

MAINE STATE LEGISLATURE

The following document is provided by the
LAW AND LEGISLATIVE DIGITAL LIBRARY
at the Maine State Law and Legislative Reference Library
<http://legislature.maine.gov/lawlib>



Reproduced from electronic originals
(may include minor formatting differences from printed original)



131st MAINE LEGISLATURE

FIRST REGULAR SESSION-2023

Legislative Document

No. 734

S.P. 292

In Senate, February 16, 2023

**An Act to Authorize the Treasurer of State and Municipalities to
Invest in Gold, Silver and Other Precious Metals**

Reference to the Committee on Appropriations and Financial Affairs suggested and ordered printed.

A handwritten signature in black ink, appearing to read 'D M Grant'.

DAREK M. GRANT
Secretary of the Senate

Presented by Senator BRAKEY of Androscoggin.
Cosponsored by Representative GREENWOOD of Wales and
Senators: LIBBY of Cumberland, MOORE of Washington, Representatives: BOYER of
Poland, FAULKINGHAM of Winter Harbor, LIBBY of Auburn, MORRIS of Turner,
PERKINS of Dover-Foxcroft, RUDNICKI of Fairfield.

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

2 **Sec. 1. 5 MRSA §158** is enacted to read:

3 **§158. Investment in precious metals**

4 The Treasurer of State may invest state funds located in the Maine Budget Stabilization
5 Fund under chapter 142 and any pension fund administered by the Treasurer of State in
6 gold, silver or other precious metals. For purposes of this section, "precious metals" has
7 the same meaning as in Title 30-A, section 3972, subsection 1, paragraph B.

8 **Sec. 2. 30-A MRSA §5706, sub-§3-A, ¶B**, as amended by PL 2003, c. 8, §1, is
9 further amended to read:

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

12 **Sec. 3. 30-A MRSA §5706, sub-§4**, as amended by PL 2003, c. 618, Pt. B, §17
13 and affected by §20, is further amended to read:

14 **4. Safekeeping and investment management agreements.** The municipal officers
15 may enter into an agreement with any financial institution with trust powers authorized to
16 do business in the State for the safekeeping of the reserve funds, as defined in section 5801,
17 or trust funds, as defined by section 5653, of the municipality. Services must consist of the
18 safekeeping of the funds, collection of interest and dividends, and any other fiscal service
19 that is normally covered in a safekeeping agreement. Investment of reserve funds or trust
20 funds deposited under a safekeeping agreement may be managed either by the financial
21 institution with which the funds are deposited or by an investment advisor registered with
22 the National Association of Securities Dealers, federal Securities and Exchange
23 Commission or other governmental agency or instrumentality with jurisdiction over
24 investment advisors, to act in such capacity pursuant to an investment advisory agreement
25 providing for investment management and periodic review of portfolio investments.
26 Investment of funds on behalf of the municipality under this section is governed by the rule
27 of prudence, according to Title 18-B, sections 802 to 807 and chapter 9. The contracting
28 parties shall give assurance of proper safeguards that are usual to these contracts and shall
29 furnish insurance protection satisfactory to both parties; or

30 **Sec. 4. 30-A MRSA §5706, sub-§5** is enacted to read:

31 **5. Precious metals.** In gold, silver or other precious metals. For purposes of this
32 subsection, "precious metals" has the same meaning as in section 3972, subsection 1,
33 paragraph B.

34 **SUMMARY**

35 This bill allows the investment in gold, silver or other precious metals by the Treasurer
36 of State with funds located in pension funds administered by the Treasurer of State and in
37 the Maine Budget Stabilization Fund, also known as the Rainy Day Fund, and by
38 municipalities as part of investments lawfully allowed by municipalities.