

# MAINE STATE LEGISLATURE

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STATE OF MAINE  
HOUSE OF REPRESENTATIVES  
111TH LEGISLATURE  
FIRST REGULAR SESSION

COMMITTEE AMENDMENT "A" to H.P. 275,  
L.D. 335, Bill, "AN ACT to Revise the Law Concerning  
the Investment of Municipal Funds."

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

'Sec. 1. 20-A MRSA §1312, sub-§2, as enacted by  
PL 1981, c. 693, §§5 and 8, is repealed and the fol-  
lowing enacted in its place:

2. Deposit or investment. All district funds,  
including reserve funds and trust funds to the extent  
that the terms of the instrument or vote creating the  
fund do not prohibit, shall be deposited or invested  
by the treasurer under the direction of the board of  
directors according to the requirements for the  
deposit or investment of municipal funds contained in  
Title 30, section 5051-A.'

Further amend the Bill in section 2 in that part  
designated "§5051-A." in subsection 1 by striking out  
all of the first paragraph (page 2, lines 18 to 22 in  
L.D.) and inserting in its place the following:

'1. Financial institutions. In accounts or depos-  
its of institutions insured by the Federal Deposit  
Insurance Corporation, the Federal Savings and Loan  
Insurance Corporation, the National Credit Union  
Share Insurance Fund or the successors to these fed-  
eral agencies.'

Further amend the Bill in section 2 in that part  
designated "§5051-A." in subsection 3 by striking out  
in the last 2 lines (page 3, lines 30 and 31 in L.D.)  
the underlined words and figures "duration of the

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1 agreement does not exceed 21 days" and inserting in  
2 their place the following: 'municipality's security  
3 interest is perfected under the terms of Title 11,  
4 Article 9'

5 Further amend the Bill in section 2 in that part  
6 designated "§5051-A." in subsection 5 in the 4th line  
7 (page 4, line 2 in L.D.) by striking out the under-  
8 lined words "located within the" and inserting in  
9 their place the underlined words 'authorized to do  
10 business in this'

11 Further amend the Bill by renumbering sections 1  
12 and 2 to be sections 2 and 3.

13 Further amend the Bill by striking out all of the  
14 emergency clause and inserting in its place the fol-  
15 lowing:

16 'Emergency clause. In view of the emergency cited  
17 in the preamble, this Act shall take effect when  
18 approved, except that section 1 shall take effect on  
19 July 1, 1983.'

20 STATEMENT OF FACT

21 This amendment revises the education laws regard-  
22 ing school district investments to correspond to the  
23 municipal funds investment powers proposed in the  
24 bill. The emergency clause is also changed to  
25 reflect the effective date of the new education laws.

26 The amendment substitutes language which corre-  
27 sponds to that used in the banking laws.

28 The amendment removes a restriction that repur-  
29 chase agreements be held only up to 21 days and re-  
30 places it with a provision requiring only that the  
31 municipality have a perfected security interest.

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1           The amendment corrects a reference to financial  
2 institutions "located within the State" to correspond  
3 to the phrase used in the banking laws, "authorized  
4 to do business in this State."

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Reported by the Committee on Business Legislation  
Reproduced and distributed under the direction of the Clerk of the House  
3/10/83                   (Filing No. H-59)