

MAINE STATE LEGISLATURE

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119th MAINE LEGISLATURE

FIRST REGULAR SESSION-1999

Legislative Document

No. 689

S.P. 255

In Senate, January 26, 1999

An Act Concerning Municipal Public Library Trust Funds.

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 BERUBE of Androscoggin.
Cosponsored by Representative AHEARNE of Madawaska and
Representatives: BOUFFARD of Lewiston, GERRY of Auburn.

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

4 **Sec. 1. 30-A MRSA §5719**, as enacted by PL 1995, c. 206, §2,
is repealed and the following enacted in its place:

6 **§5719. Limitations on investments**

8 **1. Municipal investments limited.** A municipality's
authority to invest municipal funds is limited to investments
10 permitted under this subchapter and a municipality has no
authority under home rule authority or otherwise to make any
12 investments other than those permitted under this subchapter.

14 **2. Exception: municipal library endowment or trust funds.**
Notwithstanding subsection 1, a municipality may invest funds
16 received by the municipality in trust for a municipal library or
as an endowment fund for a municipal library in accordance with
18 Title 13, chapter 97 only if:

20 A. Any such investment is in accordance with a written
investment policy adopted by the municipal officers; and

22 B. The investment policy requires periodic financial
24 statements to be filed with the chief fiscal officer of the
municipality.

28 **SUMMARY**

30 Some municipal public libraries are organized as separate
nonprofit corporations; others exist as a department of municipal
32 government. Where the separate, nongovernmental libraries
receive bequests or gifts for endowments, they are permitted to
34 make investments in accordance with the Uniform Management of
Institutional Funds Act; libraries that are departments of
36 municipal government, however, are limited to the permissible
investments for municipalities under the Maine Revised Statutes,
38 Title 30-A, section 5719. This bill allows endowment funds of
governmental public libraries to be invested on the same basis as
40 funds of nongovernmental libraries. It also requires that the
investments be made pursuant to an investment policy that is
42 adopted by the municipal officers and requires periodic financial
reporting.