

# MAINE STATE LEGISLATURE

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STATE OF MAINE  
116TH LEGISLATURE

SECOND REGULAR SESSION

BILL SUMMARIES  
JOINT STANDING COMMITTEE  
ON  
BANKING AND INSURANCE

MAY 1994

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Sen. Richard J. Carey  
Sen. R. Leo Kieffer*

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**ONE HUNDRED AND SIXTEENTH LEGISLATURE  
SECOND REGULAR SESSION**

**JOINT STANDING COMMITTEE  
BILL SUMMARIES**

**MAY 1994**

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.

The committee report or reports, the prime sponsor for each bill and the lead co-sponsor in each house if one has been designated are listed below each bill title. All adopted amendments are listed, by paper number, 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*

*P&S XXX*

*RESOLVE XXX*

*CON RES XXX*

*EMERGENCY*

*ONTP*

*INDEF PP*

*FAILED ENACTMENT*

*FAILED EMERGENCY ENACTMENT*

*FAILED MANDATE ENACTMENT*

*DIED BETWEEN BODIES*

*CONF CMTE UNABLE TO AGREE*

*VETO SUSTAINED*

*UNSIGNED*

*DIED ON ADJOURNMENT*

*Chapter # of enacted Public Law*

*Chapter # of enacted Private & Special Law*

*Chapter # of enacted Resolve*

*Chapter # of Constitutional Resolution passed by both Houses*

*Enacted law takes effect sooner than 90 days*

*Ought Not to Pass report accepted*

*Bill Indefinitely Postponed*

*Bill failed to get majority vote*

*Emergency bill failed to get 2/3 vote*

*Bill imposing local mandate failed to get 2/3 vote*

*House & Senate disagree; bill died*

*Committee of Conference unable to agree; bill died*

*Legislature failed to override Governor's Veto*

*Not signed by Governor within 10 days*

*Action incomplete when session ended; bill died*

These summaries were prepared by the analyst or analysts assigned to the committee. If you have any suggestions or comments on the summaries, please let us know.

5581LHS

**SPONSOR(S)**

MITCHELL E

**COMMITTEE REPORT**

OTP-AM

**AMENDMENTS ADOPTED**

H-780

**SUMMARY**

This bill amends the Maine Revised Statutes, Title 14, section 6323 to require that foreclosure auctions be held in the county in which the property to be foreclosed is located. It also requires that a foreclosing mortgagee mail notice of the foreclosure sale to all parties to the action prior to the sale. Finally, it clarifies that a deed given to a purchaser at a foreclosure sale does in fact serve to convey the foreclosed property free and clear of all liens, encumbrances or other interests of the parties to the action.

COMMITTEE AMENDMENT "A" (H-780) restructures the Maine Revised Statutes, Title 14, section 6323. For foreclosures commenced on or after January 1, 1995, it requires notice of the public sale to be mailed by ordinary mail from the mortgagee to all parties who appeared in the foreclosure action. It provides that failure to provide notice does not affect the validity of the sale. The amendment also adds a fiscal note to the bill.

**LD 1591      An Act to Clarify the Maine Banking Code as it Pertains to  
Service Corporations Serving Credit Unions**

PUBLIC 655

**SPONSOR(S)**

KIEFFER

**COMMITTEE REPORT**OTP-AM      MAJ  
ONTP          MIN**AMENDMENTS ADOPTED**H-1055 TRACY  
S-537**SUMMARY**

This bill clarifies that a credit union service corporation under the Maine Banking Code, Section 864, may serve only its member credit unions and the membership of affiliated credit unions.

COMMITTEE AMENDMENT "A" (S-537) replaces the bill. Under the amendment an investment in a service corporation made on or after August 1, 1994 will be required to meet the standard of providing at least 75% of its services in the State to credit unions and the membership of affiliated credit unions. The amendment also adds a fiscal note to the bill.

HOUSE AMENDMENT "B" TO COMMITTEE AMENDMENT "A" (H-1055) replaces the language in the committee amendment. Under this amendment, a service corporation formed after July 31, 1994 primarily serves credit unions and the membership of affiliated credit unions if at least 75% of the services provided within the State are to credit unions and members of credit unions. This amendment also strikes the fiscal note from the committee amendment.

**LD 1592      An Act to Amend the Maine Self-Insurance Guarantee  
Association Assessment Base**

PUBLIC 491

**SPONSOR(S)**

CAREY

**COMMITTEE REPORT**

OTP-AM

**AMENDMENTS ADOPTED**

S-394

**SUMMARY**

Existing provisions for the Maine Self-Insurance Guarantee Association new member assessment and postinsolvency assessment found in the Maine Revised Statutes, Title 39-A, section 404 are based on workers' compensation rates that were formerly approved by the Superintendent of Insurance and were based on filings by the National Council of Compensation Insurance. Due to the deregulation of the workers' compensation insurance market on January 1, 1993, these rates are no longer established by the