

MAINE STATE LEGISLATURE

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STATE OF MAINE
128TH LEGISLATURE
FIRST REGULAR SESSION



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

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

August 2017

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STATE OF MAINE

128TH LEGISLATURE
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LEGISLATIVE DIGEST OF BILL SUMMARIES AND ENACTED LAWS

This *Legislative Digest of Bill Summaries and Enacted Laws* contains summaries of all LDs and adopted amendments and all laws enacted or finally passed during the First Regular Session of the 128th Maine Legislature.

The *Digest* is arranged alphabetically by committee and 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. An appendix provides a summary of relevant session statistics.

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 First Regular Session of the 128th Legislature is Wednesday, November 1, 2017. 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

This bill is a concept draft pursuant to Joint Rule 208. The bill proposes to enact measures designed to ensure the protection and health insurance of patients.

This bill was carried over to any special or regular session of the 128th Legislature by joint order, H.P. 1138.

LD 1055

An Act To Update the Statutes under Which Maine's Credit Unions Are Chartered

PUBLIC 143

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
FREDETTE K CUSHING A	OTP-AM	H-142

This bill updates the charter provisions for state-chartered credit unions.

1. The bill puts state-chartered credit unions in line with their federally chartered counterparts by repealing the guaranty fund requirements and allowing dividend payments when the credit union establishes and maintains adequate levels of net worth. Currently, state-chartered credit unions must have a percentage of gross income set aside before there may be a dividend payment to a member. The bill directs the Superintendent of Financial Institutions to adopt rules regarding the composition of net worth, the levels that must be maintained and procedures that must be followed to restore net worth if it falls below the minimum standard to continue to safeguard credit union members.
2. To ensure safe and smooth day-to-day operations of state-chartered credit unions and consistent with the trend followed by credit unions in other states, the bill allows the manager or chief executive officer of a credit union, rather than the board of directors, to expel a member for certain types of conduct. The expelled member must be informed of the grounds for the expulsion and may appeal the expulsion.
3. The bill increases the percentage of total surplus that state-chartered credit unions may invest in real estate and fixed assets from 50% to 60%.
4. To bring Maine's state charter in line with its federal counterpart, the bill directs the superintendent to consider federal laws and regulations when determining whether a new credit union service corporation primarily serves a credit union or credit union members and removes a general reference to a statutory provision that in itself is not specific to credit unions and instead incorporates language from that provision that requires credit unions to notify the superintendent in writing 10 days prior to organizing as or investing in a credit union service corporation and vesting the superintendent with the power to prescribe the manner and form of the credit union service corporation's books and accounts.

Committee Amendment "A" (H-142)

The amendment makes the following changes to the bill.

1. It clarifies that the field of membership requirements apply to an out-of-state credit union's activities when doing business in Maine.
2. It permits the adoption of rules relating to adequate levels of net worth for a credit union. The bill mandates the adoption of rules.
3. It provides parity between banks and credit unions for the limits on investments in a single service corporation or in multiple service corporations and permits a credit union to invest up to 20% of its net worth in a single service corporation and to invest up to 50% of its net worth in the aggregate in all service corporations.

Joint Standing Committee on Insurance and Financial Services

4. It changes the requirement for a credit union to provide prior notice to the Department of Professional and Financial Regulation, Bureau of Financial Institutions when investing in, acquiring or establishing a credit union service corporation from 10 days to 30 days.
5. It adds a provision to the bill so that banks follow the same procedures proposed for credit unions when investing in, acquiring or establishing service corporations.

Enacted Law Summary

Public Law 2017, chapter 143 updates the charter provisions for state-chartered credit unions.

1. The law puts state-chartered credit unions in line with their federally chartered counterparts by repealing the guaranty fund requirements and allowing dividend payments when the credit union establishes and maintains adequate levels of net worth. Currently, state-chartered credit unions must have a percentage of gross income set aside before there may be a dividend payment to a member. The law authorizes the Superintendent of Financial Institutions to adopt rules regarding the composition of net worth, the levels that must be maintained and procedures that must be followed to restore net worth if it falls below the minimum standard to continue to safeguard credit union members.
2. To ensure safe and smooth day-to-day operations of state-chartered credit unions and consistent with the trend followed by credit unions in other states, the law allows the manager or chief executive officer of a credit union, rather than the board of directors, to expel a member for certain types of conduct. The expelled member must be informed of the grounds for the expulsion and may appeal the expulsion.
3. The law increases the percentage of total surplus that state-chartered credit unions may invest in real estate and fixed assets from 50% to 60%.
4. The law provides parity between banks and credit unions for the limits on investments in a single service corporation or in multiple service corporations and permits a credit union to invest up to 20% of its net worth in a single service corporation and to invest up to 50% of its net worth in the aggregate in all service corporations.
5. To bring Maine's state charter in line with its federal counterpart, the law directs the superintendent to consider federal laws and regulations when determining whether a new credit union service corporation primarily serves a credit union or credit union members and removes a general reference to a statutory provision that in itself is not specific to credit unions and instead incorporates language from that provision that requires credit unions to notify the superintendent in writing 30 days prior to organizing as or investing in a credit union service corporation and vesting the superintendent with the power to prescribe the manner and form of the credit union service corporation's books and accounts. The law provides that banks follow the same procedures proposed for credit unions when investing in, acquiring or establishing service corporations.

LD 1064 An Act To Require That Health Insurance Policies Cover Medical Marijuana

Accepted Majority (ONTP) Report

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
COLLINGS B JACKSON T	ONTP OTP-AM	

This bill requires health insurance carriers to provide coverage for marijuana for medical use for a health plan enrollee who has received certification for the medical use of marijuana from an authorized medical provider.

Committee Amendment "A" (H-460)

This amendment is the minority report of the committee and replaces the bill. The amendment requires a health