

# MAINE STATE LEGISLATURE

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Reported by: *Senator Longley*

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STATE OF MAINE  
SENATE  
118TH LEGISLATURE  
FIRST SPECIAL SESSION

COMMITTEE AMENDMENT "*A*" to S.P. 430, L.D. 1378, Bill, "An Act to Amend the Uniform Commercial Code as it Relates to Letters of Credit and Investment Securities"

Amend the bill in Part B in section 2 in that part designated "S8-1103." in the Uniform Comment in subsection 3 in the first line (page 62, line 14 in L.D.) by inserting after the following: "Article 8" the following: '[Article 8-A]'

Further amend the bill in Part B in section 2 in that part designated "S8-1107." in subsection 2 in the last paragraph in the first line (page 77, line 46 in L.D.) by striking out the following: "(3)" and inserting in its place the following: '(c)'

Further amend the bill in Part B in section 2 in that part designated "S8-1114." in the Uniform Comment in the 3rd line (page 97, line 21 in L.D.) by inserting after the following: "3-308" the following: '[3-1308]'

Further amend the bill in Part B in section 2 in that part designated "S8-1501." in the Uniform Comment in subsection 3 in the 6th line (page 152, line 11 in L.D.) by striking out the following: "[Article 8-A]"

Further amend the bill in Part B in section 2 in that part designated "S8-1503." in the Uniform Comment in subsection 2 in the 6th line (page 161, line 21 in L.D.) by striking out the following: "[Article 8-A]"

COMMITTEE AMENDMENT "A" to S.P. 430, L.D. 1378

Further amend the bill in Part B in section 2 in that part designated "~~§8-1510.~~" in the Uniform Comment in subsection 4 in the first paragraph in the last line (page 181, line 41 in L.D.) by striking out the following: "[Article 8-A]" and inserting in its place the following: [8-A]

Further amend the bill in Part B in section 3 in the Uniform Comment in the 2nd paragraph in the 3rd line (page 187, line 11 in L.D.) by striking out the following: "[Article 8-A]"

Further amend the bill in Part B in section 3 in the Uniform Comment in the 2nd paragraph in the 8th line (page 187, line 16 in L.D.) by striking out the following: "[Article 8-A]"

Further amend the bill in Part B in section 3 in the Uniform Comment in the 2nd paragraph in the 9th line (page 187, line 17 in L.D.) by striking out the following: "[Article 8-A]"

Further amend the bill in Part B in section 3 in the Uniform Comment in the 2nd paragraph in the 2nd line from the end (page 187, line 22 in L.D.) by striking out the following: "[Article 8-A]"

Further amend the bill in Part B in section 3 in the Uniform Comment in the 3rd paragraph in the 2nd line (page 187, line 26 in L.D.) by striking out the following: "[Article 8-A]"

Further amend the bill in Part B in section 3 in the Uniform Comment in the 3rd paragraph in the 4th and 5th lines (page 187, lines 28 and 29 in L.D.) by striking out the following: "[Article 8-A]"

Further amend the bill in Part B in section 3 in the Uniform Comment in the 3rd paragraph in the 11th line (page 187, line 35 in L.D.) by striking out the following: "[Article 8-A]" and inserting in its place the following: '[8-A]'

Further amend the bill in Part C by striking out all of section 6.

Further amend the bill in Part C in section 9 in the Uniform Comment in the 4th indented paragraph in the 3rd line from the end (page 195, line 6 in L.D.) by inserting after the following: "italics" the following: '[underlined]'

Further amend the bill in Part C in section 9 in the Uniform Comment in the 5th indented paragraph in Example 2 in the 3rd line from the end (page 195, line 34 in L.D.) by inserting after the following: "(6)(d)" the following: '[(7)(d)]'

Further amend the bill in Part C in section 9 in the Uniform Comment in the 5th indented paragraph in Example 3 in the 12th line from the end (page 195, line 49 in L.D.) by inserting after the following: "(6)(f)" the following: '[(7)(g)]' and in the 6th line from the end (page 196, line 5 in L.D.) by inserting after the following: "(6)(d)" the following: '[(7)(d)]'

Further amend the bill in Part C in section 17 in the Uniform Comment in the 2nd indented paragraph in the 2nd line (page 202, line 7 in L.D.) by striking out the following: "[Article 8-A]"

Further amend the bill in Part C in section 18 in subsection (1) in the 2nd line (page 221, line 22 in L.D.) by striking out the following: "bank," and inserting in its place the following: 'bank,'

Further amend the bill in Part C in section 36 by striking out all of subsection 2 and inserting in its place the following:

**2. Repurchase agreements.** In repurchase agreements secured--by with respect to obligations of the United States Government, as defined in section 5712, subsection 1, as long as the market value of the underlying obligation is equal to or greater than the amount of the municipality's investment and either the municipality's security entitlement with respect to the underlying obligation is created pursuant to the provisions of Title 11, article 8-A and other applicable law or the municipality's security interest is perfected pursuant to the provisions of Title 11, sections 8-313 and 8-321 article 9 and other applicable law, except that, if the term of the repurchase agreement is not in excess of 96 hours, the municipality's security interest in with respect to the underlying security obligation need not be perfected as long as an executed Public Securities Association form of master repurchase agreement is on file with the counterparty prior to the date of the transaction;'

Further amend the bill by relettering or renumbering any nonconsecutive Part letter or section number to read consecutively.

## SUMMARY

The amendment conforms the Maine Revised Statutes, Title 30-A, section 5706, subsection 2 with Part B of the bill and recognizes an alternative means by which municipalities investing in repurchase agreements may acquire an interest in United States Government obligations. The amendment also deletes an unnecessary section and makes numerous technical changes.