

# MAINE STATE LEGISLATURE

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**STATE OF MAINE  
118TH LEGISLATURE**

**FIRST REGULAR SESSION  
AND  
FIRST SPECIAL SESSION**

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

**JULY 1997**

**MEMBERS:**

*Sen. Lloyd P. LaFountain III, Chair*

*Sen. Robert E. Murray, Jr.*

*Sen. I. Joel Abromson*

*Rep. Jane W. Saxl, Chair*

*Rep. Julie Winn*

*Rep. Thomas M. Davidson*

*Rep. Christopher P. O'Neil*

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*Rep. Stephen S. Stanley*

*Rep. Joseph G. Carleton, Jr.*

*Rep. Sumner A. Jones, Jr.*

*Rep. Arthur F. Mayo III*

*Rep. Joseph Bruno*

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**ONE HUNDRED EIGHTEENTH LEGISLATURE**  
**FIRST REGULAR AND FIRST SPECIAL SESSIONS**

**Summary Of Legislation Before The Joint Standing Committees**  
**August 1997**

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. These bill summaries also are available at the Law and Legislative Reference Library and on the Internet ([www.state.me.us/legis/opla](http://www.state.me.us/legis/opla)).

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 Regular 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 &amp; Senate disagree; bill died</i>
<i>DIED IN CONCURRENCE</i> .....	<i>One body accepts ONTP report; the other indefinitely postpones the bill</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/FINAL PASSAGE</i> .....	<i>Emergency bill failed to get 2/3 vote</i>
<i>FAILED ENACTMENT/FINAL PASSAGE</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>OTP ND</i> .....	<i>Committee report Ought To Pass In New Draft</i>
<i>OTP ND/NT</i> .....	<i>Committee report Ought To Pass In New Draft/New Title</i>
<i>P&amp;S XXX</i> .....	<i>Chapter # of enacted Private &amp; 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>Bill held by Governor</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 First Regular Session (unless otherwise specified in a particular law) is June 26, 1997 and September 19, 1997 for the First Special Session.

*David E. Boulter, Director*  
 Offices Located in the State House, Rooms 101/107/135

## Joint Standing Committee on Banking and Insurance

**LD 112**

### **An Act to Aid Enforcement of the Laws Regarding Mandatory Insurance for Motor Vehicles**

**ONTP**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
PINKHAM W	ONTP	

Current law requires that owners and operators of motor vehicles maintain automobile liability insurance or other proof of financial responsibility. LD 112 proposed to amend the motor vehicle laws regarding auto insurance to require that, in addition to the existing requirement of a 10-day notice before cancellation of a policy, insurance companies provide the Secretary of State with a 10-day notice before termination of a policy occurs by expiration. The requirement in this bill applies to policies that must be filed and certified as proof of financial responsibility with the Secretary of State under the Maine Revised Statutes, Title 29-A, section 1602. The penalties for failure to provide proof of financial responsibility within 30 days of a request include suspension of the person's license, of the registration of the vehicle for which proof of insurance was not provided and of the right to apply for a license or registration.

See related bills LD 622 and LD 836.

**LD 159**

### **An Act to Clarify the Parity Provision in Maine Banking Law**

**PUBLIC 207  
EMERGENCY**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
ABROMSON	OTP-AM	S-116

In 1996, the U.S. Supreme Court decided Barnett Bank of Marion County, N.A. v. Nelson, holding that national banks may sell insurance in the manner provided for under the National Banking Act, despite state laws to the contrary. LD 159 proposed to amend the Maine Banking Code to clarify the parity provisions to ensure that state-chartered financial institutions are permitted to engage in any and all activities that are permitted for federally chartered financial institutions, including the sale of insurance, notwithstanding any other provision of state law including, but not limited to Maine Revised Statutes, Title 24-A, section 1514-A. It also clarified that any state law preempted in its application to the powers that may be exercised by a federally chartered financial institution must be automatically preempted in its application to financial institutions authorized to do business in this State. This bill also proposed to authorize the Superintendent of Banking to adopt rules to carry out the purposes of Title 9-B, sections 416 and 828, and to ensure that all such activities engaged in by state-chartered financial institutions are carried out in a safe and sound manner and with sufficient consumer protections.

**Committee Amendment "A" (S-116)** proposed to clarify that preemption of state law may occur through Acts of Congress as well as through actions of federal regulatory authorities and that the superintendent may adopt rules to ensure that any powers exercised by a financial institution in this State under the parity provision are conducted in a safe and sound manner. The amendment also proposed to allow insurance agents and brokers to engage in any