

# MAINE STATE LEGISLATURE

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# ONE HUNDRED AND EIGHTH LEGISLATURE

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## Legislative Document

No. 528

H. P. 423

House of Representatives, February 17, 1977

On motion of Ms. Clark of Freeport, referred to Committee on Business Legislation. Sent up for concurrence and ordered printed.

EDWIN H. PERT, Clerk

Presented by Mr. Carter of Bangor.

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## STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED  
SEVENTY-SEVEN

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### AN ACT to Authorize Affiliated Banks to Operate Combined Common Trust Funds.

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

18 MRSA, § 4101 is repealed and the following enacted in its place:

#### § 4101. Establishment

Any bank or trust company qualified to act as fiduciary in this State may establish and operate common trust funds for the purpose of furnishing investments to itself as fiduciary or to itself and others, as cofiduciaries; and for the purpose of furnishing investments to affiliated banks, within the meaning of section 1504 of the Internal Revenue Code, acting for themselves or for themselves and others as cofiduciaries; and may, as such fiduciary or cofiduciary or acting for affiliated banks alone or with their cofiduciaries; invest funds which are lawfully held for investment in interests in such common trust funds, if such investment is not prohibited by the instrument, judgment, decree or order creating such fiduciary relationship, and if, in the case of cofiduciaries, the bank or trust company or affiliate procures the consent of its cofiduciaries to such investment. Any person acting as a cofiduciary with any such bank or trust company or affiliate is authorized to consent to the investment in such interests.

#### STATEMENT OF FACT

The purpose of this bill is to permit affiliated banks to operate combined common trust funds. Currently a bank can have a common trust fund for investing funds it holds as a fiduciary. This bill would permit banks to have

a single common trust fund to serve itself and all banks affiliated with it within the meaning of section 1504 of the Internal Revenue Code. Section 1504 of the code requires, in substance, that at least 80% of the voting stock of each such bank, except that of the parent bank, be owned by one or more of the other members of the affiliated group.