

# MAINE STATE LEGISLATURE

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STATE OF MAINE  
126<sup>TH</sup> LEGISLATURE  
SECOND REGULAR SESSION



Summaries of bills, adopted amendments and laws enacted or finally passed

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

May 2014

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**STATE OF MAINE**  
126<sup>TH</sup> LEGISLATURE  
SECOND REGULAR SESSION  
**LEGISLATIVE DIGEST OF BILL SUMMARIES AND**  
**ENACTED LAWS**

The *Digest* is arranged within each committee by Legislative Document (LD) number. The committee report(s), prime sponsor and lead co-sponsor(s), if designated, are listed below each LD title. All adopted amendments are summarized and listed by paper number. A subject index is included with each committee.

Final action on each LD is noted to the right of the LD title. The following describes the various final actions.

*CARRIED OVER*.....carried over to a subsequent session of the Legislature  
*CON RES XXX* ..... chapter # of constitutional resolution passed by both houses  
*CONF CMTE UNABLE TO AGREE*..... Committee of Conference unable to agree; legislation died  
*DIED BETWEEN HOUSES* .....House & Senate disagreed; legislation died  
*DIED IN CONCURRENCE* ..... defeated in each house, but on different motions; legislation died  
*DIED ON ADJOURNMENT* ..... action incomplete when session ended; legislation died  
*EMERGENCY* .....enacted law takes effect sooner than 90 days after session adjournment  
*FAILED, EMERGENCY ENACTMENT or FINAL PASSAGE*.....emergency failed to receive required 2/3 vote  
*FAILED, ENACTMENT or FINAL PASSAGE*..... failed to receive final majority vote  
*FAILED, MANDATE ENACTMENT*.....legislation proposing local mandate failed required 2/3 vote  
*HELD BY GOVERNOR*..... Governor has not signed; final disposition to be determined at subsequent session  
*LEAVE TO WITHDRAW*.....sponsor's request to withdraw legislation granted  
*NOT PROPERLY BEFORE THE BODY*.....ruled out of order by the presiding officer; legislation died  
*INDEF PP*..... indefinitely postponed; legislation died  
*ONTP, ACCEPTED, MAJORITY, MINORITY or REPORT X*... ought-not-to-pass report accepted; legislation died  
*P&S XXX*..... chapter # of enacted private & special law  
*PUBLIC XXX* ..... chapter # of enacted public Law  
*RESOLVE XXX* ..... chapter # of finally passed resolve  
*VETO SUSTAINED*.....Legislature failed to override Governor's veto

The effective date for non-emergency legislation enacted in the Second Regular Session of the 126<sup>th</sup> Legislature is August 1, 2014. The effective date for legislation enacted as an emergency measure may be found in the enacted law summary for that legislation.

## *Joint Standing Committee on Insurance and Financial Services*

1. It clarifies that the definition of "lender" applies only to the lending of money to be consistent with how the term is used in other areas of the Maine Consumer Credit Code.
2. It replaces the term "federally insured depository institution" with the term "supervised financial organization" to be consistent with other language used in the bill and in the Maine Consumer Credit Code.
3. It clarifies the violation of a person's or lender's providing assistance to a lender or processor when the person or lender has knowledge that the lender or processor is unlicensed by providing that the assistance must have been substantial.

### **Senate Amendment "A" (S-408)**

This amendment provides that a processor does not include the nationwide automated electronic funds transfer system that provides for an interbank exchange of either checks or automated debit or credit entries.

### **Enacted Law Summary**

Public Law 213, chapter 480 establishes that it is an unfair or deceptive act or practice in commerce, a violation of the Maine Unfair Trade Practices Act, and a violation of the Maine Consumer Credit Code, if a lender, including a payday lender, makes an unlicensed loan transaction or assists in such a transaction.

**LD 1712**

### **An Act To Make Technical Corrections to the Maine Consumer Credit Code To Facilitate the Multistate Licensing Process**

**PUBLIC 466**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
WHITTEMORE	OTP	

This bill makes the following changes to the Maine Consumer Credit Code.

1. It makes changes to the laws governing the licensing of lenders who make supervised loans, and the licensing of loan brokers depending on whether those lenders and brokers make or arrange residential mortgage loans. Lenders and brokers who make or arrange residential mortgage loans must apply for and renew licenses electronically through the nationwide mortgage licensing system and registry. Different fees for licensing and renewal are charged depending on whether lenders and brokers make or arrange residential mortgage loans, since mortgage lenders receive one-year licenses and nonmortgage lenders receive two-year licenses.
2. It requires that each branch location license application to make supervised loans be accompanied by a surety bond in the amount of \$50,000.
3. It allows the Superintendent of Consumer Credit Protection to require a licensee to file quarterly reports.
4. It removes references to specific topics that must be covered in prelicensing education, testing, and continuing education for mortgage loan originators. It also repeals rule making provisions related to continuing education.

### **Enacted Law Summary**

Public Law 2013, chapter 466 makes the following changes to the Maine Consumer Credit Code.

1. It makes changes to the laws governing the licensing of lenders who make supervised loans and the licensing of loan brokers depending on whether those lenders and brokers make or arrange residential mortgage loans. Lenders and brokers who make or arrange residential mortgage loans must apply for and renew licenses electronically through the nationwide mortgage licensing system and registry. Different fees for licensing and renewal are charged depending on whether lenders and brokers make or arrange residential mortgage loans, since mortgage lenders

*Joint Standing Committee on Insurance and Financial Services*

receive one-year licenses and nonmortgage lenders receive two-year licenses.

- 2. It requires that each branch location license application to make supervised loans be accompanied by a surety bond in the amount of \$50,000.
- 3. It allows the Superintendent of Consumer Credit Protection to require a licensee to file quarterly reports.
- 4. It removes references to specific topics that must be covered in prelicensing education, testing and continuing education for mortgage loan originators. It also repeals rule making provisions related to continuing education.

**LD 1760    An Act To Implement the Recommendations of the Commission To  
Study Transparency, Costs and Accountability of Health Care System  
Financing**

**PUBLIC 560**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
	OTP-AM	S-503

This bill implements the recommendations of the Commission To Study the Transparency, Costs and Accounting of Health Care System Financing.

- 1. The bill requires health care practitioners and health care facilities to provide clients, upon request, with an individualized cost estimate for anticipated health care services associated with that specific entity's services.
- 2. The bill directs health care practitioners to expand public awareness of the Maine Health Data Organization and its website by displaying at practitioners' offices information on the Maine Health Data Organization and how consumers can become more informed of the costs associated with health care procedures.
- 3. The bill amends the laws governing the information that hospitals and ambulatory surgical centers are required to make available to consumers by adding a requirement that these entities prominently display a notice informing consumers of their ability to request and receive information on the average charges for any inpatient service or outpatient procedure provided by the hospital or center upon request.
- 4. The bill amends the annual statutory reporting requirement for the Maine Health Data Organization to include language requiring the Maine Health Data Organization to include in its report an update on its collaborative efforts with other health data organizations to improve consumer access to information on health care quality and price and health care transparency initiatives in this State. The bill also amends the statutory provisions governing the Maine Health Data Organization annual report to require that the joint standing committee of the Legislature having jurisdiction over insurance and financial services matters, in addition to the joint standing committee of the Legislature having jurisdiction over health and human services matters, be provided with the annual report.

**Committee Amendment "A" (S-503)**

This amendment does the following.

- 1. It adds language to section 1 of the bill requiring hospitals and ambulatory surgical centers to also identify each third-party health care practitioner or facility that will provide health care services or procedures to a consumer as part of a single medical encounter to enable the consumer to seek an estimate of the total price of medical services to be rendered directly by each practitioner or facility.
- 2. It removes the provision of the bill that requires health care practitioners to prominently display information on price transparency tools to assist consumers to obtain estimates of health care costs, the substance of which has been enacted into law by other legislation and removes the provision of the bill requiring each health care practitioner