2001, c. 196, §5, is further amended to read:

G. Submit each biennium a summary report to the Governor ~~and the Legislature that compiles information reported to the Maine Biomedical Research Board as required by subsection 8 by all the institutions that receive program funding, the joint standing committee of the Legislature having jurisdiction over appropriations and financial affairs and the joint standing committee of the Legislature having jurisdiction over business, research and economic development matters.~~ The report must include detailed information on the status of the funds in the Maine Biomedical Research Fund, a listing and

explanation of each specific source of funding from grant sources for biomedical research and its use and the number of new jobs created in the State and where those jobs are located.

Sec. B-2. Contingent effective date. This Part takes effect only if the voters ratify the referendum as provided in Part A of this Act.

Effective pending referendum.

CHAPTER 51

H.P. 1150 - L.D. 1574

An Act To Make Additional Supplemental Appropriations and Allocations for the Expenditures of State Government and To Change Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Years Ending June 30, 2003, June 30, 2004 and June 30, 2005

Mandate preamble. This measure requires one or more local units of government to expand or modify activities so as to necessitate additional expenditures from local revenues but does not provide funding for at least 90% of those expenditures. Pursuant to the Constitution of Maine, Article IX, Section 21, 2/3 of all of the members elected to each House have determined it necessary to enact this measure.

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 may not terminate until after the beginning of the next fiscal year; and

Whereas, certain obligations and expenses incident to the operation of state departments and institutions will become due and payable prior to June 30, 2003; 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:

PART A

Sec. A-1. Supplemental appropriations and allocations. There are appropriated and allocated from the various funds for the fiscal year ending June 30, 2003, to the departments listed, the following sums.

ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF 18

Office of the Commissioner 0718

Initiative: Provides for the deappropriation of Personal Services funds from savings achieved through the delay in filling of a vacant position and All Other savings from a reduction in travel.

General Fund	2002-03
Personal Services	(\$30,000)
All Other	(246)
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General Fund Total	(30,246)

Bureau of Revenue Services 0002

Initiative: Provides for the deappropriation of Personal Services funds from savings achieved through the elimination of one Management Analyst I position, one Clerk IV position, one Account Clerk II position and one Clerk II position and through a reduction in Capital Expenditures.

General Fund	2002-03
Positions - Legislative Count	(-4,000)
Personal Services	(205,000)
Capital Expenditures	(7,241)
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General Fund Total	(212,241)

Bureau of Accounts and Control 0056

Initiative: Provides for the deappropriation of Personal Services funds from savings achieved through the elimination of 2 Clerk II positions and one Account Clerk II position and through a reduction in All Other expenditures.

General Fund	2002-03
Positions - Legislative Count	(-3,000)
Personal Services	(20,000)
All Other	(4,900)
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General Fund Total	(24,900)