

# MAINE STATE LEGISLATURE

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**LAWS**  
OF THE  
**STATE OF MAINE**

AS PASSED BY THE  
  
ONE HUNDRED AND ELEVENTH LEGISLATURE

**FIRST REGULAR SESSION**  
December 1, 1982 to June 24, 1983  
Chapters 1-452

PUBLISHED BY THE DIRECTOR OF LEGISLATIVE RESEARCH  
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ANNOTATED, TITLE 3, SECTION 164, SUBSECTION 6.

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J.S. McCarthy Co., Inc.  
Augusta, Maine  
1983

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**PUBLIC LAWS**  
OF THE  
**STATE OF MAINE**

AS PASSED AT THE  
FIRST REGULAR SESSION

and

FIRST SPECIAL SESSION

of the

ONE HUNDRED AND ELEVENTH LEGISLATURE

1983

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4. Duties. The committee shall establish:

A. A uniform system to facilitate the transfer of credits for equivalent courses between the various units of the University of Maine;

B. Development of a uniform course numbering system; and

C. Development of uniform course descriptions to provide an easy comparison of courses offered between the various units of the University of Maine.

5. Report and implementation. The committee shall report the results of its deliberations and its recommendations to the Board of Trustees of the University of Maine no later than one year from the effective date of this subsection, as amended. The trustees shall implement the recommendations no later than the beginning of the fall semester of 1985.

Effective September 23, 1983.

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## CHAPTER 98

H.P. 275 - L.D. 335

AN ACT to Revise the Law Concerning the  
Investment of Municipal Funds.

Emergency preamble. Whereas, Acts of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

Whereas, Maine municipalities need to invest their funds in institutions and instruments which provide the highest possible yield while retaining the security necessary for the investment of public funds; and

Whereas, existing authority for investment is unduly restrictive and fails to recognize new and generally accepted forms of investment; and

Whereas, these limitations result in substantial loss of potential return on the investment of municipal funds; and

Whereas, in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the preser-

vation of the public peace, health and safety; now, therefore,

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

Sec. 1. 20-A MRSA §1312, sub-§2, as enacted by PL 1981, c. 693, §§5 and 8, is repealed and the following enacted in its place:

2. Deposit or investment. All district funds, including reserve funds and trust funds to the extent that the terms of the instrument or vote creating the fund do not prohibit, shall be deposited or invested by the treasurer under the direction of the board of directors according to the requirements for the deposit or investment of municipal funds contained in Title 30, section 5051-A.

Sec. 2. 30 MRSA §5051, as amended by PL 1981, c. 421, is repealed.

Sec. 3. 30 MRSA §5051-A is enacted to read:

§5051-A. Deposit or investment of funds

All municipal funds, including reserve funds and trust funds to the extent that the terms of the instrument, order or article creating the fund do not prohibit, shall be invested by the treasurer, by direction of the municipal officers, as follows:

1. Financial institutions. In accounts or deposits of institutions insured by the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, the National Credit Union Share Insurance Fund or the successors to these federal agencies.

A. Accounts and deposits exceeding an amount equal to 25% of the capital, surplus and undivided profits of any trust company or national bank or a sum exceeding an amount equal to 25% of the reserve fund and undivided profit account of a mutual savings bank or state or federal savings and loan association on deposit at any one time shall be secured by the pledge of certain securities as collateral, or fully covered by insurance. The collateral shall be in an amount equal to the excess deposit. The value of the securities so pledged shall be determined by the municipal officers on the basis of market value. The municipal officers shall review the value of these securities pledged on the first

business day of January and July of each year. The collateral shall only consist of securities in which savings banks may invest as provided in Title 9-B, sections 551 to 559. The securities shall be held in a depository institution approved by the municipal officers and pledged to indemnify the municipalities against any loss. Notice of the hypothecation at the time of deposit shall be given to the municipal officers by the depository institution and a copy of the notice shall be mailed to the Department of Audit;

2. Savings bank investments. Invested according to the law governing the investment of funds of savings banks in Title 9-B, chapter 55.

A. For the purpose of this subsection, the words "deposits of a bank" or their equivalent, as used in Title 9-B, chapter 55, mean the total assets of the permanent reserve fund, permanent trust fund or other permanent fund being invested, but the limitation concerning the maximum amount which may be invested in a security or type of security under Title 9-B, chapter 55, applies only to an investment in that security or type of security which exceeds \$20,000;

3. Repurchase agreements. In repurchase agreements secured by obligations of the United States or any of its agencies or instrumentalities, provided that the market value of the underlying obligation is equal to or greater than the amount of the municipality's investment and that the municipality's security interest is perfected under the terms of Title 11, Article 9;

4. Mutual funds. In the shares of an investment company registered under the United States Investment Company Act of 1940, whose shares are registered under the United States Securities Act of 1933, provided that the investments of the fund are limited to obligations of the United States or any of its agencies or instrumentalities; or repurchase agreements secured by obligations of the United States or any of its agencies or instrumentalities; or

5. Safekeeping and investment management agreements. The municipal officers may enter into an agreement with any financial institution with trust powers authorized to do business in this State for the safekeeping and investment of the reserve funds or trust funds of the municipality. Services shall consist of the safekeeping and investment management of the funds, collection of interest and dividends, periodic review of the portfolio investments and any

other fiscal service which is normally covered in a safekeeping and investment agreement. In performing services under any contract or agreement, the contracting bank shall have all the powers and duties prescribed for trust companies by Title 9-B, section 623, and the authority to invest funds on behalf of the municipality under the Rule of Prudence, Title 18-A, section 7-302. The contracting bank shall give assurance of proper safeguards, which are usual to these contracts, and shall furnish insurance protection satisfactory to both parties.

Emergency clause. In view of the emergency cited in the preamble, this Act shall take effect when approved, except that section 1 shall take effect on July 1, 1983.

Effective April 1, 1983, unless otherwise indicated.

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## CHAPTER 99

H.P. 530 - L.D. 683

### AN ACT to Amend the Soil and Water Conservation Districts' Law.

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

Sec. 1. 12 MRSA §3, sub-§4 is amended to read:

4. Land occupier. "Land occupier" or "occupier of land" includes any person, firm or corporation who shall hold title to, or shall be in possession of, any lands ~~except land suitable for and used as timberland~~ lying within a district organized under this chapter, whether as owner, lessee, renter, tenant or otherwise.

Sec. 2. 12 MRSA §51, 3rd ¶, as repealed and replaced by PL 1975, c. 172, is amended to read:

The area representatives first elected from Areas 1 and 4, shall be initially elected for a 1-year term; those from Areas 2 and 5 shall be initially elected for a 2-year term; those from Areas 3 and 6 shall be initially elected for a 3-year term. All subsequent elections shall be for a 3-year term. Area representatives may serve beyond their elected terms until their successors are elected and qualified.

Sec. 3. 12 MRSA §53, as amended by PL 1969, c.