

MAINE STATE LEGISLATURE

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FIRST REGULAR SESSION

ONE HUNDRED AND THIRTEENTH LEGISLATURE

Legislative Document

NO. 1203

H.P. 902 House of Representatives, April 9, 1987
Reference to the Committee on State and Local Government
suggested and ordered printed.

EDWIN H. PERT, Clerk
Presented by Representative GWADOSKY of Fairfield.
Cosponsored by Speaker MARTIN of Eagle Lake,
Representative CARROLL of Gray, and Senator PERKINS of Hancock.

STATE OF MAINE

IN THE YEAR OF OUR LORD
NINETEEN HUNDRED AND EIGHTY-SEVEN

AN ACT to Allow the Treasurer of State
to Vote on Certain State Boards.

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

Sec. 1. 5 MRSA §17102, sub-§1, as enacted by PL
1985, c. 801, §§5 and 7, is amended to read:

1. Composition. The Board of Trustees of the
Maine State Retirement System, established by ~~section~~
~~12004,--subsection--77~~ Title 5, chapter 379, shall be
composed of 8 voting trustees, as follows:

A. The Treasurer of State or, as his designee,
the Deputy Treasurer of State, ~~ex officio--as-a~~
nonvoting-trustee trustee;

1 B. A person duly elected by the Maine Teachers'
2 Association;

3 C. A member duly elected by the Maine State Em-
4 ployees' Association;

5 D. Three persons appointed by the Governor and
6 subject to review by the joint standing committee
7 of the Legislature having jurisdiction over
8 aging, veterans and retirement and to confirma-
9 tion by the Legislature:

10 (1) At least 2 of whom shall be qualified
11 through training or experience in the field
12 of investments, accounting, banking, insur-
13 ance or law; and

14 (2) One of whom shall be selected from a
15 list of 3 nominees submitted by the Maine
16 Retired Teachers' Association;

17 E. A person who is a member of the retirement
18 system through a participating local district and
19 who shall be appointed by the governing body of
20 the Maine Municipal Association; and

21 F. A person who is the recipient of a retirement
22 allowance through the retirement system and who
23 shall be selected by the members of the board se-
24 lected under paragraphs A to E from a list or
25 lists of nominees submitted by retired state em-
26 ployees, retired participating local district em-
27 ployees or by a committee comprised of represen-
28 tatives of those groups.

29 Sec. 2. 10 MRSA §965, first ¶, as amended by PL
30 1985, c. 344, §10, is further amended to read:

31 There shall be ~~12~~ 13 voting members and ~~one non-~~
32 voting member of the authority as follows.

33 Sec. 3. 10 MRSA §965, sub-§4, ¶C, as enacted by
34 PL 1983, c. 519, §6, is repealed and the following
35 enacted in its place:

36 C. The Treasurer of State, ex officio.

1 Sec. 4. 20-A MRSA §15704, sub-§2, ¶B, as amended
2 by PL 1983, c. 806, §99, is repealed and the follow-
3 ing enacted in its place:

4 B. The Treasurer of State, ex officio; and

5 Sec. 5. 22 MRSA §2054, sub-§1, as amended by PL
6 1983, c. 812, §124, is further amended to read:

7 1. Authority. The "Maine Health and Higher Edu-
8 cational Facilities Authority," established by Title
9 5, ~~section-12004--subsection-7~~ chapter 379, is con-
10 stituted a public body corporate and politic and an
11 instrumentality of the State, and the exercise by the
12 authority of the powers conferred by this chapter
13 shall be deemed and held to be the performance of an
14 essential public function. The authority shall con-
15 sist of 12 members, one of whom shall be the Bank Su-
16 perintendent, ex officio, one of whom shall be the
17 Commissioner of Human Services, ex officio, one of
18 whom shall be the Commissioner of Educational and
19 Cultural Services, ex officio, one of whom shall be
20 the ~~Treasurer of State or his designee~~, ex officio,
21 ~~as a nonvoting member~~; and 8 of whom shall be resi-
22 dents of the State appointed by the Governor, not
23 more than 4 of such appointed members to be members
24 of the same political party. ~~The designee of the~~
25 ~~Treasurer of State shall be the Deputy--Treasurer--of~~
26 ~~State.~~ Three of the appointed members shall be trust-
27 ees, directors, officers or employees of hospitals
28 and one of such appointed members shall be a person
29 having a favorable reputation for skill, knowledge
30 and experience in state and municipal finance, either
31 as a partner, officer or employee of an investment
32 banking firm which originates and purchases state and
33 municipal securities, or as an officer or employee of
34 an insurance company or bank whose duties relate to
35 the purchase of state and municipal securities as an
36 investment and to the management and control of a
37 state and municipal securities portfolio. Of the 3
38 members first appointed who are trustees, directors,
39 officers or employees of hospitals, one shall serve
40 for 2 years, one for 3 years and one for 4 years. Of
41 the 5 remaining members initially appointed, one
42 shall serve for one year, one for 2 years, one for 3
43 years, one for 4 years and one for 5 years. For the 2
44 members whose terms expire in 1980 and 1981, the Gov-

ernor shall appoint as successors, for terms of 5 years each, persons who are trustees, members of a corporation or board of governors, officers or employees of institutions for higher education. Annually, the Governor shall appoint, for a term of 5 years, a successor to the member whose term expires. Members shall continue in office until their successors have been appointed and qualified. The Governor shall fill any vacancy for the unexpired terms. A member of the authority shall be eligible for reappointment. Any non-ex officio member of the authority may be removed by the Governor, after hearing, for misfeasance, malfeasance or willful neglect of duty. Each member of the authority before entering upon his duties shall take and subscribe the oath or affirmation required by the Constitution of Maine, Article IX. A record of each such oath shall be filed in the office of the Secretary of State. The Bank Superintendent, the Treasurer of State, the Commissioner of Human Services and the Commissioner of Educational and Cultural Services may designate their deputies to represent them with full authority and power to act and vote in their behalf or, in the case of the Bank Superintendent, the Commissioner of Human Services and the Commissioner of Educational and Cultural Services, any member of their staffs to represent them as members at meetings of the authority with full power to act and, in the case of the Bank Superintendent, the Commissioner of Human Services and the Commissioner of Educational and Cultural Services, to vote in their behalf.

Sec. 6. 30 MRSA §4602, sub-§2, ¶B, as amended by PL 1985, c. 295, §43, is further amended to read:

B. The state authority, as authorized by Title 5, section 12004, shall have 7 commissioners, 5 of whom shall be appointed by the Governor, subject to review by the Joint Standing Committee on State Government and to confirmation by the Legislature, and one of whom shall be the Treasurer of State or his designee, ex officio, ~~as a non-voting member~~. The designee of the Treasurer of State shall be the Deputy Treasurer of State. The 7th commissioner shall be the director of the state authority serving ex officio, who shall be chairman of the commissioners. The director of

1 the state authority shall be appointed by the
2 Governor, subject to review by the Joint Standing
3 Committee on State Government and to confirmation
4 by the Legislature. Said 5 commissioners shall
5 include, but not be limited to, representatives
6 of bankers and of low income or elderly people.
7 One commissioner shall be a resident of housing
8 which is subsidized or assisted by programs of
9 the United States Department of Housing and Urban
10 Development or of the Maine State Housing Author-
11 ity. In making such appointment, the Governor
12 shall give priority consideration to nominations
13 that may be made by tenant associations estab-
14 lished in the State.

15 The commissioners shall elect a vice-chairman of
16 the commissioners from among their number. The
17 commissioners of the state authority shall have
18 the power and duty to establish and revise from
19 time to time policies of the authority relative
20 to the following particular matters.

21 (1) Standards of issuing, servicing and re-
22 deemming bonds;

23 (2) Purchase, sale or commitment to pur-
24 chase mortgages or notes;

25 (3) Initiating project construction and ac-
26 cepting properly completed facilities;

27 (4) Setting and establishing selection and
28 evaluation standards, criteria and proce-
29 dures under which it will purchase, sell or
30 agree to purchase loans, notes or obliga-
31 tions, having regard among other things to
32 property values, local economic conditions
33 and expectancy, credit and employment, and
34 to local housing conditions and needs and
35 the availability of credit resources to meet
36 the same relative to similar or competing
37 conditions and needs in other localities in
38 the State;

39 (5) Setting and establishing procedures for
40 the servicing of loans, notes and obliga-
41 tions acquired by it, including the allow-

1 ance of servicing fees to participating
2 lenders to whom the state authority may en-
3 trust such servicing;

4 (6) Setting and establishing procedures for
5 the collection of moneys due from persons
6 liable for the payment of the same, as to
7 any loan, note or obligation held by the
8 state authority, by subrogation or other-
9 wise, and to initiate and maintain any ac-
10 tion at law or in equity, including foreclo-
11 sure proceedings, to enforce such payment;

12 (7) Setting and establishing procedures for
13 the orderly liquidation and disposition of
14 any property acquired by the state authority
15 through foreclosure or otherwise in full or
16 partial satisfaction of any debt or obliga-
17 tion held by it; and

18 (8) Establishing and maintaining out of in-
19 come or otherwise such reserves as the state
20 authority from time to time determines to be
21 necessary and prudent in addition to those
22 specifically required.

23 Following reasonable notice to each commissioner,
24 4 commissioners of the state authority shall con-
25 stitute a quorum for the purpose of conducting
26 its business and exercising its powers and for
27 all other purposes, notwithstanding the existence
28 of any vacancies. Action may be taken by the com-
29 missioners upon a vote of a majority of the com-
30 missioners present, unless its bylaws shall re-
31 quire a larger number.

1

STATEMENT OF FACT

2 This bill makes the Treasurer of State a voting
3 member of the Board of Trustees of the Maine State
4 Retirement System, the Board of Trustees of the Fi-
5 nance Authority of Maine, the Maine School Building
6 Authority, the Board of Trustees of the Maine Health
7 and Higher Educational Facilities Authority and the
8 Board of Directors of the Maine State Housing Author-
9 ity. Currently, the treasurer is a nonvoting member
10 on these boards.

11 Currently, the Treasurer of State is a voting
12 member of the Board of Commissioners of the Maine Mu-
13 nicipal Bond Bank and the Board of Emergency Munici-
14 pal Finance.

15 The purpose of this bill is to put weight behind
16 the expertise of the treasurer on several important
17 boards in the State. The Treasurer of State has sig-
18 nificant expertise and experience in his office which
19 currently can be ignored by several boards of which
20 he is a nonvoting member. The Treasurer of State
21 invests substantial state revenues, issues state
22 guaranteed bonds, and is extremely knowledgeable in
23 financial matters that should be directly involved in
24 decisions of the boards of which he is a member.

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