

MAINE STATE LEGISLATURE

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N I N E T I E T H L E G I S L A T U R E

Legislative Document

No. 1015

S. P. 490

In Senate, March 13, 1941.

Reported by Senator Hodgkins of Hancock from Committee on Banks and Banking and laid on table to be printed under Joint Rules.

ROYDEN V. BROWN, Secretary.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
FORTY-ONE

AN ACT Relating to the Investment of Municipal Trust Funds.

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

R. S., c. 5, § 93, amended. Section 93 of chapter 5 of the revised statutes, as amended by chapter 88 of the public laws of 1931, is hereby further amended to read as follows:

'Sec. 93. Investment of trust funds. Any city or town which has a funded indebtedness may create a sinking fund for the payment and redemption of such indebtedness and may raise money by taxation for such purpose. City and town officers and officers of quasi-municipal corporations shall hereafter invest all permanent funds including sinking funds, permanent school funds, and money or credits deposited with them for perpetual care of lots in cemeteries, in the legal obligations of the United States of America; the states of Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, Connecticut, New York, and Pennsylvania, and the bonds of the several counties, cities, and towns in the several states above named which are the direct obligation of said counties, cities, and towns, and the bonds of water districts located in the state of Maine, and chartered and organized as quasi-municipal corporations under the laws thereof, which are the direct obligation of said water districts, **and, except sinking funds, may invest any of said funds in any securities which are**

legal investments for Maine savings banks, or may deposit the same, including sinking funds, on time deposit in banks or trust companies, organized under the laws of this state or of the United States, and not otherwise; and unless otherwise specifically provided by the terms of the grant or bequest the annual income, only, shall be expended in performance of the requirements of the trust. Provided that this section shall not be construed to require any change of investments made prior to July 7, 1923, or the sale of any securities specifically bequeathed as a corpus of a trust fund if their retention be approved by the judge of probate for the county in which said city or town is located or if the terms creating the trust provide for their retention. But when the indebtedness for payment of which a sinking fund is created is refunded or paid by such city or town by a new loan, any stocks, bonds or securities in said sinking fund, other than its own bonds, may be withdrawn therefrom and shall not be regarded as pledged for payment of the new loan unless afterward returned to the sinking fund. **The provisions hereof shall apply to the investment of funds, as provided for in section 15 of chapter 24 of the revised statutes.**