

# MAINE STATE LEGISLATURE

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# ONE HUNDRED AND FOURTH LEGISLATURE

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**Legislative Document**

**No. 831**

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H. P. 643

House of Representatives, February 13, 1969

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

BERTHA W. JOHNSON, Clerk

Presented by Mr. Scott of Presque Isle.

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## STATE OF MAINE

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IN THE YEAR OF OUR LORD NINETEEN HUNDRED  
SIXTY-NINE

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### AN ACT Relating to Deposit of State Funds.

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

**R. S., T. 5, § 135, amended.** The 2nd sentence of section 135 of Title 5 of the Revised Statutes is amended to read as follows :

When there are excess moneys in the State Treasury which are not needed to meet current obligations he may, with the concurrence of the State Controller or the Commissioner of Finance and Administration and with the consent of the Governor and Council, invest such amounts in bonds, notes, certificates of indebtedness or other obligations of the United States of America which mature not more than 24 months from the date of investment, or in repurchase agreements secured by obligations of the United States of America which mature within the succeeding 24 months.

#### STATEMENT OF FACTS

Repurchase agreements entail the extension of credit although the market risk involved in the instance of treasury securities is less than in their purchase because the other party to the repurchase agreement agrees to assume such risk. Therefore, repurchase agreements involving treasury securities may be viewed as a relatively riskless means of earning a return on funds that will be unemployed, for business purposes, for a short period of time such as a day, week or month.