

MAINE STATE LEGISLATURE

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ONE HUNDRED AND SIXTH LEGISLATURE

Legislative Document

No. 1719

S. P. 552

In Senate, April 4, 1973

Taken from table by the President and on motion by Senator Berry of Cumberland, referred to the Committee on State Government. Sent down for concurrence and ordered printed.

HARRY N. STARBRANCH, Secretary

Presented by Senator Kelley of Aroostook.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SEVENTY-THREE

AN ACT Relating to Investment and Custodial Care of Securities in the State
Retirement System.

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

Sec. 1. R. S., T. 5, § 1031, sub-§ 15, amended. The first paragraph of subsection 15 of section 1031 of Title 5 of the Revised Statutes, as repealed and replaced by section 4 of chapter 59 of the public laws of 1967, and as amended by section 6 of chapter 17 of the public laws of 1971, is further amended to read as follows:

The board of trustees shall employ a fiduciary or fiduciaries located in ~~New England or New York City~~ **Maine** for investment purposes and may employ other investment counsel or advice and other expert professional or other assistance as may be necessary or appropriate to aid in carrying out its functions.

Sec. 2. R. S., T. 5, § 1031, sub-§ 16, amended. The first sentence of subsection 16 of section 1031 of Title 5 of the Revised Statutes, as repealed and replaced by section 5 of chapter 59 of the public laws of 1967, is amended to read as follows:

The board of trustees shall have the power to enter into a contract or agreement with any national bank, trust company or safe deposit company located in ~~New England or New York City~~ **Maine** for custodial care and servicing of the negotiable securities belonging to any fund of the retirement system to the extent that there may be any such securities which are not held by the bank fiduciary under subsection 15.

STATEMENT OF FACT

The present law allows the board of trustees of the Maine State Retirement System to have its assets of \$185,160,079 invested with an out-of-state fiduciary. At this time, the custody of all investments belonging to the Maine State Retirement System is with the First National Bank of Boston—Old Colony Trust Company in Boston.

Trust departments in Maine banks have become larger and more sophisticated in recent years. It would be to the advantage not only of Maine's financial community, but also for all Maine citizens to have the Maine Retirement System's investments under the custody of Maine banks.