

MAINE STATE LEGISLATURE

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N I N E T Y - F I R S T L E G I S L A T U R E

Legislative Document

No. 756

H. P. 1252

House of Representatives, March 4, 1943.

Reported by Minority of Committee on Legal Affairs and ordered printed.

HARVEY R. PEASE, Clerk.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
FORTY-THREE

AN ACT to Permit Towns to Create Protected Reserves.

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

Sec. 1. Capital reserve funds created; purpose. Any town or county may establish capital reserve funds for the financing of all or part of the cost of

(a) The construction, reconstruction, or acquisition of a specific capital improvement, or the acquisition of a specific item or specific items of equipment, or

(b) The construction, reconstruction, or acquisition of a type of capital improvement, or the acquisition of a type of equipment.

Sec. 2. Money paid into or transferred to capital reserve fund. Any town or county may appropriate money to be paid into such capital reserve fund or may authorize the transfer thereto of any part or all of the unencumbered surplus funds remaining on hand at the end of any fiscal year.

Sec. 3. Trustees of capital reserve fund; deposit of moneys; limitation. The municipal officers or county commissioners as the case may be are hereby constituted trustees of such capital reserve fund and shall be subject to all the duties and responsibilities imposed by law on trustees, and such duties and responsibilities may be enforced by action commenced by the town or county as the case may be, or by any officer or taxpayer thereof. All moneys in said fund shall be either deposited in savings banks, trust

companies, or national banks in this state, the deposit in any one bank in no case to exceed \$5,000, or shall be invested in whole or in part in the bonds of this state, in bonds of municipalities of this state which are purchasable by the treasurer of state, or in bonds or other evidences of indebtedness of the federal government, or in bonds of any federal agency, the interest and principal of which have been guaranteed by the federal government. Any interest earned or capital gains realized on the moneys so deposited in any such fund shall accrue to and become part thereof. The separate identity of each such fund shall be maintained whether its assets consist of cash or investments, or both.

Sec. 4. Expenditures. Expenditures from each such fund shall be only for or in connection with a capital improvement of the specific nature and within the specific purpose for which the particular fund was established.

Sec. 5. Unexpended balances transferred. Any town or county may transfer to another capital reserve fund all or part of

(a) the unexpended balance remaining in any capital reserve fund after the completion of the work to be financed therefrom and the payment of all costs incurred therefor, or

(b) the unexpended balance remaining in any capital reserve fund established for a project which the town or county has decided to abandon in whole or in part.