

# 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*

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*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

<u>Sponsor(s)</u> LAFOUNTAIN	<u>Committee Report</u> OTP-AM	<u>Amendments Adopted</u> S-12
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The Maine Consumer Credit Code currently excludes first mortgage residential financing from rate ceilings and other substantive limitations. That exclusion does not extend to open-end loans where advances are made more than 30 days after closing. Federal secondary market agencies are now offering special open-end financing programs for elderly residents who wish to "unlock" their home equity but not be required to make any payments unless and until they sell the residence or die. These are known as "reverse mortgages" or "reverse annuity mortgages" under which an elderly person may receive monthly payments for life, remain at home and have no liability except for the value of the home. Maine's truth-in-lending laws have already been amended to permit these loans. This bill eliminates the sole remaining obstacle to the offering of these programs in Maine by amending the Maine Consumer Credit Code to treat reverse mortgages under the same rules as all other first mortgage programs, thereby allowing the new programs to be offered to Maine's elderly.

**Committee Amendment "A" (S-12)** proposed to add an emergency preamble, an emergency clause and a fiscal note to the bill.

***Enacted law summary***

Public Law 1997, chapter 64 amends the Maine Consumer Credit Code to require the treatment of reverse mortgages under the same provisions and rules as first mortgages. The law allows the sale of reverse mortgages in the state.

Public Law 1997, chapter 64 was enacted as an emergency measure effective March 28, 1997.

<u>Sponsor(s)</u> KIEFFER	<u>Committee Report</u> ONTP	<u>Amendments Adopted</u>
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LD 668 proposed to increase the minimum limits of insurance needed to operate a motor vehicle. The bill also proposed to require that insurance for medical payments be obtained.

The amendments to current law proposed by LD 668 were incorporated into LD 180, "An Act to Amend the Motor Vehicle Laws Regarding Proof of Financial Responsibility and to Increase the Required Minimum Amounts of Liability Insurance Coverage," through the adoption of House Amendment "A" (H-258). LD 180 was referred to the Joint Standing Committee on Transportation and enacted as Public Law 1997, chapter 176.