

MAINE STATE LEGISLATURE

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(EMERGENCY)

ONE HUNDRED AND SECOND LEGISLATURE

Legislative Document

No. 183

H. P. 161

House of Representatives, January 14, 1965

Referred to Committee on State Government. Sent up for concurrence and ordered printed.

JEROME G. PLANTE, Clerk

Presented by Mr. Edwards of Portland.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SIXTY-FIVE

AN ACT to Establish a Voluntary Contributions Commission.

Emergency preamble. Whereas, the essential needs of State Government require that additional revenue be raised by this Legislature; and

Whereas, the revenue to be collected by the State of Maine from present statutes is not sufficient to provide for said needs during the next fiscal biennium unless this commission is established and given authority to act immediately after the date of the signing of this Act; and

Whereas, in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine, and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now, therefore,

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

R. S., T. 8, c. 14, additional. Title 8 of the Revised Statutes is amended by adding a new chapter 14 to read as follows:

'CHAPTER 14

VOLUNTARY CONTRIBUTIONS COMMISSION

Sec. 351. Declaration of policy. The State of Maine recognizes that an intelligent study of world history reveals that the advancement of civilization carries with it an automatic increase in the cost of government, therefore, it is the declared policy of the people of the State of Maine that they keep abreast of the growing tide of civilization by raising sufficient funds to meet the added

costs, which automatically materialize with our growth. It is further declared that the policy of the people of the State of Maine is to induce all persons within its boundaries to contribute voluntarily to the support of all our institutions.

Sec. 352. Definitions. For the purposes of this chapter:

1. Commission. "Commission" shall mean the Voluntary Contributions Commission.

2. Voluntary contribution. "Voluntary contribution" shall mean money, real estate, securities, stocks and bonds or anything of monetary value, given into the care of the commission, which is not required to be paid to the State of Maine as a tax, fine or fee.

Sec. 353. Voluntary Contributions Commission. There is created a "Voluntary Contributions Commission" which shall be a body corporate and politic, having the same rights, privileges and powers as have corporations organized under the general law, with the right to adopt a common seal, and establish by-laws and regulations for the management of its affairs not repugnant to its charter and the laws of the State of Maine, and with the principal location of its activities at Augusta, in the State of Maine.

The affairs of the commission shall be controlled by a board of 7 trustees who shall be called "commissioners," all of whom shall have been residents of the State of Maine for at least 5 years. Each commissioner shall reside at the time of the appointment in a councillor district not represented by any other member of the commission. As long as the commissioner remains consecutively in office, despite the fact that he might move elsewhere to live, his address will be considered the councillor district from where he was originally appointed.

All commissioners and their successors shall be appointed by the Governor, with the advice and consent of the Council. All commissioners shall be at least 35 years of age and not over 65 years of age when appointed. At least one commissioner shall be a prominent lawyer by profession who has practiced law for at least 15 years, at least one commissioner shall have been a prominent banker with at least 15 years of administrative banking experience and, at least one commissioner shall be a prominent certified public accountant with at least 15 years of experience as a public accountant; the other 4 commissioners shall be prominent persons from any walk of life which has fitted them to be good and faithful public servants capable of administering large sums of money.

In the first instance all 7 commissioners shall be appointed within 30 days after the effective date of this Act, and the 7 commissioners shall draw lots in the presence of the Secretary of State to ascertain the length of their term, one to 7 years. Thereafter all commissioners shall be appointed for a term of 7 years or until their successors are duly appointed and qualified.

Any vacancy on the commission shall be filled by the appointment of a new commissioner to fill out the balance of the unexpired term, but the majority of the commission still holding office shall carry on business during the existence of the vacancy or vacancies on the commission.

The commissioners shall elect one of their members as chairman. Commis-

sioners shall be paid out of the funds of the commission in an amount determined by the Governor and commensurate with their responsibilities. The chairman shall receive a higher salary than the other members because of his added responsibility. All commissioners shall be bonded in an amount approved by the Governor and the Council, which bond shall remain in full force and effect during their entire term of office.

When being sworn into office, each commissioner shall read this chapter and shall declare openly that he is in sympathy with the objectives of this legislation, without reservation.

Sec. 354. Powers and duties.

1. **Voluntary contributions.** The commission is empowered to receive voluntary contributions from any source or from any person at any time.

2. **Agreements with towns.**

A. The commission is empowered to negotiate with any municipality in Maine for the purpose of making agreements for them to collect and transmit voluntary contributions made in accordance with this chapter.

B. The commission is empowered to allow any municipality to retain up to 10% of the voluntary contributions collected or transmitted by them to the commission in Augusta.

C. The commission is empowered to establish its own collection and transmitting office in any municipality in Maine in the event that satisfactory agreements cannot be made with any municipality for them to collect or transmit.

3. **Receipts and investments.**

A. It shall be the duty of the commission or their agents to give identifiable numbered receipts for every voluntary contribution of over \$3. The receipt shall clearly indicate in whose name the contribution is made, and their correct address, as a proof of donation for federal income tax purposes.

B. It shall be the duty of the commission within 10 days after receipt of voluntary contributions in its Augusta office to invest this money under a prudent man investment policy. All money so invested and the interest earned on same shall be considered a sinking fund from which the commission shall pay its obligations.

4. **Appreciation awards; policies.**

A. In the event that voluntary contributions are not received at the rate per month to produce at least \$6,000,000 a year, the commission is empowered in an attempt to stimulate contributions, to offer to voluntary contributors, appreciation awards in any number or size agreed upon by a majority of the commission, provided that the total appreciation awards do not cost over 25% of the total of the voluntary contributions taken in during the fiscal year that the voluntary contribution was made. Appreciation awards shall be distributed in such a manner that each contributor of \$3 shall have the same opportunity of receiving the award as any other contributor of \$3.

B. It shall be the duty of the commission to make all appreciation awards authorized in paragraph A in at least 20 equal yearly payments, unless the individual award shall be less than \$5,000. Total awards per year shall not exceed $\frac{3}{4}$ of the interest earned on that portion of the sinking fund deposited in the year of making the award.

C. The commission is empowered to issue life insurance policies or annuity policies in lieu of cash payments. Policies shall have all the advantages to the insured as if he had bought the insurance in the open market. The award winner shall have the privilege any time within one year of requesting the type of insurance he prefers and in whose name the policy shall be issued. After the end of one year if the award winner has not made known his wishes as to the type of policy or to whom it shall be issued, the commission shall make the award to the winner in such manner as it believes will be the most advantageous to the winner, and their judgment shall be final.

D. The commission is empowered to pay the premiums to themselves from the sinking fund interest account, and to pay all insurance claims out of the sinking fund.

E. The commission is empowered should it be considered to their advantage to purchase insurance or reinsurance to pay appreciation awards from any reputable life insurance company licensed to do business in the State of Maine until such time as the sinking fund is sufficiently large to act as an insurance reserve.

5. Payments to State.

A. The commission shall, on or before the end of each fiscal year, pay over to the Treasurer of State 50% of all the voluntary contributions received during that fiscal year. They shall keep the Governor and the Treasurer of State informed monthly of the estimated amount they may expect to receive at the end of the year.

B. It shall be the duty of the commission after paying its obligations as set forth to cherish and nurture the sinking fund for the benefits of the future generations.

C. When the interest earned on the money in the sinking fund equals the total amount of the voluntary contributions during the first full year this chapter is in operation, then the commission shall pay over to the Treasurer of State at the end of that fiscal year an additional sum equal to $\frac{3}{4}$ of the interest earned.

D. The commission is empowered when it is considered to its advantage to constitute itself as a "management trust fund" for the management of its sinking fund and any other funds of the State which need their services.

Sec. 355. Construction. Nothing in this chapter shall be construed to violate the rule against perpetuities.

Sec. 356. State agency. The commission is hereby declared an agency of the State of Maine.

Sec. 357. Audit. All transactions of the commission shall be subject to an annual audit by the State Auditor who shall file copies of the audit with the Governor and the Council and with the Secretary of the Senate and the Clerk of the House in which places it shall be open to view for all Members of the Legislature.

Sec. 358. Appropriation. There is appropriated the sum of \$100,000 from the General Fund of the State to cover the initial expenses of the commission, which money shall be returned to the General Fund of the State as soon as the voluntary contributions create a sinking fund of at least \$1,000,000.'

Emergency clause. In view of the emergency cited in the preamble, this Act shall take effect when approved.