

MAINE STATE LEGISLATURE

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N I N E T Y - S E V E N T H L E G I S L A T U R E

Legislative Document

No. 185

H. P. 178

House of Representatives, January 26, 1955.

Referred to the Committee on Business Legislation, sent up for concurrence and ordered printed.

HARVEY R. PEASE, Clerk

Presented by Mr. Edgar of Bar Harbor.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
FIFTY-FIVE

AN ACT Relating to Legal Investments of a Town's Sinking Fund.

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

R. S., c. 91, § 120, amended. Section 120 of chapter 91 of the revised statutes is hereby amended to read as follows:

'Sec. 120. Taxation for refunding indebtedness and investment of trust funds. Any city or town which has a funded indebtedness may create a sinking fund for the payment and redemption of such indebtedness and may raise money by taxation for such purpose. City and town officers and officers of quasi-municipal corporations shall hereafter invest all permanent funds including sinking funds, permanent school funds and money or credits deposited with them for perpetual care of lots in cemeteries, in the legal obligations of the United States of America; the States of Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, Connecticut, New York and Pennsylvania, and the bonds of the several counties, cities and towns in the several states above named which are the direct obligation of said counties, cities and towns, and the bonds of water districts located in the State of Maine, and chartered and organized as quasi-municipal corporations under the laws thereof, which are the direct obligation of said water districts, and, except sinking funds, may invest any of said funds in accordance with the laws of the state governing the investment of the funds of savings banks as enumerated in subsections I to IX and subsection XIX of section 42 of chapter 59, or may deposit the same, including sinking funds, on time deposit in banks or trust companies, organized under the laws of this State or of the United States, **and in shares of loan and building associations and savings and loan associations organized under the laws of this State**, and not otherwise; and unless otherwise specifically provided by the terms of the grant or bequest

the annual income, only, shall be expended in performance of the requirements of the trust. Provided that this section shall not be construed to require any change of investments made prior to July 7, 1923, or the sale of any securities specifically bequeathed as a corpus of a trust fund if their retention be approved by the judge of probate for the county in which said city or town is located or if the terms creating the trust provide for their retention; but when the indebtedness for payment of which a sinking fund is created is refunded or paid by such city or town by a new loan, any stocks, bonds or securities in said sinking fund, other than its own bonds, may be withdrawn therefrom and shall not be regarded as pledged for payment of the new loan unless afterward returned to the sinking fund. The provisions hereof shall apply to the investment of funds, as provided for in section 15 of chapter 58.'