

MAINE STATE LEGISLATURE

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121st MAINE LEGISLATURE

FIRST REGULAR SESSION-2003

Legislative Document

No. 278

H.P. 221

House of Representatives, January 28, 2003

An Act To Eliminate the Restriction on Municipal Investment of Trust Funds

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

Millicent M. MacFarland
MILLICENT M. MacFARLAND
Clerk

Presented by Representative McLAUGHLIN of Cape Elizabeth.
Cosponsored by Senator STANLEY of Penobscot and
Representatives: BLISS of South Portland, PEAVEY-HASKELL of Greenbush, ROSEN of
Bucksport, STONE of Berwick, SUKEFORTH of Union, WOODBURY of Yarmouth,
Senators: HALL of Lincoln, YOUNGBLOOD of Penobscot.

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

Sec. 1. 30-A MRSA §5706, sub-§3-A, as enacted by PL 1997, c. 367, §2, is amended to read:

3-A. Mutual funds for trusts governed by the United States Internal Revenue Code, Section 501(c)(3). In the case of a trust fund that is governed by the United States Internal Revenue Code, Section 501 (c) (3) (1997), in the shares of any investment company registered under the United States Investment Company Act of 1940, Public Law 76-768, whose shares are registered under the United States Securities Act of 1933, Public Law 73-22, as long as:

A. The investment is approved by the municipal officers at a public meeting; and

B. No more than 50% of the assets of the trust are invested in mutual funds under this subsection; and or

~~G. -- No more than 5% of the assets of the trust are invested in a single mutual fund under this subsection; or~~

SUMMARY

This bill allows a municipality that holds funds of a nonprofit trust to invest more than 5% of the assets of that trust in a single mutual fund.