

MAINE STATE LEGISLATURE

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ONE HUNDRED AND EIGHTH LEGISLATURE

Legislative Document

No. 99

H. P. 71

House of Representatives, January 18, 1977

Speaker laid before the House and on motion of Mr. Palmer, referred to Committee on Business Legislation. Sent up for concurrence and ordered printed.

EDWIN H. PERT, Clerk

Presented by Mr. Carter of Bangor.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SEVENTY-SEVEN

**AN ACT to Clarify the Right of Trust Companies to Invest Funds Held as
Trustee Under Certain Retirement Plans.**

Emergency preamble. Whereas, Acts of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

Whereas, the Revised Statutes, Title 9-B, section 442 was intended to grant Savings Banks, Savings and Loan Associations, Credit Unions and Industrial Banks the right to serve as Trustee under certain retirement plans or accounts, provided these plans require the funds of the trust or account to be invested exclusively in deposits in these institutions; and

Whereas, it was not intended by section 442 to restrict the powers granted to Trust Companies by Title 9-B, chapter 66; and

Whereas, Trust Companies hold many of these trust accounts which are not invested exclusively in deposits; and

Whereas, the liquidation of these accounts may result in loss or hardship to the many beneficiaries interested in such accounts; 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:

9-B MRSA § 442, sub-§ 1, as enacted by PL 1975, c. 500, § 1, is amended to read:

1. Authorization; limitation. ~~A financial institution~~ **Savings banks, savings and loan associations, credit unions and industrial banks** shall have power to act as trustee under a retirement plan established pursuant to the Act of Congress entitled "Self-employed Individuals Retirement Act of 1962," as amended, or an individual retirement account pursuant to the "Employee Retirement Income Security Act of 1974," as amended; provided that the provisions of such plans require the funds of such trust or account to be invested exclusively in deposits or shares in said institution. **This section shall in no way limit the authority granted to trust companies by chapter 66.**

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

STATEMENT OF FACT

The purpose of this bill is to make it clear that Trust Companies are authorized to exercise the full powers granted to them by Title 9-B, chapter 66, and are not restricted to the limited investment powers provided for Savings Banks, Savings and Loan Associations, Credit Unions and Industrial Banks under Title 9-B, section 442.