

MAINE STATE LEGISLATURE

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**STATE OF MAINE
115TH LEGISLATURE**

**FIRST REGULAR SESSION
AND
FIRST SPECIAL SESSION**

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

AUGUST 1991

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Jane Orbeton, Legislative Analyst

*Office of Policy and Legal Analysis
Room 101, State House Station 13
Augusta, ME 04333
(207) 289-1670*

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STATE OF MAINE
OFFICE OF POLICY AND LEGAL ANALYSIS
ROOM 101/107/135
STATE HOUSE STATION 13
AUGUSTA, MAINE 04333
TEL.: (207) 289-1670

**ONE HUNDRED AND FIFTEENTH LEGISLATURE
FIRST REGULAR SESSION
AND
FIRST SPECIAL SESSION
JOINT STANDING COMMITTEE
BILL SUMMARIES
AUGUST 1991**

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 volume is organized alphabetically by committee; within each committee, the summaries are arranged by LD number. A subject index is provided at the beginning of each committee's summaries.

All adopted amendments are listed, by paper number (e.g., H - 584 or S - 222), together with the sponsor for floor amendments. Final action on each bill is listed to the right of the title. Various types of final action are abbreviated as follows:

PUBLIC XXX	<i>Chapter # of enacted Public Law</i>
P&S XXX	<i>Chapter # of enacted Private & Special Law</i>
RESOLVE XXX	<i>Chapter # of enacted Resolve</i>
CON RES XXX	<i>Chapter # of Constitutional Resolution passed by both Houses</i>
EMERGENCY	<i>Enacted law takes effect sooner than 90 days</i>
CARRIED OVER	<i>Bill carried over to 2nd Session</i>
FAILED EMERGENCY ENACTMENT	<i>Bill failed to get 2/3 vote</i>
ONTP	<i>Ought Not to Pass report accepted</i>
LVWD	<i>Leave to Withdraw report accepted</i>
INDEF PP	<i>Bill Indefinitely Postponed</i>
DIED BETWEEN BODIES	<i>House & Senate disagree; bill died</i>
VETO SUSTAINED	<i>Legislature failed to override Governor's Veto</i>
UNSIGNED	<i>Not signed by Governor within 10 days</i>
DIED ON ADJOURNMENT	<i>Action incomplete when 1st session ended</i>

These summaries were prepared by the analyst or analysts assigned to the committee. But, this document was produced by the efforts of all the office staff, including secretaries: Charlene Raymond and Valarie Parlin, and especially Laurette Knox who coordinated preparation of the overall document.

If you have any suggestions or comments on these summaries, please let us know.

It adopts into law model language developed by the Federal Deposit Insurance Corporation that establishes the priority for payment of claims in the liquidation of an insolvent institution.

It authorizes the establishment of additional service corporations to be used to dispose of foreclosed property pursuant to the Maine Revised Statutes, Title 9-B, section 445, subsection 5.

This amendment also expands the provision of law that requires disclosure of outside business interests to the board of directors of a financial institution to include all policy-making officers.

This amendment also makes a number of modest changes to the lending and deposit authority of savings banks. The amendment adds a provision to the law that allows savings banks to accept deposits from government entities and pledge their assets as security for those deposits. The purpose of this change is to authorize savings banks to accept and protect deposits of government entities in excess of Federal Deposit Insurance Corporation limits. The amendment also provides that the base for determining loan limitations is changed from deposits to assets, giving a broader base.

Necessary changes to credit union laws are made to enable state-chartered credit unions to belong to the Federal Home Loan Bank System. This parallels a recent change to federal law.

Statutory language is amended to require a financial institution holding company to provide notice to the Bureau of Banking when it wishes to purchase shares of its own capital stock. This is a similar provision to that required in federal law.

Finally, a change is made to the provision of the law governing trustee process as it relates to safety deposit boxes to exempt savings and loan associations and credit unions from the definition of "trustee," consistent with the exemptions provided for trust companies and savings banks.

Senate Amendment "A" (S-256) (presented on behalf of the Committee on Bills in Second Reading) prevents a conflict by incorporating changes made to the Maine Revised Statutes, Title 9-B, section 534, subsection 2 in Public Law 1991, chapter 34.

LD 1613 An Act to Reform Maine Motor Vehicle Insurance

CARRIED OVER

SPONSOR(S)	COMMITTEE REPORT	AMENDMENTS ADOPTED
THERIAULT BRAWN JOSEPH RICHARDS		

SUMMARY

This bill establishes no-fault automobile insurance in Maine. The no-fault insurance system provides coverage for personal protection, property protection and residual liability. (See LD 1407)

LD 1633 An Act to Repeal the Exemptions for Consumer and Antitrust Laws as They Apply to the Banking Industry

ONTP

SPONSOR(S)	COMMITTEE REPORT	AMENDMENTS ADOPTED
KETOVER KANY	ONTP	

SUMMARY

This bill repeals the consumer and antitrust exemptions that presently apply to the banking industry.