

MAINE STATE LEGISLATURE

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
116TH LEGISLATURE
FIRST REGULAR SESSION

COMMITTEE AMENDMENT "A" to H.P. 590, L.D. 794, Bill, "An Act Establishing the Maine Community Reinvestment Program"

Amend the bill by striking out the title and substituting the following:

'An Act to Encourage the Responsible Deposit of State Funds'

Further amend the bill by striking out everything after the enacting clause and before the statement of fact and inserting in its place the following:

'Sec. 1. 5 MRSA §135, first ¶, as amended by PL 1991, c. 780, Pt. Y, §9, is repealed and the following enacted in its place:

The Treasurer of State may deposit the money, including trust funds of the State, in any of the banking institutions or trust companies or state or federal savings and loan associations or mutual savings banks organized under the laws of this State or in any national bank or banks or state or federal savings and loan associations located in the State if the requirements of chapter 161 are met. Except for a deposit for a period of less than 5 days in which security of the deposit or the employee of the State requires the use of another financial institution, a deposit may not be made in a banking institution, trust company, state or federal savings and loan association or mutual savings bank unless the institution has received a rating of "outstanding" or "satisfactory" on its most recent assessment conducted pursuant to the federal Community Reinvestment Act, 12 United States Code, Section 2901.

Sec. 2. 5 MRSA §135, as amended by PL 1991, c. 780, Pt. Y, §9, is further amended by adding after the first paragraph a new paragraph to read:

COMMITTEE AMENDMENT

12.01.82

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2 When there is excess money in the State Treasury that is not
 4 needed to meet current obligations, the Treasurer of State may
 6 invest, with the concurrence of the State Controller or the
 8 Commissioner of Administrative and Financial Services and with
 10 the consent of the Governor, those amounts in bonds, notes,
 12 certificates of indebtedness or other obligations of the United
 14 States that mature not more than 24 months from the date of
 16 investment or in repurchase agreements secured by obligations of
 18 the United States that mature within the succeeding 24 months,
 20 prime commercial paper, tax-exempt obligations or banker's
 22 acceptances. The Treasurer of State may participate in the
 24 securities loan market by loaning state-owned bonds, notes or
 26 certificates of indebtedness of the Federal Government, provided
 28 that the loans are fully collateralized by treasury bills or
 30 cash. The Treasurer of State shall seek competitive bids for
 32 investments except when, after a reasonable investigation, it
 34 appears that an investment of the desired maturity is procurable
by the State from only one source. Interest earned on those
investments of money must be credited to the respective funds,
except that interest earned on investments of special revenue
funds must be credited to the General Fund of the State.
Effective November 1, 1991, interest earned on investments of the
Highway Fund must be credited to the General Fund. Interest
earned on funds of the Department of Inland Fisheries and
Wildlife must be credited to the General Fund. Interest earned
on funds of the Baxter State Park Authority must be credited to
the Baxter State Park Fund. This section 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 state funds
required by the terms of custodial contracts or agreements
negotiated in accordance with the laws of this State. All
custodial contracts and agreements are subject to the approval of
the Governor.

FISCAL NOTE

38 The Office of the Treasurer of State can absorb the
 40 additional administrative costs of ensuring that the State's
 42 funds are deposited in the specified financial institutions.
 44 These deposit requirements will have no significant impact on
 46 General Fund revenues.'

STATEMENT OF FACT

48 This amendment is the minority report of the Joint Standing
 50 Committee on Banking and Insurance. The amendment changes the

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COMMITTEE AMENDMENT "A" to H.P. 590, L.D. 794

2 name of the bill. It deletes the provisions establishing a Maine
3 Community Reinvestment Act. It requires deposits of the funds of
4 the State to be placed in financial institutions that obtain
5 ratings of "outstanding" and "satisfactory" in the assessments
6 pursuant to the federal Community Reinvestment Act, 12 United
7 States Code, Section 2901. It contains an exception for deposits
8 of less than 5 days in which security of the deposit or the
9 employee of the State require the use of another financial
10 institution. The amendment also adds a fiscal note.

Reported by the Minority of the Committee on Banking and Insurance
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House
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COMMITTEE AMENDMENT