

MAINE STATE LEGISLATURE

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114th MAINE LEGISLATURE

SECOND REGULAR SESSION - 1990

Legislative Document

No. 2200

H.P. 1588

House of Representatives, January 18, 1990

Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule 26.

Reference to the Committee on State and Local Government suggested and ordered printed.

Ed Pert

EDWIN H. PERT, Clerk

Presented by Representative CASHMAN of Old Town.

Cosponsored by Speaker MARTIN of Eagle Lake, Senator PEARSON of Penobscot and Representative McGOWAN of Canaan.

STATE OF MAINE

IN THE YEAR OF OUR LORD
NINETEEN HUNDRED AND NINETY

**An Act Regarding Investment of State Funds in Corporations Doing
Business in Northern Ireland.**



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

2
4 Sec. 1. 5 MRSA §135, first ¶, as repealed and replaced by PL 1987, c. 769, Pt. A, §8, is amended to read:

6 The Treasurer of State may deposit the money, including
8 trust funds of the State, in any of the banking institutions or
10 trust companies or state or federal savings and loan associations
12 or mutual savings banks organized under the laws of this State or
14 in any national bank or banks or state or federal savings and
16 loan associations located in the State, except as provided in
18 chapter ~~chapter~~ chapters 161 and 162. When there is excess money in the
20 State Treasury which is not needed to meet current obligations,
22 the Treasurer of State may invest, with the concurrence of the
24 State Controller or the Commissioner of Finance and with the
26 consent of the Governor, those amounts in bonds, notes,
28 certificates of indebtedness or other obligations of the United
30 States which that mature not more than 24 months from the date of
32 investment or in repurchase agreements secured by obligations of
34 the United States which that mature within the succeeding 24
36 months, prime commercial paper, tax-exempt obligations or
38 banker's acceptances. The Treasurer of State may participate in
40 the securities loan market by loaning state-owned bonds, notes or
42 certificates of indebtedness of the Federal Government, ~~provided~~
44 ~~that~~ if the loans are fully collateralized by treasury bills or
cash. The Treasurer of State shall seek competitive bids for
investments except when, after a reasonable investigation, it
appears that an investment of the desired maturity is procurable
by the State from only one source. Interest earned on those
investments of money shall must be credited to the respective
funds, except that interest earned on investments of special
revenue funds shall must be credited to the General Fund of the
State. Interest earned on funds of the Department of Inland
Fisheries and Wildlife shall must be credited to that fund.
Interest earned on funds of the Baxter State Park Authority shall
must be credited to the Baxter State Park Fund. This section
shall does not prevent the deposit for safekeeping or custodial
care of the securities of the several funds of the State in banks
or safe deposit companies in this State or any other state, nor
the deposit of such these state funds as may be required by the
terms of custodial contracts or agreements as may be negotiated
in accordance with the laws of this State. All custodial
contracts and agreements shall ~~be~~ are subject to the approval of
the Governor.

46 Sec. 2. 5 MRSA §138, first ¶, as amended by PL 1987, c. 247,
48 §2, is further amended to read:

50 The Treasurer of State, with the approval of the
52 Commissioner of Finance, the Bank Superintendent of Banking and
the Attorney General, shall invest all permanent funds held in
trust by the State in such securities as are legal investments

2 for savings banks under Title 9-B, except as provided in ~~chapter~~
3 chapters 161 and 162. This section shall not apply to the fund
4 of the Employees' Maine State Retirement System or the fund
5 arising from the lands reserved for public uses.

6 **Sec. 3. 5 MRSA §139, first ¶**, as amended by PL 1987, c. 247,
7 **§3**, is further amended to read:

8
9 The Treasurer of State, with the approval of the
10 Commissioner of Finance, the Bank Superintendent of Banking and
11 the Commissioner of Educational and Cultural Services, shall
12 invest and reinvest the principal of all funds derived or that
13 may be derived from the sale and lease of lands reserved for
14 public uses in accordance with the laws of the State governing
15 the investment of funds of savings banks, as enumerated in Title
16 9-B, except as provided in ~~chapter~~ chapters 161 and 162.

17 **Sec. 4. 5 MRSA c. 162** is enacted to read:

18
19 **CHAPTER 162**

20
21 **INVESTMENT OF STATE FUNDS**

22
23 **§1961. MacBride Principles**

24
25 Prior to July 1, 1991, and every year thereafter, the
26 Treasurer of State and the Board of Trustees of the Maine State
27 Retirement System shall compile a list of corporations that
28 directly, or through subsidiaries, do business in Northern
29 Ireland and in whose stocks or obligations the Treasurer of State
30 or the trustees of the Maine State Retirement System have
31 invested and shall determine whether those corporations have
32 taken substantial action to achieve the following goals, which
33 are known as the MacBride Principles:

34
35 **1. Representation of underrepresented religious groups.**
36 Increasing the representation of individuals from
37 underrepresented religious groups in the work force, including
38 managerial, supervisory, administrative, clerical and technical
39 jobs;

40
41 **2. Security.** Adequate security for the protection of
42 minority employees at the workplace;

43
44 **3. Banning of emblems.** The banning of provocative
45 religious and political emblems from the workplace;

46
47 **4. Public advertisement; recruitment.** The public
48 advertisement of all job openings and special recruitment to
49 attract applicants from underrepresented religious groups;
50

2 5. Favoritism disallowed. Layoff, recall and termination
3 procedures that do not in practice favor particular religious
4 groups;

6 6. Discriminatory practices eliminated. The abolition of
7 job reservations, apprenticeship restrictions and differential
8 employment criteria that discriminate on the basis of religion or
9 ethnic origin;

10 7. Training programs. The development of training programs
11 that will prepare substantial numbers of minority employees for
12 skilled jobs, including the expansion of existing programs and
13 the creation of new programs to train, upgrade and improve the
14 skills of minority employees;

16 8. Minority advancement. The establishment of procedures
17 to assess, identify and actively recruit minority employees with
18 potential for further advancement; and

20 9. Affirmative action. The appointment of a senior
21 management staff member to oversee the company's affirmative
22 action efforts in the creation of timetables to carry out
23 affirmative action principles.

24 **§1962. Support for MacBride Principles**

26 The Treasurer of State and the Board of Trustees of the
27 Maine State Retirement System, in whatever manner they consider
28 appropriate, shall urge corporations in which the State or the
29 Maine State Retirement System have invested assets and that have
30 operations in Northern Ireland, to adopt and implement the
31 MacBride Principles with respect to those operations. When
32 necessary and appropriate, the Treasurer of State and the Board
33 of Trustees of the Maine State Retirement System shall create or
34 support shareholder initiatives requiring corporate action.

36 **§1963. Investment of state funds**

38 After July 1, 1994, if it is in accordance with sound
39 investment criteria consistent with prudent standards of
40 fiduciary responsibility, the Treasurer of State and the Board of
41 Trustees of the Maine State Retirement System shall disinvest all
42 or part of the state funds and funds created pursuant to chapter
43 421 currently invested in any corporations doing business in
44 Northern Ireland, and invest no new funds in those corporations
45 unless those corporations have adopted and implemented the
46 MacBride Principles. With respect to funds available for future
47 investment in corporations doing business in Northern Ireland,
48 including funds available as a result of disinvestment as
49 prescribed in this section, the Treasurer of State and the Board
50 of Trustees of the Maine State Retirement System shall invest

2 those funds in corporations conducting their operations in
Northern Ireland in accordance with the MacBride Principles.

4 Sec. 5. 5 MRSA §17103, sub-§11, ¶C, as amended by PL 1989, c.
483, Pt. A, §29, is further amended to read:

6 C. A discussion of the progress toward meeting the goals of
8 ~~chapter~~ chapters 161 and 162; and

10
12 **STATEMENT OF FACT**

14 This bill directs the Treasurer of State and the Board of
16 Trustees of the Maine State Retirement System to urge
18 corporations doing business in Northern Ireland to adopt
employment practices, known as the MacBride Principles, that are
designed to reduce religious discrimination in employment.

20 The bill first requires the Treasurer of State and the Board
22 of Trustees of the Maine State Retirement System to compile a
24 list of investments in those corporations currently doing
26 business in Northern Ireland that have not adopted these
principles. Second, it directs the Treasurer of State and the
Board of Trustees of the Maine State Retirement System to urge
28 adoption of these principles by those corporations through
shareholder resolutions or other activities. Finally, only if
divestiture is in accordance with prudent standards of fiduciary
responsibility, the bill directs the Treasurer of State to
30 disinvest after 4 years if those companies do not adopt these
principles and encourages, according to prudent investment
32 standards, investment in those companies that have adopted the
principles.

34