

# MAINE STATE LEGISLATURE

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*State Of Maine  
120th Legislature*

*Second Regular Session*

*Bill Summaries*

*Joint Standing Committee  
on  
Appropriations And Financial Affairs*

*May 2002*

**Members:**

*Sen. Jill M. Goldthwait, Chair*

*Sen. Mary R. Cathcart*

*Sen. S. Peter Mills*

*Rep. Randall L. Berry, Chair*

*Rep. Richard H. Mailhot*

*Rep. Paul L. Tessier*

*Rep. Joseph C. Brannigan*

*Rep. David M. Etnier*

*Rep. Sharon Libby Jones*

*Rep. Richard A. Nass*

*Rep. Tom J. Winsor*

*Rep. Irvin G. Belanger*

*Rep. Richard W. Rosen*

**Staff:**

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**Maine State Legislature**  
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**120th Legislature**  
**Second Regular Session**

**Summary Of Legislation Before The Joint Standing Committees**  
**May 2002**

Enclosed please find a summary of all bills, resolves, joint study orders, joint resolutions and Constitutional resolutions that were considered by the joint standing select committees of the Maine Legislature this past session. The document is a compilation of bill summaries which describe each bill and relevant amendments, as well as the final action taken. 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 considered by the committees. It is arranged alphabetically by committee name 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>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>NOT PROPERLY BEFORE THE BODY</i> .....	<i>Ruled out of order by the presiding officers; bill died</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>PASSED</i> .....	<i>Joint Order passed in both bodies</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 Second Regular Session (unless otherwise specified in a particular law) is July 25, 2002.

**Patrick T. Norton, Interim Director**  
**Offices located in Room 215 of the Cross Office Building**

# Joint Standing Committee on Appropriations and Financial Affairs

LD 874

**Resolve, Directing the Department of Transportation to Make Recommendations to the Legislature to Provide More Stable Financial Support for the Casco Bay Island Transit District**

**RESOLVE 72**

<u>Sponsor(s)</u> DUDLEY ABROMSON	<u>Committee Report</u> OTP-AM	<u>Amendments Adopted</u> H-762
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LD 874 proposed to appropriate funds to increase the General Fund operating subsidy for the Casco Bay Island Transit District by \$125,000 in fiscal year 2001-02 and \$175,000 in fiscal year 2002-03.

**Committee Amendment "A" (H-762)** proposed to replace the bill with a resolve. The resolve would require the Commissioner of Transportation to report the Department of Transportation's recommendations regarding the adequacy of the state operating subsidy for the Casco Bay Island Transit District to the Legislature by January 1, 2003. The amendment also proposed to add a fiscal note to the bill.

This resolve was a carry over from the 1<sup>st</sup> Regular Session of the 120<sup>th</sup> Legislature.

***Enacted Law Summary:***

Resolve 2001, chapter 72 requires the Commissioner of Transportation to report the Department of Transportation's recommendations regarding the adequacy of the state operating subsidy for the Casco Bay Island Transit District to the Legislature by January 1, 2003.

**LD 915**

**An Act to Amend the Maine Insurance Guaranty Association Act**

**PUBLIC 478**

<u>Sponsor(s)</u> ABROMSON MAYO	<u>Committee Report</u> OTP-AM	<u>Amendments Adopted</u> S-402
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LD 915 proposed to make the following changes to the Maine Insurance Guaranty Association Act:

1. Exempt additional types of insurance from being subject to the Act;
2. Exclude first-party claims by an insured whose net worth exceeds \$10,000,000;
3. Amend the definition of "insolvent insurer" to clarify that it applies to that group of insurers defined as "member insurers," and amends the definition to mean a member insurer against whom a final order of liquidation has been entered;
4. Enact a definition of "person" to mean any individual or legal entity, including a governmental entity;
5. Set a \$10,000 cap on a claim for the return of an unearned premium;

## Joint Standing Committee on Appropriations and Financial Affairs

6. Provide that claims resulting from an insolvency must be filed no later than 18 months after the insolvency;
7. Provide that the Maine Insurance Guaranty Association may intervene as a party in a case involving an insolvent insurer; and
8. Provide a premium tax offset for an insurer that pays an assessment pursuant to the Act.

**Committee Amendment “B” (S-402)** proposed to exclude from the definition of “covered claims” any first-party claims of an insured whose net worth exceeds \$25,000,000. The bill also proposed to change the cap on unearned premium to \$25,000; establish a bar date for filing covered claims of the earlier 24 months after the order of liquidation or the final date set by a court and allow the Maine Insurance Guaranty Association to accept the late filed claims as covered claims for good cause; require that notification of an insolvency to insureds and other interested parties by the Maine Insurance Guaranty Association include prominent notice of the date by which a claim must be filed with the association; eliminate the premium tax offset from the bill; and clarify the applicability provision.

This bill was a carry over from the 1<sup>st</sup> Regular Session of the 120<sup>th</sup> Legislature.

### ***Enacted Law Summary:***

Public Law 2001, chapter 478 makes the following changes to the Maine Insurance Guaranty Association Act.

1. It exempts additional types of insurance from being subject to the Act.
2. It excludes first-party claims by an insured whose net worth exceeds \$25,000,000.
3. It amends the definition of "insolvent insurer" to clarify that it applies to that group of insurers defined as "member insurers," and amends the definition to mean a member insurer against whom a final order of liquidation has been entered.
4. It enacts a definition of "person" to mean any individual or legal entity, including a governmental entity.
5. It sets a \$25,000 cap on a claim for the return of an unearned premium.
6. It establishes a bar date for filing covered claims of the earlier of 24 months after the order of liquidation or the final date set by a court and allows the Maine Insurance Guaranty Association to accept the late filed claims as covered claims for good cause.
7. It provides that the Maine Insurance Guaranty Association may intervene as a party in a case involving an insolvent insurer.
8. It requires that notification of an insolvency to insureds and other interested parties by the Maine Insurance Guaranty Association include prominent notice of the date by which a claim must be filed with the association.