

MAINE STATE LEGISLATURE

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115th MAINE LEGISLATURE

FIRST REGULAR SESSION-1991

Legislative Document

No. 1190

S.P. 446

In Senate, March 21, 1991

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

A handwritten signature in cursive script that reads "Joy J. O'Brien".

JOY J. O'BRIEN
Secretary of the Senate

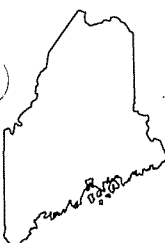
Presented by Senator CONLEY of Cumberland

Cosponsored by Senator PEARSON of Penobscot, Representative KILKELLY of Wiscasset
and Representative CASHMAN of Old Town.

STATE OF MAINE

IN THE YEAR OF OUR LORD
NINETEEN HUNDRED AND NINETY-ONE

**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4 Sec. 1. 5 MRSA §135, first ¶, as repealed and replaced by PL 1987, c. 769, Pt.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~~ 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~~ 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~~ must be credited to the respective
funds, except that interest earned on investments of special
revenue funds shall ~~must~~ must be credited to the General Fund of the
State. Interest earned on funds of the Department of Inland
Fisheries and Wildlife shall ~~must~~ must be credited to that fund.
Interest earned on funds of the Baxter State Park Authority shall
~~must~~ must be credited to the Baxter State Park Fund. This section
shall ~~does~~ 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~~ 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
Commissioner of Finance, the Bank Superintendent of Banking and

2 the Attorney General, shall invest all permanent funds held in
4 trust by the State in such securities as are legal investments
6 for savings banks under Title 9-B, except as provided in ~~chapter~~
chapters 161 and 162. This section shall does not apply to the
fund of the Employees' Maine State Retirement System or the fund
arising from the lands reserved for public uses.

8 **Sec. 3. 5 MRSA §139, first ¶,** as amended by PL 1989, c. 700,
Pt. A, §11, is further amended to read:

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

20 **Sec. 4. 5 MRSA §1953,** as enacted by PL 1987, c. 247, §4, is
amended to read:

22 **§1953. Index funds and other short-term investment funds**

24 Until South Africa and Northern Ireland free short-term
26 investment funds which that commingle commercial paper or futures
and other investment or index funds which that represent a broad
28 representation of the market are available, they are exempt from
the restrictions imposed by ~~section~~ sections 1951 and 1962.

30 **Sec. 5. 5 MRSA §1955,** as amended by PL 1989, c. 502, Pt. A,
32 §20, is repealed.

34 **Sec. 6. 5 MRSA c. 162** is enacted to read:

36 **CHAPTER 162**

38 **INVESTMENT OF STATE FUNDS**

40 **§1961. Definitions**

42 As used in this chapter, unless the context otherwise
44 indicates, the following terms have the following meanings.

46 1. MacBride Principles. "MacBride Principles" means a
policy that includes the following goals:

48 A. Increasing the representation of individuals from
underrepresented groups in the work force, including

2 managerial, supervisory, administrative, clerical and
3 technical jobs;

4 B. Adequate security for the protection of employees at the
5 workplace;

6 C. The banning of provocative religious and political
7 emblems from the workplace;

10 D. The public advertisement of all job openings and special
11 recruitment to attract applicants from underrepresented
12 religious groups;

14 E. Layoff, recall and termination procedures that do not in
15 practice favor particular religious groups;

16 F. The abolition of job reservations, apprenticeship
17 restrictions and differential employment criteria that
18 discriminate on the basis of religion or ethnic origin;

19 G. The development of training programs that prepare
20 substantial numbers of minority employees for skilled jobs,
21 including the expansion of existing programs and the
22 creation of new programs to train, upgrade and improve the
23 skills of minority employees; and

24 H. The appointment of a senior management staff member to
25 oversee the company's affirmative action efforts in the
26 creation of timetables to carry out affirmative action
27 principles.

28 2. State. "State" means any department or agency of State
29 Government.

30 3. Supports a policy of discrimination. "Supports a policy
31 of discrimination" means doing business in Northern Ireland
32 without adopting and implementing the MacBride Principles.

33 §1962. Policy of nondiscrimination

34 1. Support for MacBride Principles. The Treasurer of State
35 and the Board of Trustees of the Maine State Retirement System,
36 in any manner they consider appropriate, shall urge domestic
37 corporations in which the State or the Maine State Retirement
38 System has invested assets and that have operations in Northern
39 Ireland, to adopt and implement the MacBride Principles in those
40 operations. When necessary and appropriate, the Treasurer of
41 State and the Board of Trustees of the Maine State Retirement
42 System shall create or support shareholder initiatives requiring
43 corporate action.

2 2. Domestic corporations doing business in Northern
4 Ireland. Prior to January 1993, and every year thereafter, the
6 Treasurer of State and the Board of Trustees of the Maine State
8 Retirement System shall compile a list of domestic corporations
10 that directly, or through subsidiaries, do business in Northern
 Ireland and in whose stocks or obligations the Treasurer of State
 or the Board of Trustees of the Maine State Retirement System has
 invested and shall determine whether those corporations have
 taken substantial action to achieve the MacBride Principles.

12 3. Investment of state funds. After July 1, 1994, the
14 Treasurer of State and the Board of Trustees of the Maine State
16 Retirement System shall disinvest all or part of the state funds
18 and funds created under chapter 421 invested in domestic
20 corporations that support a policy of discrimination as
 determined by the Treasurer of State under subsection 2. The
 Treasurer of State and the Board of Trustees of the Maine State
 Retirement System may not invest funds in those corporations
 until the Treasurer of State determines that those corporations
 have adopted and implemented the MacBride Principles.

22 4. Fair practices. Compliance with this section by the
24 State is not a violation of chapter 65.

26 Sec. 7. 5 MRSA §17103, sub-§11, ¶C, as amended by PL 1989, c.
28 483, Pt. A, §29, is further amended to read:

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

32
34 **STATEMENT OF FACT**

36 This bill directs the Treasurer of State and the Board of
38 Trustees of the Maine State Retirement System to urge domestic
40 corporations in which the State or the Maine State Retirement
42 System has investments and that have operations in Northern
44 Ireland to adopt employment practices, known as the MacBride
46 Principles, that are designed to reduce discrimination in
48 employment. The bill requires the Treasurer of State and the
 Board of Trustees of the Maine State Retirement System to prepare
 a list of all domestic corporations in Northern Ireland in which
 the Treasurer of State or the board has invested and use that
 list as the basis for determining which domestic corporations
 doing business in Northern Ireland are subject to the
 disinvestment provisions of the Maine Revised Statutes, Title 5,
 section 1962, subsection 3. The list must be prepared by January
50 1993, and disinvestment becomes effective on July 1, 1994.