

# MAINE STATE LEGISLATURE

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FIRST SPECIAL SESSION

ONE HUNDRED AND SECOND LEGISLATURE

Legislative Document

No. 1798

COMMITTEE AMENDMENT "A" to S. P. 690, L. D. 1773, Bill, "An Act Creating the Investment of State Funds Law."

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED  
SIXTY-SIX

Amend said Bill by inserting after the enacting clause the following:

**"Sec. 1. R. S., T. 5, § 138, amended.** The first sentence of the 3rd paragraph of section 138 of Title 5 of the Revised Statutes is amended to read as follows: 'The Treasurer of State, with the approval of the Commissioner of Finance and Administration ~~the Bank Commissioner~~ and the ~~Attorney General~~ **Investment Council**, shall have the power to enter into contracts or agreements with any national bank, trust company or safe deposit company located in New England or New York City for custodial care and servicing of the negotiable securities belonging to the ~~permanent~~ trust funds of this State.'

**Sec. 2. R. S., T. 5, § 138, amended.** The first sentence of the 4th paragraph of section 138 of Title 5 of the Revised Statutes is amended to read as follows: 'The Treasurer of State, **with the approval of the Investment Council**, is empowered to arrange for the payment for such services, either by cash payments to be charged pro rata to the income of such trust funds, or by an agreement for a compensating deposit balance with the bank in question, in lieu of such cash payment, or by some combination of both methods of payment.'

**Sec. 3. R. S., T. 5, § 138, amended.** The 5th paragraph of section 138 of Title 5 of the Revised Statutes is amended to read as follows:

'The Treasurer of State, **with the approval of the Investment Council**, shall be empowered to withdraw or deposit securities from or with the custodian as circumstances may require, all withdrawal orders or delivery instructions to bear the approval in writing ~~of the Bank Commissioner and that of either or both the Attorney General and the Commissioner of Finance and Administration~~ **over the signatures of 2 members of the Investment Council duly authorized by vote of the Investment Council.**

**Sec. 4. R. S., T. 5, §§ 139 & 142, repealed.** Sections 139 and 142 of Title 5 of the Revised Statutes are repealed.'

Further amend said Bill by striking out all of the 2nd underlined sentence of that part designated “§ 155.” of section 1 and inserting in place thereof the following :

**‘The State Investment Officer shall be the secretary of the Investment Council.’**

Further amend said Bill by striking out all of the last underlined sentence of that part designated “§ 155.” and inserting in place thereof the following underlined sentence: **‘Actions shall be by majority vote of those present and voting and 4 members shall constitute a quorum for the transaction of any business.’**

Further amend said Bill by inserting at the end of that part designated “§ 157.” of section 1 the following underlined sentence :

**‘The same prohibitions shall apply to the State Investment Officer.’**

Further amend said Bill by inserting at the end, before the period, of that part designated “§ 162.” of section 1 the underlined words **‘to be established by the Investment Council’**

Further amend said Bill by striking out all of that part designated “§ 163.” of section 1 and inserting in place thereof the following :

#### **‘§ 163. Appointment**

**The State Investment Officer shall be appointed by the Governor only upon request of the Investment Council. Recommendations as to appointments shall be made to the Governor by the Investment Council together with the detailed qualifications of each person recommended. If within 90 days after public members of the Investment Council have been appointed and qualified, or after any vacancy, an appointment has not been made, the power of appointment shall vest in the Investment Council.’**

Further amend said Bill by striking out all of the 2nd underlined paragraph of that part designated “§ 172.” of section 1 and inserting in place thereof the following :

**‘The Investment Council is authorized to make such compromises, adjustments or disposition of the past-due interest or principal as are in default, or to make such compromises or adjustments as to future payments of interest or principal as deemed advisable for the purpose of protecting the funds invested; and such adjustments or compromises made and approved are hereby ratified and confirmed.’**

Further amend said Bill by inserting at the end of that part designated “§ 173.” of section 1 the underlined new subsection :

**‘17. Other investments. Other investments hereafter from time to time authorized by law as legal for investment by savings banks of this State but not to exceed the limitations stated in subsection 14 on common and preferred stocks.’**

Further amend said Bill, in section 3, by inserting in the 9th and 11th lines from the end (same in L. D. 1773) before the underlined words **“Investment Council”** the underlined words **‘Treasurer of State with the approval of the’**

Further amend said Bill by striking out all of section 6 and inserting in place thereof the following:

**Sec. 10. Appropriation.** There is appropriated from the General Fund to the Treasury Department, Division of Investment, the sum of \$21,100 for the fiscal year ending June 30, 1967 to carry out the purposes of this Act. The breakdown of expenditure shall be as follows:

TREASURY DEPARTMENT	1966-67
Division of Investment	
Personal Services	(2) \$15,000
All Other	1,700
Capital Expenditures	400
Collection Agent	
Personal Services	(1) 4,000
	<hr style="width: 10%; margin-left: auto; margin-right: 0;"/> \$21,000'

Further amend said Bill by renumbering sections 1 to 5 to be sections 5 to 9.