

MAINE STATE LEGISLATURE

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ONE - HUNDRETH LEGISLATURE

Legislative Document

No. 420

S. P. 174

In Senate, January 18, 1961

Referred to the Committee on Legal Affairs. Sent down for concurrence and ordered printed.

CHESTER T. WINSLOW, Secretary

Presented by Senator Marden of Kennebec.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SIXTY-ONE

**AN ACT Relating to the Public Debt Amortization Fund in the City of
Waterville.**

Be it enacted by the People of the State of Maine, as follows:

Sec. 1. P & S. L., 1927, c. 67, § I, ¶D, repealed. Paragraph D of section I of chapter 67 of the private and special laws of 1927 is repealed.

Sec. 2. P & S. L., 1927, c. 67, § 2-15, repealed and replaced. Sections 2 to 8 of chapter 67 of the private and special laws of 1927, section 9 of chapter 67 of the private and special laws of 1927, as amended by chapter 23 of the private and special laws of 1943, sections 10 and 11 of chapter 67 of the private and special laws of 1927, section 12 of chapter 67 of the private and special laws of 1927, as repealed and replaced by section 1 of chapter 177 of the private and special laws of 1955, section 13 of chapter 67 of the private and special laws of 1927, section 14 of chapter 67 of the private and special laws of 1927, as repealed and replaced by section 2 of chapter 177 of the private and special laws of 1955 and section 15 of chapter 67 of the private and special laws of 1927, are repealed and the following enacted in place thereof:

‘Sec. 2. Additional source of funds. Moneys or other property may also be added to this fund when given to the same or to the Public Debt Commission by gift or by bequest.

Sec. 3. Duties of city officers. The proper city officers shall segregate such moneys annually from the general fund and other funds of the city as required in section 1 and deliver the same to such bank as has been appointed by the Public Debt Commission under section 9.

Sec. 4. Not an offset to debt limit. Said fund shall not be considered an offset to the constitutional debt limit.

Sec. 5. Public debt commission: Officers. The Public Debt Commission shall consist of the present 3 members thereof and thereafter of 3 citizens appointed by the mayor on the first Monday of January of each year as the terms of the present members expire, each to serve for 3 years. In case of vacancy, the mayor shall appoint a successor to fill out the unexpired term. Said commission shall elect from its own members a chairman and a secretary.

Sec. 6. Expenses of administration. Expenses incident to the administration of said fund shall be paid from the public debt amortization fund.

Sec. 7. Duties of secretary of commission. The secretary of said commission shall keep books of record of all proceedings of said custodians relating to said fund, and shall make a report annually on or about January 15th of each year to the city council.

Sec. 8. Commission to enforce collection of funds. Said commission is hereby authorized and enjoined, when necessary, to demand and enforce by proper proceeding the appropriation, segregation and payment of any amortization moneys due under sections 2 to 13.

Sec. 9. Creation of trust. The commissioners shall enter into a trust agreement with any bank duly qualified and authorized to carry on the work of a trust company in the State of Maine under such terms and conditions as shall be prescribed by a majority of said commissioners, giving the trustee authority to invest and reinvest any of the trust funds and the income or increment thereon in such investments as are legal for investment of trust funds in the State of Maine and to perform any and all other functions and services ordinarily performed by such trustee bank, and authorizing the trustee to act on all matters pertaining to voting in person or by proxy at corporate meetings and to perform any other service which is required in the administration of the trust, including the hiring of competent legal counsel. Such trustee bank shall also be empowered to make payments to the city treasurer of Waterville of annual income or payments from the principal of such trust fund at such times and in such manners as provided in section 11.

The commission shall be authorized to alter, amend or terminate such trust upon reasonable notice to the trustee bank and may proceed to make arrangements for transfer of the funds to a successor trustee bank.

Sec. 10. Liability of commissioners. No commissioner shall be held personally liable for the loss of any of the moneys or securities in the fund except for his fraud or embezzlement in connection therewith.

Sec. 11. Accrued interest added to fund. All interest, dividends or other income earned by said fund on its investments shall, when it accrues, be added to said fund to augment the same for the purposes for which said fund is provided.

Sec. 12. Application of fund. When the total of principal and accrued interest of said fund shall substantially equal $\frac{3}{4}$ of the outstanding bonded

indebtedness of said city, then the annual interest on said fund, and so much of the principal thereof as the commissioners by and with the approval of the city council shall deem proper, shall be applied to annual reduction of the municipal bonds of said city, but always maintaining not less than \$100,000 in said fund.

Sec. 13. Other statutes not affected. Nothing herein contained shall be construed to amend, abolish, or take the place of any other sinking fund provided by statute. Nothing in this amendment shall be construed as terminating the present debt commission or altering the term of office of the present members. The commission shall have a reasonable time, but in no event later than January 1, 1962, to transfer said funds and to comply with the foregoing amendments.'