

# MAINE STATE LEGISLATURE

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STATE OF MAINE

REPORT  
OF THE  
ATTORNEY GENERAL

for the calender years

1961 - 1962

Therefore, it is our opinion that deductions for Union dues can be made only with the approval of the Governor and Council and upon the subsequent signed authorization of the individual employee.

THOMAS W. TAVENNER

Assistant Attorney General

March 15, 1962

To: David Garceau, Commissioner of Banks and Banking

Re: Investment of Money of Municipality borrowed in anticipation of Taxes

You have asked the question: Can a Maine municipality properly invest in United States Government 90-day bills or other short-term United States securities, the money that municipality borrows in anticipation of taxes?

Chapter 90-A, § 21, directs the use of "reserve funds, trust funds and all permanent funds" as follows:

"I. Deposited in savings banks, trust companies and national banks in the State.

A. The balance at any time in any bank shall not exceed the amount insured by the Federal Deposit Insurance Corporation. (1957, c. 174.)

II. Invested in shares of building and loan or savings and loan associations organized under State law.

III. Invested according to the law governing the investment of the funds of savings banks in section 19-I of chapter 59.

A. For the purpose of this section, the words "deposits of a bank" or their equivalent as used in section 19-I of chapter 59 mean the total assets of the reserve fund, trust fund or other permanent fund being invested, but the limitation concerning the maximum amount which may be invested in a security or type of security under section 19-I applies only to an investment in that security or type of security which exceeds \$2,000. (1957, c. 244)"

Section 19-I of chapter 59 refers to government obligations.

We are of the opinion that money borrowed in anticipation of taxes becomes a part of the municipality's general permanent fund and may be invested according to Chapter 90-A, § 21.

It is our understanding that this is becoming fairly general practice throughout the State.

FRANK E. HANCOCK

Attorney General

March 15, 1962

To: David H. Stevens, Chairman, State Highway Commission

Re: Land Damage Board Hearings (c. 23, R.S. 1954, as amended by c. 295, P.L. 1961)

A letter dated March 13, 1962 from the Division Engineer of Region One,