

MAINE STATE LEGISLATURE

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STATE OF MAINE
117TH LEGISLATURE

SECOND REGULAR SESSION

BILL SUMMARIES
JOINT STANDING COMMITTEE
ON
BANKING AND INSURANCE

JUNE 1996

MEMBERS:

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Sen. Mary E. Small

Sen. Dale McCormick

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Rep. Arthur F. Mayo III

Staff:

Colleen McCarthy, Legislative Analyst

Office of Policy and Legal Analysis

Room 101/107/135, 13 State House Station

Augusta, ME 04333

(207)287-1670



Maine State Legislature
OFFICE OF POLICY AND LEGAL ANALYSIS

13 State House Station, Augusta, Maine 04333-0013
 Telephone: (207) 287-1670
 Fax: (207) 287-1275

ONE HUNDRED SEVENTEENTH LEGISLATURE
SECOND REGULAR SESSION

Summary Of Legislation Before The Joint Standing Committees
June 1996

We are pleased to provide this summary of bills that were considered by the 15 Joint Standing Committees of the Maine Legislature staffed by this office. The document is a compilation of bill summaries which describe each bill, committee amendments and other relevant amendments, as well as the final action taken on the bill. Also included are statistical summaries of bill activity this Session for the Legislature and each of its joint standing committees.

The document is organized for convenient reference to information on bills handled by the joint standing committees. It is organized alphabetically by committees and within committees by bill (LD) number. The committee report(s), prime sponsor for each bill and the lead co-sponsor(s), if designated, are listed below each bill title. All adopted amendments are listed by paper number. Two indices, a subject index and a numerical index by LD number are provided for easy reference to bills. They are located at the back of the document. A separate publication, History and Final Disposition of Legislative Documents, may also be helpful in providing information on the disposition of bills.

Final action on each bill is noted to the right of the bill title. The abbreviations used for various categories of final action are as follows:

<i>CARRIED OVER</i>	<i>Bill carried over to Second Session</i>
<i>CON RES XXX</i>	<i>Chapter # of Constitutional Resolution passed by both Houses</i>
<i>CONF CMTE UNABLE TO AGREE</i>	<i>Committee of Conference unable to agree; bill died</i>
<i>DIED BETWEEN BODIES</i>	<i>House & Senate disagree; bill died</i>
<i>DIED ON ADJOURNMENT</i>	<i>Action incomplete when session ended; bill died</i>
<i>EMERGENCY</i>	<i>Enacted law takes effect sooner than 90 days</i>
<i>FAILED EMERGENCY ENACTMENT</i>	<i>Emergency bill failed to get 2/3 vote</i>
<i>FAILED ENACTMENT</i>	<i>Bill failed to get majority vote</i>
<i>FAILED MANDATE ENACTMENT</i>	<i>Bill imposing local mandate failed to get 2/3 vote</i>
<i>INDEF PP</i>	<i>Bill Indefinitely Postponed</i>
<i>ONTP</i>	<i>Ought Not To Pass report accepted</i>
<i>P&S XXX</i>	<i>Chapter # of enacted Private & Special Law</i>
<i>PUBLIC XXX</i>	<i>Chapter # of enacted Public Law</i>
<i>RESOLVE XXX</i>	<i>Chapter # of finally passed Resolve</i>
<i>UNSIGNED</i>	<i>Not signed by Governor within 10 days</i>
<i>VETO SUSTAINED</i>	<i>Legislature failed to override Governor's Veto</i>

Please note the effective date for all non-emergency legislation enacted in the Second Regular Session (unless otherwise specified in a particular law) is July 4, 1996.

LD 1622 changes the Maine Banking Code as it applies to credit unions. It proposed to establish parity between state and federally chartered credit unions by:

1. Enabling state-chartered credit union members to determine when minors may vote on credit union management, operations, policy and other matters;
2. Allowing state-chartered credit union members to obtain lines of credit for terms longer than one year, subject to periodic review by the credit committee or a loan officer; and
3. Authorizing liens on a member's shares, since a member's share account represents that member's ownership of the credit union, rather than a debt of the credit union to the member as is represented by a bank customer's deposit account. Federal regulators have determined that no common-law right of setoff arises from a share account relationship.

Committee Amendment "A" (H-683) proposed to authorize a state-chartered credit union to become a member of the National Credit Union Administration Central Liquidity Facility. Under federal law, federally chartered credit unions have this authority. The change provides parity between state-chartered and federally chartered credit unions.

The amendment also proposed to add a fiscal note to the bill.

Enacted law summary

Public Law 1995, chapter 512 amends the Maine Banking Code to establish parity between state and federally chartered credit unions by:

1. Enabling state-chartered credit union members to determine when minors may vote on credit union management, operations, policy and other matters;
2. Allowing state-chartered credit union members to obtain lines of credit for terms longer than one year, subject to periodic review by the credit committee or a loan officer; and
3. Authorizing liens on a member's shares, since a member's share account represents that member's ownership of the credit union, rather than a debt of the credit union to the member as is represented by a bank customer's deposit account. Federal regulators have determined that no common-law right of setoff arises from a share account relationship.
4. Authorizing a state-chartered credit union to become a member of the National Credit Union Administration Central Liquidity Facility. Under federal law, federally chartered credit unions have this authority.

LD 1630

An Act to Allow the Diagnosis of Biologically-based Mental Illness by Licensed Psychologists

PUBLIC 637

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
ABROMSON	OTP-AM MAJ	H-879
POVICH	OTP-AM MIN	S-473

LD 1630 proposed to expand the diagnostic language of the statutory provisions governing insurance coverage for biologically-based mental illnesses to include the diagnoses of licensed psychologists. The bill is an emergency and takes effect when approved.

Committee Amendment "A" (S-472) proposed to require that licensed physicians, licensed psychologists, accredited public or psychiatric hospitals or community agencies licensed at the comprehensive service level be reimbursed for the treatment and diagnosis of biologically based mental illnesses under the same terms and conditions provided for medical treatment of physical illnesses.

This amendment also proposed to add a fiscal note to the bill and removes the emergency preamble and the emergency clause from the bill. Committee Amendment "A" was not adopted.

Committee Amendment "B" (S-473) is the minority report and proposed to amend the diagnostic language of the statutory provisions governing insurance coverage for biologically based mental illnesses to allow the diagnosis and treatment of these illnesses by a licensed provider acting within the scope of the provider's licensure. This amendment also proposed to remove the emergency preamble and the emergency clause and add a fiscal note to the bill.

House Amendment "A" To Committee Amendment "B" (H-879) proposed to retain the language of the original bill by removing the substantive provisions made by Committee Amendment "B" but retaining the language striking the emergency preamble and emergency clause.

Senate Amendment "A" To Committee Amendment "A" (S-530) proposed to clarify that the diagnosis and treatment of biologically-based mental illness may be performed by licensed providers, including licensed clinical social workers and clinical nurse specialists, if the provider is acting within the scope of the provider's licensure and also clarifies that payment and reimbursement for these services continues at its current level. Senate Amendment "A" was not adopted.

Enacted law summary

Public Law 1995, chapter 637 expands the diagnostic language of the statutory provisions governing insurance coverage for biologically-based mental illness to include the diagnoses made by licensed psychologists as well as licensed allopathic and osteopathic physicians.

LD 1643 An Act to Clarify Certain Provisions Relating to Workers' Compensation Self-insurance

**PUBLIC 619
EMERGENCY**

<u>Sponsor(s)</u> ABROMSON	<u>Committee Report</u> OTP-AM MAJ ONTP MIN	<u>Amendments Adopted</u> S-493
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LD 1643 proposed to clarify the definition of "successor self-insured employer" for the purposes of determining the applicable surcharge for the fresh start period. The surcharge of successor entities to self-insured employers is calculated by using a formula based on whether the predecessor self-insured company has any fresh start liability and the payroll of the predecessor self-insured company and the other entity that combine to form the successor entity. The bill also proposed to give self-insured employers the ability to appeal a surcharge billing to the Superintendent of Insurance for a determination whether the billing is consistent with the definition of "successor self-insured employer" or whether there was a factual inaccuracy in the information underlying a surcharge issued by the governing board of the Maine Workers' Compensation Residual Market Pool.