

MAINE STATE LEGISLATURE

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APPROVED AND PLACED ON
FILE SEPTEMBER 6, 1984

LEGISLATIVE COUNCIL

August 13, 1984

CALL TO ORDER

A meeting of the Legislative Council was held in the State Government Committee Chambers, Room 334, and called to order by Chairman Charles P. Pray at 11:35 a.m.

ROLL CALL

Senators: Sen. Conley, Sen. Carpenter, Sen. Gill,
Sen. Collins, Sen. Pray

Representatives: Rep. Davis, Rep. Diamond, Rep.
Martin, Rep. Mitchell, Rep. Higgins

Legislative Officers and Staff:

Sally Diamond - Legislative Administrative Director
Catherine Atchley - Law Librarian
Helen Ginder - Legislative Assistants Director
Bent Schlosser - Legislative Finance Officer
David Silsby - Legislative Research Director

SECRETARY'S REPORT

MOTION

Rep. Martin moved that the minutes of July 11, 1984 be approved and placed on file.

Rep. Diamond seconded the motion and it was carried unanimously.

DIRECTOR'S REPORT

The Legislative Administrative Director, Sally Diamond, submitted her report to the Council outlining approved step increases and out-of-state travel for legislative employees.

MOTION

Rep. Martin moved that the report be accepted.

Rep. Higgins seconded the motion and it was carried unanimously.

Ms. Diamond also informed the Council of the resignation of Lars Loren, Program Analyst, in the Legislative Finance Office, effective August 24, 1984.

MOTION

Rep. Martin moved that the resignation be accepted with reluctance and that authorization be given to fill the vacancy.

Rep. Mitchell seconded the motion and it was carried unanimously.

Ms. Diamond informed the Council that she had received a request from the Coalition for Equitable Mental Health Insurance requesting legislative review of Agency Rules in accordance with Title 5, chapter 377-A. This is the first formal request for review since the law was passed in 1981.

MOTION

Rep. Martin moved that the report be accepted and referred to the Joint Standing Committee on Business Legislation.

Sen. Gill seconded the motion and it was carried unanimously.

OLD BUSINESS

A review of dental insurance and the cost to the Legislature to provide the insurance benefits for members of the 112th Legislature was discussed.

MOTION

Rep. Martin moved that the dental insurance benefit be provided to Legislators of the 112th Legislature.

Rep. Mitchell seconded the motion and it was carried

unanimously.

NEW BUSINESS

The Joint Standing Committee on Marine Resources submitted to the Council study reports on State and Municipal Clam Management and Fish Weir Licenses.

MOTION

Rep. Mitchell moved that the report be approved and placed on file.

Sen. Conley seconded the motion and it was carried unanimously.

A letter from Donald E. Nicoll, Chairman of the Maine State Compensation Commission, recommending legislation to implement some changes concerning the effect of Public Law 1983, chapter 853, was received.

MOTION

Rep. Martin moved that the letter be referred to the Joint Standing Committee on Judiciary.

Rep. Mitchell seconded the motion and it was carried unanimously.

A letter from the Joint Standing Committee on Transportation was received requesting that its subcommittee, which is studying registration plates, dealer plates, and motor vehicle auctions, be authorized to attend a major motor vehicle auction in one of three locations: Gray, Newburgh, or Brewer, to attain a better understanding of the auction process.

MOTION

Rep. Martin moved that the request be approved.

Sen. Carpenter seconded the motion and it was carried with 2 opposed.

Approval to purchase telephones for the Legislature under the new proposed telephone system was requested.

MOTION

Rep. Martin moved authorization to purchase the necessary telephone equipment.

Rep. Diamond seconded the motion and it was carried unanimously.

THIRD SPECIAL SESSION REQUESTS

Requests for the Third Special Session were presented and voted upon. (See attached list).

RECESS

MOTION

Sen. Conley moved that the Council meeting recess until 1:30 p.m.

Rep. Mitchell seconded the motion and it was carried unanimously.

RECONVENE

The Legislative Council was called to order at 2:00 p.m. with Chairman Charles P. Pray presiding.

MOTION

Rep. Martin moved that the request for rules review by the Coalition for Equitable Mental Health Insurance be reconsidered in order to clarify the Council's role in authorizing the review.

Rep. Mitchell seconded the motion and it was carried unanimously.

EXECUTIVE SESSION

MOTION

Rep. Martin moved that the Legislative Council adjourn into Executive Session at 2:05 p.m. for the purpose of discussing the MSEA contract.

Rep. Mitchell seconded the motion and it was carried

unanimously.

ADJOURNMENT

MOTION

Rep. Mitchell moved that the Council meeting be adjourned at 2:30 p.m.

The motion was seconded by Sen. Conley and carried unanimously.

Sarah C. Diamond
Legislative Administrative Director



MAINE STATE LEGISLATURE
Augusta, Maine 04333

DIRECTOR'S REPORT

August 13, 1984

Step Increases

David Rabasca, Associate Law Librarian and Coordinator of Public Services has completed another year of service but has already reached the top of the salary scale for this position.

Out-of-State Travel

- a. NCSL Skills Development Seminar, Madison, Wisconsin,
August 26-29.

Jim Clair
Tim Leet
Legislative Assistant

- b. Data Retrieval Users Seminar, Boston, Massachusetts,
August 21-24.

Brian Blaisdell
Margaret Matheson
Polly Gosselin
John Bailey

Coalition For Equitable Mental Health Insurance

280 State Street

AUGUSTA, MAINE 04330

Telephone 623-1525

August 7, 1984

Ms. Sally Diamond
Legislative Administrative Director
Station 115
State House, Room 340
Augusta, ME 04333

Dear Sally;

Enclosed is an application for review of Agency Rules in accordance with Title 5, Chapter 377-A of the Maine Revised Statutes and the instructions issued thereunder by your office.

We believe the Joint Standing Committee on Business ~~Legislation~~ is the appropriate committee to review these rules as this committee reported out the legislation from which the rules have been promulgated.

We hope the timing of the process is such that a committee hearing could be scheduled during the Special Session of the Legislature convening Sept. 4th.

Please let me know if you have any questions. Thank you for your assistance in helping us become the first ever to use this process.

Sincerely,



Marshall Cohen
For the Coalition For Equitable
Mental Health Insurance

MC/rsb

encls:

APPLICATION FOR LEGISLATIVE REVIEW OF AGENCY RULES

Please Print or Type

1. Applicant Information

Note: Group applications should indicate the person who is to be contacted and must include the "Group Application List" (Attachment A) for the application to be considered complete.

Name: Coalition for Equitable Mental Health Insurance

Address:	<u>280 State Street</u>	<u>Augusta,</u>	<u>04330</u>
	<u>Number/Street</u>	<u>Town</u>	<u>Zip</u>
Telephone:	<u>623-1525</u>		

2. Name of Agency which has proposed or adopted the rule.

Agency: Dept. of Business, Occupational & Professional Reg./Bureau of Insurance

3. Rule Citation

Note: Include section and paragraph if applicable (Example: 01-001 MRSA 226.1)

Minimum Standards for Mental Illness Benefits: Chapter 330

Rule	Section	Paragraph
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4. Effect on the Applicant

Note: Individual applicants should indicate how the individual applicant is "adversely and substantially affected" by the rule.

Group applications should indicate what "substantial interest" the group has in the rule.

The group is a coalition of mental health services consumers and their family members, both individual and organized services providers and members of the general public who, in their business, labor or other occupational or personal roles all share a goal of promoting nondiscriminatory consideration of mental illness, including provisions for insurance coverage. Hence, the group represents substantial personal, professional and economic interests in minimum benefit standards.

5. Statement of the specific provisions of the rule that the applicant considers to be inappropriate or unnecessary.

Note that Section 11114, "criteria for review", of the law sets out specific reviewing agency rules for the Legislative Committee to consider.

The effects of several sections of these rules are not reasonable.

A. Rather than promoting equitable and nondiscriminatory coverage benefits, the minimums established have had the effect of more limited benefits in both type and scope. (E.g., sections 5,6,7,8)

B. The rules do not have the effect of assuring appropriate access and type of treatment. They also promote more limited and egregious administrative practices unique to mental health care (e.g., sections 4,5,6,7,8)

See attached page for comments on specific provisions of the current rules.

6. Recommendations.

Note: Please indicate specific changes recommended in the rule or the statute which the rule implements including exactly what words should be deleted, added or changed in the rule or statute.

See attached page for recommended amendments. Also attached are the rules at issue and the group application list.

6. Specific recommended amendments in the rules on minimum standards for mental health benefits.

Current Rule:

Proposed amendment

Rationale/Impact

-Now silent.

-Add: "Providers" mean those individuals or agencies as defined in PL '83, chapter 515, sections 4 and 6. No further abridgement or qualifications are permissible.

-Silence of the current rules have resulted in administrative requirement by insurers that both JCAH accreditation and State licensure may be required. This is a \$12,000-15,000 administrative expense for each MH center and a 12-18 month process.

-Now silent.

-Add: "Payments" mean reimbursement for provision of covered services by qualified providers based on usual, customary and reasonable charges as defined above. No limitation on collection of co-payments by patients at the time of service is permissible.

-Again, the rule's silence in this regard has allowed insurers to require agreement that no patient co-payments will be collected until after the insurer has agreed to and made their payment which may be 4-6 weeks after services. Extensive implications will be described in hearings. Also, required cost reporting far exceeds a reasonable basis of determining UCR changes.

Section 5 and Section 8:
Basic Policy and Nonprofit Hospital or
Medical Services Corporation.

(Note: These sections establish minimum service benefits for proprietary and non-profit insurers respectively.)

A. Inpatient Care

1. The policy must provide inpatient benefits of at least 30 days per calendar year. However in no case need the total number of inpatient days allowed by the policy be exceeded.

1. The policy must provide inpatient benefits of at least ~~30~~ 60 days per calendar year. Up to 30 days per calendar year may be traded for 60 additional days of day treatment. However in no case need the total number of inpatient days allowed by the policy be exceeded.

-Numerous rationale will be provided in hearings. These include professional judgements on adequacy of benefits, recognition that the worst inpatient benefit for any other illness in any Maine policy reviewed is 120 days and provision to promote alternative treatment.

2. Coinsurance. The minimum level of benefits provided must be, at least, the lesser of 80% of the charges or the level of benefits provided for any other illness.

2. Coinsurance. The minimum level of benefits provided must be, at least, the lesser of ~~80%~~ 90% of the charges or the level of benefits provided for any other illness.

-While some 80% co-pay provisions apply in some insurance, the prevalent benefit is 100%. This would be similar to rules on substance abuse inpatient benefits.

Current Rule

Proposed amendment

Rationale/Impact

B. Outpatient and Day Treatment Care.

1. The policy must provide an annual benefit of at least \$1,000 for any combination of outpatient and/or day treatment care.

2. Coinsurance. The minimum level of benefits provided must be at least 50% of the usual, customary and reasonable charge.

C. Deductible. The policy may contain a deductible for mental illness benefits not to exceed \$100 per calendar year.

D. Maximum Lifetime Benefit. The policy may not contain a maximum lifetime benefit for mental illness of not less than \$25,000 except the policy total maximum benefit, if any, need not be exceeded.

Section 6. Major Medical Policy

A. The benefits provided under Section 5 above less an amount equal to the covered charges used to determine the benefit provided by any basic coverage provided the same group by any insurer or non-profit hospital and/or medical service organization. Although a major medical policy must contain the minimum required benefits, it is the intent of the Rule that a person covered under both basic coverage and a major medical policy not be entitled to "stack" mental illness benefits of the two policies. The two policies combined need not provide, in the aggregate, more than the minimum required benefits.

1. The policy must provide an annual benefit of at least 40 outpatient visits.

2. The policy must provide an annual benefit of at least 60 day treatment sessions.

~~2-~~ 3. Coininsurance. No coinsurance shall be applied to the first 5 outpatient visits. Thereafter, the minimum level of benefits provided must be at least 90% of the usual, customary and reasonable charge.

2. Deductible. The policy may not contain a deductible for mental illness benefits.

D. Maximum Lifetime Benefit. The policy may contain a maximum lifetime benefit of not less than the policy total maximum benefit.

(See next page)

-Again, supportive rationale and data will be provided in hearings regarding reasonableness of cost and clinical necessity.

-Again, supportive rationale and data will be provided in hearings regarding reasonableness of cost and clinical necessity.

-This amendment would include any mental illness benefits within the policy's total lifetime benefits for any illness.

(See next page)

Current Rule

Proposed amendment

Rationale/Impact

A. Delete the current rule and replace with: Major medical benefits shall include provisions for treatment of mental illness, including outpatient, day treatment and inpatient services, as a part of and equal to benefits for any other illness. Total major medical benefits are therefore to be available for either mental illness and/or any other illness up to the total provided. Where both basic and major medical benefits are provided through a comprehensive policy, provisions for treatment of mental illness including outpatient, day treatment and inpatient services shall be part of and equal to benefits for any other illness up to the total coverage provided.

-This amendment is based on the premise that major medical coverage is a supplement to basic benefits, hence it is objectionable to have singled out mental illness with a provision that there need not be "stacking" of benefits. This amendment addresses three situations - 1) where an insurer provides both basic and major medical benefits; 2) where an insurer provides an integrated or comprehensive set of benefit and 3) where one insurer provides basic benefits and another provides major medical benefits. Again, additional rationale and impact information will be provided in a hearing.

B. (Regarding deductible amounts--retain current rule.)

Section 7. Comprehensive Policy

Any comprehensive health insurance policy subject to this rule will be deemed to be in compliance with the requirements of Title 24-A M.R.S.A., Section 2843 if it provides, at a minimum, benefits equal to those required by Section 5 above.

Section 7. Comprehensive Policy

Repeal and replace the current rule as follows: Any comprehensive insurance policy subject to this Rule will be deemed to be in compliance with requirements of Title 24-A M.R.S.A., Section 2843 if it provides, at a minimum, benefits for treatment of mental illness, including outpatient, day treatment and inpatient services, as a part of and equal to benefits for any other illness up to the total coverage provided.

-Similar to the preceding section, if a comprehensive policy includes, for example, benefits up to \$500,000, then this policy must allow for treatment of mental illness to be included in and provided up to this level along with any other illness.

Section 8. Nonprofit Hospital or Medical Service Corporation

-Amendment proposed as in the preceding Section 5.

Section 9 Medicare

-No amendment proposed to the existing rule.

Section 10. Effective Date

The provisions of this Rule are effective June 1, 1984.

The provisions of this Rule, as amended, are effective January 1, 1985.

LEGISLATIVE REVIEW OF AGENCY RULES

GROUP APPLICATION LIST

(NOTE: This list must include the complete names and mailing addresses of a minimum of 100 registered voters.)

	<u>NAME (last name first)</u>	<u>ADDRESS (mailing address)</u>	<u>PHONE#</u>
1	Gagne, Fernand		
2	Gagne, Ferne		
3	Dubois, John		
4	Dubois, Rose		
5	Seaman, Frances		
6	Turlo, Nancy		
7	Turlo, Stephen		
8	Wilkinson, Mary		
9	Bouchard, Yvette		
10	Wilson, Barbara L.		
11	Wilson, Malcolm		
12	Mayo, Maurice		
13	Mayo, Irene		
14	Branch, William D.		
15	Branch, William I.		
16	Branch, Brenda Ann		
17	Branch, Kenneth W.		
18	Branch, Betty		
19	Merriam, Mary		
20	Bailey, Nelson		
21	Bailey, Marion		
22	Anderson, Joanne		
23	Carey, Carolyn		
24	Higgins, John		
25	Higgins, Jo		
26	Loisel, Michaela		
27	Bolduc, Hector		
28	Bolduc, Gloria		
29	Leavitt, Richard		
30	Leavitt, Berit		
31	Tobin, H. Wayne Dr.		
32	Brewester, Elbert		
33	Kassel, Jeannett L.		
34	DeSisto, Michael		
35	Smyrski, Joan M.		
36	Gray Howard		
37	Carey, Carolyn		
38	Carey, Louis		
39	Taylor, Priscilla		
40	Houghton, Amory		
41	Cutler, Catherine E.		
42	Rohm, Walter		
43	Desjardins, Alma		
44	Doyan, Marcel		
45	Doyon, Evelyn		

NAME (last name first)

ADDRESS (mailing address)

PHONE#

46 Bennett, Lillian
47 Gauy, Wesley
48 Gauy, Trudy
49 Williams, Andrea
50 Patrick, Frank
51 Patrick, Moni
52 Robinson, Adele
53 Bliss, Ellis
54 Howe, Douglas
55 Philbrick, Janet
56 Wolf, Sylvia
57 Barney, John
58 Robinson, John
59 Macleod, Doreen
60 Cohen, Natalie E.
61 Chamberlain, Margaret
62 Sattin, Dana B.
63 Weingarten, Robert
64 Deltoff, Harriett
65 Linken, James F.
66 Redmon, John B.
67 Rogers, Gina
68 Corsa, Carol
69 Morcia, Brian
70 Savage, Valerie G.
71 Gerhart, Louise
72 McCoy, John C.
73 Blomiley, Nancy E.
74 Smith, John S.
75 Nimon, Daniel J.
76 Bock, Karla
77 Wills, Viki
78 Mayo, Richard
79 Stark, Jeanne
80 Scott, Janet E.
81 Elkins, Mary E.
82 Tardif, Lloyd
83 Thibodeau, Clairissa
84 Morin, Normande
85 Voisine, Bernice
86 Voisine, Doris
87 Donnell, Marion
88 Donnell, Herbert
89 Smith, Louise
90 Smith, Clement
91 Hanna, Joyce
92 Smith, Jeremiah
93 Rioux, Roger
94 Smith, David C.
95 Smith, Mary Lynn
96 Uiman, Steve
97 Stewart, Carol
98 Vickers, Bob
99 Schiller, Frank
100 Manheimer, Bill

LEGISLATIVE REVIEW OF AGENCY RULES

GROUP APPLICATION LIST

(NOTE: This list must include the complete names and mailing addresses of a minimum of 100 registered voters.)

	<u>NAME (last name first)</u>	<u>ADDRESS (mailing address)</u>	<u>PHONE#</u>
1	BREAZEALE, Ronald		
2	DOIRON, Richard G.		
3	MARGOLIS, David		
4	ROHRMAN, Nicholas		
5	WOOD, Frank A.		
6	MOYER, Robert		
7	GLICK, Bruce		
8	STURM, I.E.		
9	SWIFT, Leslie		
10	ZIMMERMON, Roger		
11	REHAGEN, Nicholas		
12	PLOUFFE, Mary		
13	EWING, Doug		
14	EVANS, Geoffrey		
15	McLINN, Katherine		
16	TINGLEY, Charles		
17	COHEN, Irvin		
18	ACKER, Charles W.		
19	WESTMAN, H.		
20	JOHNSON, Thomas B.		
21	PARKER, Richard J.		
22	CLEAVIS, Craig M.		
23	GALLON, Robert L.		
24	REES, Peter O.		
25	HASKELL, R.E.		
26	ANTONITIS, Joseph		
27	HILL, Marjorie J.		
28	BRIGGS, David W.		
29	DEERING, William J.		
30	NAAMAN, Linda		
31	HOLT, Eric S.		
32	WEAVER, James L.		
33	HOCH, Scott W.		
34	PERRY, John D.		
35	VAYDA, Susan A.		
36	DRACH, Kerry M.		
37	PARADIS, Francoise E.		
38	LORENZ, John R.		
39	FINKELSTEIN, Claudia		
40	MELNICK, Joseph		
41	FINKELSTEIN, Martin		
42	MORRISON, Robley		
43	VAUGHAN, William		
44	WARDEN-GILLEN, Jody		
45	SERUNIAN, Sally		

NAME (last name first)

ADDRESS (mailing address)

PHONE#

46 ROBINSON, Glenn R.
47 CREIGHTON, Linda
48 GINN, Roger
49 STARBIRD-LUTHER, Linda
50 STARBIRD, Dannel H.
51 BARNES, Helen
52 GRUBA, Glen
53 RAU, Richard
54 SANDERS, Joseph F.
55 MILLIS, Willard E.
56 CIANCETTA, Michael
57 DRAKE, John D.
58 RASMUSSEN, Gary
59 MARGULIS, Martin
60 MERRICK, Richard
61 FARMER, Capen
62 MAHONEY, J.T.
63 ROTHSTEIN, Charles
64 LESTER, Lewis
65 SOBCHUCK, Paul
66 OUELETTE-GUERTIN, Henry
67 POWERS, Jim v
68 POWERS, Eva
69 STAFFIERI, Robert
70 RECORD, Stephen A.
71 COGAN, James
72 YETERIAN, Edward H.
73 SEIDER, Judith A.
74 THOMAS, Richard
75 ROBINSON, Charles
76 ALLEN, Doris T.
77 FINK, Alan M.
78 GLIXMAN, Alfred
79 WURTZ, Conrad
80 WOJEIK, Joseph F.
81 COHEN, Marshall
82 HERMAN, Mary
83 CURTIS, Dolores

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MAINE STATE COMPENSATION COMMISSION

August 10, 1984

Honorable Charles Pray, Chairman
Legislative Council
Augusta, Maine 04333

Dear Senator Pray:

The Maine State Compensation Commission is completing an interim report for submission to the Legislature concerning the effect of Public Law 1983, Chapter 853, AN ACT to Implement Certain Recommendations of the State Compensation Commission. That report will recommend legislation to address the following issues:

1. Maine State Judicial Retirement System. The Maine State Judicial Retirement System was enacted by Chapter 853, to be effective December 1, 1984. The Commission will recommend clarifications in the law and will address certain policy issues raised since its enactment. Those policy issues include service of a judge beyond age 70, refinement of the disability retirement program, and incorporation of legislation enacted during the last regular session of the Legislature.

2. Workers' Compensation Commission. Chapter 853 amended the method of setting salaries and amended the retirement plan of the commissioners. At the request of the Legislative Council the State Compensation Commission is conducting an evaluation of the salary level and retirement provisions for Workers' Compensation Commissioners. The State Compensation Commission's interim report will recommend legislation to adjust the level of compensation for 1984 and a later report will include recommendations for a long-term approach to setting the level of compensation.

3. Public Utilities Commission. Chapter 853 amended the method of setting the commissioners' salaries. At the request of the Legislative Council, the State Compensation Commission is conducting an evaluation of the salary level of the Public Utilities Commissioners. The State Compensation Commission's interim report

will recommend legislation to adjust the level of compensation for 1984 and a later report will include recommendations for a long-term approach to setting the level of compensation.

4. Funding to Implement the Provisions of Chapter 853, as amended. The commission, in consultation with the Office of Legislative Finance, the Maine State Retirement System, the Office of State Court Administrator, the Public Utilities Commission and Workers' Compensation Commission, is preparing a detailed analysis of the funding necessary to implement the provisions of Chapter 853 and will recommend sufficient appropriations to ensure the appropriate level of funding.

The provisions of Chapter 853 will take effect on December 1, 1984. It is important that the funding necessary to implement those provisions, as well as necessary revisions to the judicial retirement plan, become effective on the same date, December 1, 1984. Accordingly, the Maine State Compensation Commission recommends that you authorize the introduction of legislation to enact the proposed amendments and appropriations at the next Special Session of the 111th Legislature.

The Commission plans to file a final report by November 15, 1984, addressing Gubernatorial compensation, Workers' Compensation Commission compensation, Public Utilities Commission compensation, and Legislative staff Compensation.

The interim report and the text of the proposed recommendations, in bill draft form, will be submitted to the Legislative Council as soon as they are completed. I want to thank you for your consideration of the Commission's recommendations.

Sincerely,



Donald E. Nicoll, Chairman

cc: Members, Legislative Council

SENATE

PETER W. DANTON, YORK, CHAIR
G. WILLIAM DIAMOND, CUMBERLAND
JEROME A. EMERSON, PENOBSCOT

ORAH ENGLISH, COMMITTEE CLERK



HOUSE

GEORGE A. CARROLL, LIMERICK, CHAIR
POLLY R. REEVES, PITTSBORO
HAROLD M. MACOMBER, SOUTH PORTLAND
FRED W. MOHOLLAND, PRINCETON
GREGORY G. NADEAU, LEWISTON
RAYNOLD THERIAULT, FORT KENT
DONALD A. STROUT, CORINTH
ORLAND G. McPHERSON, ELIOT
PAMELA L. CAHILL, WOOLWICH
DANIEL CALLAHAN, MECHANIC FALLS

STATE OF MAINE

ONE HUNDRED AND ELEVENTH LEGISLATURE

COMMITTEE ON TRANSPORTATION

August 8, 1984

Senator Charles Pray, Chairman
Legislative Council
State House, Station #115
Augusta, ME 04333

Dear Senator Pray,

A subcommittee of the Joint Standing Committee on Transportation has been authorized by the Legislative Council to conduct a study pertaining to registration plates, dealer plates, and motor vehicle auctions. In its examination of the motor vehicle auction system in Maine, the subcommittee has realized that an on-site observation of a motor vehicle auction would enable the subcommittee members to much more readily and easily understand the means by which vehicle auctions are conducted.

Currently, there are 3 major vehicle auctions (Gray, Newburgh, and Brewer) conducted on a weekly basis in Maine. These auctions, together, offer approximately 350-375 vehicles for purchase by other motor vehicle dealers. The total revenues generated by these auctions may approach \$60,000,000 during a single fiscal year. Thus, it is a big business and one with which the subcommittee should become very knowledgeable. A better understanding of the auction process will afford the subcommittee the opportunity to better evaluate the vehicle auction process in Maine and to make practicable recommendations to the Legislature.

The subcommittee therefore, is requesting the Legislative Council for approval of one on-site visitation of a motor vehicle auction for each subcommittee member. This "on-the-job training" will be a very worthwhile investment.

We will greatly appreciate your approval of our request and are looking forward to your response.

Sincerely yours,

Peter W. Danton (T.P.)
Peter W. Danton
Senate Chairman

George A. Carroll (T.P.)
George A. Carroll
House Chairman

TP/elk/0477