

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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Maine State Legislature

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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).

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:

- CARRIED OVER.....Bill carried over to Second Regular Session
CON RES XXX.....Chapter # of Constitutional Resolution passed by both Houses
CONF CMTE UNABLE TO AGREE.....Committee of Conference unable to agree; bill died
DIED BETWEEN BODIES.....House & Senate disagree; bill died
DIED IN CONCURRENCE.....One body accepts ONTP report; the other indefinitely postpones the bill
DIED ON ADJOURNMENT.....Action incomplete when session ended; bill died
EMERGENCY.....Enacted law takes effect sooner than 90 days
FAILED EMERGENCY ENACTMENT/FINAL PASSAGE.....Emergency bill failed to get 2/3 vote
FAILED ENACTMENT/FINAL PASSAGE.....Bill failed to get majority vote
FAILED MANDATE ENACTMENT.....Bill imposing local mandate failed to get 2/3 vote
INDEF PP.....Bill Indefinitely Postponed
ONTP.....Ought Not To Pass report accepted
OTP ND.....Committee report Ought To Pass In New Draft
OTP ND/NT.....Committee report Ought To Pass In New Draft/New Title
P&S XXX.....Chapter # of enacted Private & Special Law
PUBLIC XXX.....Chapter # of enacted Public Law
RESOLVE XXX.....Chapter # of finally passed Resolve
UNSIGNED.....Bill held by Governor
VETO SUSTAINED.....Legislature failed to override Governor's Veto

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

Enacted law summary

Public Law 1997, chapter 168 amends the Revised Maine Securities Act to incorporate the changes mandated by Congress in the National Securities Markets Improvement Act of 1996. While the federal law preempted states from regulating certain aspects of the security's industry, it also enhanced the state role in regulating investment advisers. Public Law 1997, chapter 168 makes the necessary changes to state law to conform with the changes in federal law. The law also makes other changes to the Revised Maine Securities Act to update the act and conform the act to the securities laws in other states.

LD 1000 An Act to Ensure Choice of Physicians in Managed Care Programs ONTP

<u>Sponsor(s)</u> LEMAIRE		<u>Committee Report</u> ONTP		<u>Amendments Adopted</u>
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LD 1000 proposed to require a nonprofit hospital and medical service organization and a nonprofit health care plan to permit any licensed health care provider that agrees to the terms of a managed care plan to become a participating provider in the plan.

LD 1016 An Act to Amend the Laws Pertaining to Infant Formulas ONTP

<u>Sponsor(s)</u> GOLDTHWAIT		<u>Committee Report</u> ONTP		<u>Amendments Adopted</u>
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LD 1016 proposed to expand the requirement that all individual and group insurance policies and contracts provide coverage for metabolic formula and medical food for inborn errors of metabolism to include coverage for infant formula prescribed for persons with protein intolerance.

The bill proposed to apply to policies and contracts in effect on or after January 1, 1998.

LD 1022 An Act to Promote Investments in Maine through the Establishment of Merchant Banking Organizations PUBLIC 66 EMERGENCY

<u>Sponsor(s)</u> LAWRENCE KONTOS		<u>Committee Report</u> OTP-AM		<u>Amendments Adopted</u> S-57
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Present law does not allow Maine banks, whether depository or nondepository institutions, to provide merchant banking financing, including capital, to businesses and entrepreneurs. LD 1022 proposed to amend the Maine Banking Code to authorize the establishment of merchant banks, formed as nondepository trust companies with high initial capitalization and high ongoing capitalization requirements to ensure the safety and soundness of the institution. Merchant banks would not be authorized to accept deposits, and therefore would not put depositors'