

# MAINE STATE LEGISLATURE

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*State Of Maine  
120th Legislature*

*First Regular Session*

*Bill Summaries*

*Joint Standing Committee  
on  
Banking and Insurance*

*August 2001*

**Members:**

*Sen. Lloyd P. LaFountain III, Chair*

*Sen. I. Joel Abromson*

*Sen. Neria R. Douglass*

*Rep. Christopher P. O'Neil, Chair*

*Rep. Benjamin F. Dudley*

*Rep. Nancy B. Sullivan*

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*Rep. John M. Michael*

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**120th Legislature  
First Regular Session**

**Summary Of Legislation Before The Joint Standing Committees  
August 2001**

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 organized 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:

*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*  
*NOT PROPERLY BEFORE THE BODY*..... *Ruled out of order by the presiding officers; bill died*  
*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 **September 21, 2001**.

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

# Joint Standing Committee on Banking and Insurance

**LD 1156**

**An Act to Update the Maine Consumer Credit Code Regarding  
Rental-purchase Agreements**

**PUBLIC 287**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
DUDLEY	OTP-AM MAJ OTP-AM MIN	H-368

LD 1156 proposed to amend the provisions of the Maine Consumer Credit Code relating to rental-purchase agreements:

1. It amends consumer disclosure provisions and clarifies the term "cash price;"
2. It limits the consumer's liability for the property to the least of the fair market value, early purchase option price, remaining rent or repair cost;
3. It lengthens the time consumers have in which to reinstate the rental-purchase agreement;
4. It requires merchants to display a point-of-rental placard for any item offered for rental-purchase; and
5. It tailors provisions of the Maine Fair Debt Collection Practices Act to rental-purchase agreements.

**Committee Amendment "A" (H-368)** was the majority report of the committee. It proposed to clarify the definition of "cash price" for items subject to a rental-purchase agreement. The amendment also proposed to clarify the information that must be disclosed to consumers entering into rental-purchase agreements. The amendment removed the sections of the bill that make changes to the provision governing civil actions by aggrieved consumers and made other technical changes and corrections to the bill.

The amendment also added a fiscal note to the bill.

**Committee Amendment "B" (H-369)** was the minority report of the committee. The amendment proposed to retain the provisions in the bill that tailor provisions of the Maine Fair Debt Collections Practices Act to rental-purchase agreements. The amendment removed all the remaining provisions in the bill. Committee Amendment "B" was not adopted.

### *Enacted law summary*

Public Law 2001, chapter 287 amends the provisions of the Maine Consumer Credit Code relating to rental-purchase agreements.

1. It clarifies the definition of "cash price" for items subject to a rental-purchase agreement. The "cash price" for new merchandise may not exceed the amount produced by multiplying the merchant cost by an applicable factor based on the type of merchandise. The "cash price" for used items may not exceed the maximum permitted cash price of the item when new and must be adjusted based on factors such as the duration of prior rentals, the item's repair history, whether the consumer price of the general class of item has decreased or increased since the item's purchase and the condition of the item.
2. It amends the disclosures required to be made to consumers in rental-purchase agreements.

## Joint Standing Committee on Banking and Insurance

3. It limits the consumer's liability for the property to the least of the fair market value, early purchase option price, remaining rent or repair costs.
4. It lengthens the time consumers have in which to reinstate the rental-purchase agreement.
5. It requires merchants to display a point-of-rental placard for any item offered for rental-purchase.
6. It tailors provisions of the Maine Fair Debt Collection Practices Act to rental-purchase agreements.

**LD 1217**                      **An Act to Create Uniform Underwriting Standards for Determining Eligibility for Certain Group Policies**                      **PUBLIC 400**

<u>Sponsor(s)</u> GOLDTHWAIT BERRY R	<u>Committee Report</u> OTP-AM	<u>Amendments Adopted</u> S-270
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LD 1217 proposed to establish criteria for determining when an employer qualifies as an eligible group for 2-person group coverage.

**Committee Amendment "A" (S-270)** replaced the bill and proposed to establish criteria for determining when an employer qualifies as an eligible group for 2-person group coverage. The amendment would clarify that the criteria apply to those employers applying for 2-person group coverage on or after October 1, 2001.

### *Enacted law summary*

Public Law 2001, chapter 400 establishes criteria for determining when an employer qualifies as an eligible group for 2-person group health insurance coverage. The eligibility criteria apply to those employers applying for 2-person group coverage on or after October 1, 2001.

**LD 1277**                      **An Act to Establish a Single-payor Health Care System**                      **DIED ON  
ADJOURNMENT**

<u>Sponsor(s)</u> VOLENIK RAND	<u>Committee Report</u> OTP-AM    MAJ ONTP        MIN	<u>Amendments Adopted</u> H-514 H-680    VOLENIK
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LD 1277 proposed to establish the Maine Single-payor Health Care Plan. It would establish the Agency of Health Security as an independent agency to administer the plan. Under the plan, enrollees would choose their own health care providers and the plan would pay their bills. Coverage under the plan would be supplemental to other coverage. The bill would require a report from the Health Security Board to the joint standing committee of the Legislature having jurisdiction over human resources matters on the options for coordination of the plan with other health care plans and for the plan to take over coverage of some persons covered by those health care plans. The