

MAINE STATE LEGISLATURE

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STATE OF MAINE
124TH LEGISLATURE
SECOND REGULAR SESSION



Summaries of bills, adopted amendments and laws enacted or finally passed during the Second Regular Session of the 124th Maine Legislature coming from the

**JOINT STANDING COMMITTEE ON INSURANCE AND
FINANCIAL SERVICES**

April 2010

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STATE OF MAINE

124TH LEGISLATURE
SECOND REGULAR SESSION



LEGISLATIVE DIGEST OF BILL SUMMARIES AND ENACTED LAWS

This *Legislative Digest of Bill Summaries and Enacted Laws* summarizes all bills and adopted amendments and all laws enacted or finally passed during the Second Regular Session of the 124th Maine Legislature.

The *Digest* is arranged alphabetically by committee and within each committee by LD number. The committee report(s), prime sponsor and lead co-sponsor(s), if designated, are listed below each bill title. All adopted amendments are summarized and listed by paper number. A subject index is included with each committee. The appendices include a summary of relevant session statistics, an index of all bills by LD number and an index of enacted laws by law type and chapter number.

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>Carried over to a subsequent session of the Legislature</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 HOUSES</i>	<i>House & 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; bill died</i>
<i>ONTP (or Accepted ONTP report)</i>	<i>Ought Not To Pass report accepted; bill died</i>
<i>P&S XXX</i>	<i>Chapter # of enacted Private & 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>

The effective date for non-emergency legislation enacted in the Second Regular Session of the 124th Legislature is Monday, July 12, 2010. The effective date for legislation enacted as an emergency measure is specified in the enacted law summary for those bills.

Joint Standing Committee on Insurance and Financial Services

those rules subject to legislative review before final adoption. In addition, the Superintendent of Financial Institutions shall include information on the activities of financial institutions and credit unions related to savings promotion raffles and recommend whether federally chartered financial institutions and credit unions should be authorized to conduct a savings promotion raffle in the annual report to the Legislature submitted on or before January 15, 2012.

Committee Amendment "A" was not adopted.

Committee Amendment "B" (S-418)

This amendment is the minority report of the committee and replaces the bill. The amendment authorizes both state-chartered and federally chartered financial institutions and credit unions to conduct savings promotion raffles. The amendment amends the definition of "game of chance" and "raffle" to exclude a savings promotion raffle conducted by a state-chartered or federally chartered financial institution or credit union. The amendment defines "savings promotion raffle" as a promotion in which the sole consideration for winning is the deposit of a certain amount of money in a savings account or other savings program. The amendment requires that the savings account or other savings program provide interest at comparable rates to the account holder and allow an account holder access to the savings. The amendment limits a financial institution or credit union to two savings promotion raffles per year and caps the total amount of designated prizes per promotion at \$1,000.

Enacted Law Summary

Public Law 2009, chapter 599 authorizes state-chartered and federally chartered financial institutions and credit unions to conduct savings promotion raffles by amending the definitions of "game of chance" and "raffle" to exclude a savings promotion raffle. The law defines "savings promotion raffle" as a promotion in which the sole consideration for winning is the deposit of a certain amount of money in a savings account or other savings program. The law requires that the savings account or other savings program provide interest at comparable rates to the account holder and allow an account holder access to the savings. The law also limits a financial institution or credit union to two savings promotion raffles per year and caps the total amount of designated prizes per promotion at \$1,000.

LD 1676 An Act To Protect Maine Citizens' Credit

PUBLIC 526

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
BARTLETT	OTP-AM MAJ ONTP MIN	S-392

LD 1676 amends the Fair Credit Reporting Act to provide that, as long as minimum payments are made to the provider of necessary medical treatment, information regarding a debt owed for necessary medical treatment provided to a consumer whose income is under 400% of the federal poverty level, or to a person to whom that consumer has a legal obligation to provide support, may not be furnished to a credit reporting agency by a debt collector or by the medical entity that provided the necessary medical treatment.

Committee Amendment "A" (S-392)

This amendment replaces the bill. It exempts from the definition of "consumer credit transaction" under the Maine Consumer Credit Code, an agreement to accept payments on debts for health care services without interest over time and requires that a health care provider disclose to a consumer any available payment arrangements, which, if offered, must enable the consumer to rehabilitate defaulted loans by meeting certain payment requirements.

Enacted Law Summary

Joint Standing Committee on Insurance and Financial Services

Public Law 2009, chapter 526 exempts an agreement to accept payments on debts for health care services without interest over time from the definition of "consumer credit transaction" under the Maine Consumer Credit Code. The law also requires that a health care provider disclose to a consumer any available payment arrangements, which, if offered, must enable the consumer to rehabilitate defaulted loans by meeting certain payment requirements.

LD 1707 An Act To Clarify the Application of Certain Statutory Requirements to Foreclosures

PUBLIC 476
EMERGENCY

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
TREAT	OTP-AM	H-604

This bill clarifies that the changes in the notice period for cure of defaults of mortgages made in Public Law 2009, chapter 402 apply to all residential mortgages. The bill applies the clarification retroactively to the date Public Law 2009, chapter 402 took effect.

Committee Amendment "A" (H-604)

This amendment replaces the bill. Part A of the amendment repeals the law allowing certain mortgages an exemption from the requirements for a notice to cure default of a mortgage. Part A clarifies that this change applies to any mortgage for which a notice to cure default has not been issued before the effective date of the bill.

Part B of the amendment makes several changes to clarify Public Law 2009, chapter 402. It recognizes that a mortgage need not be recorded to be foreclosed in conformance with Maine case law. It clarifies that the notice to cure default must include an itemization of the charges necessary to cure the default. It clarifies that the requirements for notice of foreclosure to tenants apply only to residential tenants, not commercial tenants. It clarifies that a residential tenant may not be evicted upon foreclosure except through the forcible entry and detainer process. It clarifies that the failure to provide a notice to residential tenants does not become a title defect. It extends the time for the copy of the foreclosure complaint or clerk's certificate to be filed with the registry of deeds in which the mortgage is recorded from 10 days to 60 days and the copy to be submitted to the municipal tax assessor from three days to 10 days after filing in the registry of deeds. The changes in Part B are retroactive to June 15, 2009.

Enacted Law Summary

Public Law 2009, chapter 476, Part A repeals the statutory provision allowing certain mortgages an exemption from the requirements for a notice to cure default of a mortgage. The law clarifies that this change applies to any mortgage for which a notice to cure default has not been issued before the effective date of the law.

Part B of Public Law 2009, chapter 476 makes several changes to clarify Public Law 2009, chapter 402. It recognizes that a mortgage need not be recorded to be foreclosed in conformance with Maine case law. It clarifies that the notice to cure default must include an itemization of the charges necessary to cure the default. It clarifies that the requirements for notice of foreclosure to tenants apply only to residential tenants, not commercial tenants. It clarifies that a residential tenant may not be evicted upon foreclosure except through the forcible entry and detainer process. It clarifies that the failure to provide a notice to residential tenants does not become a title defect. It extends the time for the copy of the foreclosure complaint or clerk's certificate to be filed with the registry of deeds in which the mortgage is recorded from 10 days to 60 days and the copy to be submitted to the municipal tax assessor from three days to 10 days after filing in the registry of deeds. The changes in Part B are retroactive to June 15, 2009.

Public Law 2009, chapter 476 was enacted as an emergency measure effective March 8, 2010.