

# MAINE STATE LEGISLATURE

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**STATE OF MAINE  
114TH LEGISLATURE  
FIRST REGULAR SESSION**



**BILL SUMMARY  
JOINT STANDING COMMITTEE  
ON  
BANKING AND INSURANCE**

**JULY 1989**

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ONE HUNDRED AND FOURTEENTH LEGISLATURE  
FIRST REGULAR SESSION

JOINT STANDING COMMITTEE  
BILL SUMMARIES  
AUGUST 1989

This document is a compilation of the bill summaries prepared by this office for the Joint Standing Committees and Joint Select Committees of the Maine Legislature. The summaries are arranged by LD number for each committee.

All Adopted Amendments are listed, by paper number (e.g., H-584 or S-222), together with the sponsor for floor amendments. Final action is listed to the right of the title. If final House and Senate action differ, both are listed. Committee Reports and Floor Action are abbreviated as follows:

OTP	Ought to Pass
OTP-ND	Ought to Pass in New Draft
OTP-ND-NT	Ought to Pass in New Draft, New Title
OTP-A	Ought to Pass as Amended
ONTP	Ought Not to Pass
LVWD	Leave to Withdraw
INDEF PP	Indefinitely Postponed

Each individual summary was prepared by the analyst assigned, as noted for each committee. But, this document was produced by the efforts of all the office staff, including Research Assistant Barbara McGinn, and secretaries: Charlene Brann, and Valarie Parlin, and especially Laurette Knox who coordinated preparation of the overall document.

Please give us your suggestions and comments on these summaries and tell us of any inaccuracies.

The amendment revises the Preferred Provider Arrangement Act of 1986, which permits insurers to enter into agreements with providers of health care services to send insureds and subscribers to that provider for services. If the subscriber or insured obtains services from a provider other than the preferred provider, the insurer may reimburse the insured or subscriber at a lower rate. The difference between the rate paid for a preferred provider and a nonpreferred provider is the "benefit level differential." Current law permits a 20% benefit level differential for all services. The amendment provides for a 50% benefit level differential for certain services listed in the amendment; requires that all arrangements be approved by the superintendent; requires the superintendent to notify interested persons of the filing of a proposed arrangement; requires the superintendent to adopt rules to specify the criteria for approving or disapproving a proposed arrangement; and elaborates upon the criteria currently in statute. The 50% benefit level differential is repealed effective July 1, 1993.

The amendment also increases the tax on cigarettes and tobacco products; subjects isolated sales of certain types of watercraft to sales tax effective October 1, 1989; certain subjects long-term rentals to sales tax effective July 1, 1991; and increases the sale tax on bar drinks from 5% to 10% effective December 1, 1989.

**LD 1342**      **An Act Concerning Payment of Maine-issued Bank Cards**      **LV/WD**

<u>SPONSOR(S)</u>	<u>COMMITTEE REPORT</u>	<u>AMENDMENTS ADOPTED</u>
MANNING	LV/WD	
RYDELL		

SUMMARY

This bill requires financial institutions to acknowledge payments made at a branch office as paid on the date the payment was made.

**LD 1372**      **An Act Relating to Returned Check Charges**      **PUBLIC 426**

<u>SPONSOR(S)</u>	<u>COMMITTEE REPORT</u>	<u>AMENDMENTS ADOPTED</u>
BUSTIN	OTP-AM	S-283
BURKE		

SUMMARY

This bill prohibits the assessment of a charge against a depositor for a check received by that depositor and returned for insufficient funds. Note that in Title 9-B, "Financial institution" means one organized under the laws of Maine, while "Financial institution authorized to do business in this State" means one organized under State or federal law. Part 1, chapter 44 of Title 9-B deals with financial institutions, while Part 2, chapter 24 deals with the Bureau of Banking generally.

CA (S-283) The amendment limits to \$2 per check the assessment of a charge against a depositor who deposits a check issued by another party and which is returned for insufficient funds. The charge is prohibited entirely if the financial institution in which it is deposited is the same as the one on which it is drawn. The bank on which the check is drawn may charge an insufficient funds fee to the person who issued the check. The amendment places this provision in that part of the law which deals with anticompetitive or unfair practices, a provision that applies to all financial institutions authorized to do business in the State. The amendment also adds a sunset on July 1, 1991.