

# MAINE STATE LEGISLATURE

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

**AS PASSED BY THE**  
**ONE HUNDRED AND SEVENTEENTH LEGISLATURE**

**SECOND SPECIAL SESSION**  
**September 5, 1996 to September 7, 1996**

**ONE HUNDRED AND EIGHTEENTH LEGISLATURE**

**FIRST REGULAR SESSION**  
**December 4, 1996 to March 27, 1997**

**FIRST SPECIAL SESSION**  
**March 27, 1997 to June 20, 1997**

**THE GENERAL EFFECTIVE DATE FOR**  
**FIRST REGULAR SESSION**  
**NON-EMERGENCY LAWS IS**  
**JUNE 26, 1997**

**FIRST SPECIAL SESSION**  
**NON-EMERGENCY LAWS IS**  
**SEPTEMBER 19, 1997**

**PUBLISHED BY THE REVISOR OF STATUTES**  
**IN ACCORDANCE WITH MAINE REVISED STATUTES ANNOTATED,**  
**TITLE 3, SECTION 163-A, SUBSECTION 4.**

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**J.S. McCarthy Company**  
**Augusta, Maine**  
**1997**

**CHAPTER 203**

**S.P. 278 - L.D. 886**

**An Act Concerning Trust Investments by Trustees in Affiliated Securities and Bonds**

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

**Sec. 1. 18-A MRSA §7-408, sub-§2, ¶¶A and B,** as enacted by PL 1993, c. 213, §1, are amended to read:

A. If the investment is prohibited by the instrument, judgment, decree or order creating the fiduciary relationship; or

B. Unless, in the case of cofiduciaries, the association, corporation or financial institution or an affiliate procures the consent of its cofiduciaries to the investment; ~~or~~

**Sec. 2. 18-A MRSA §7-408, sub-§2, ¶C,** as enacted by PL 1993, c. 213, §1, is repealed.

**Sec. 3. 18-A MRSA §7-408, sub-§3,** as enacted by PL 1993, c. 213, §1, is repealed.

**Sec. 4. 18-A MRSA §7-408, sub-§4** is enacted to read:

**4. Disclosures.** The disclosures required by this section must be provided by mailing a statement or letter to the last known address of each person to whom statements for the fiduciary estate are provided. The disclosures may be provided separately or as part of other documents of the fiduciary estate. If made part of other documents of the fiduciary estate, the disclosures must be printed clearly and conspicuously on these documents.

A. A trustee purchasing bonds or securities pursuant to this section shall disclose in writing any capacities in which the trustee or an affiliate acts for the issuer of those bonds or securities and that the trustee or an affiliate may have an interest in the underwriting or distribution of those bonds or securities.

B. If the securities purchased are shares of an investment company subject to this section, the trustee shall disclose the services provided and the receipt of compensation for those services before the initial purchase and annually.

See title page for effective date.

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**CHAPTER 204**

**H.P. 685 - L.D. 937**

**An Act Relating to the State's Deferred Compensation Plan**

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

**Sec. 1. 5 MRSA c. 67, first 2 lines** are repealed and the following enacted in their place:

**CHAPTER 67**

**TAX-DEFERRED ARRANGEMENT**

**Sec. 2. 5 MRSA §881,** as amended by PL 1983, c. 791, §1, is repealed and the following enacted in its place:

**§881. Tax-deferred arrangements**

The State or any county, city, town or other political subdivision may, by contract, agree with any employee to defer or contribute a portion of that employee's compensation as part of a tax-deferred arrangement permitted for employees under the provisions of the Internal Revenue Code of 1986, as amended, and subsequently contract for, purchase or otherwise procure for the employee an investment product or products as permitted by applicable law, including, but not limited to, a fixed or variable life insurance or annuity contract from an insurance company licensed to contract business in this State, shares of an investment company registered under the federal Investment Company Act of 1940 or investment products offered by any state or national bank. Any tax deferral program offered by a firm must protect the benefits of employees to the full extent allowed by a plan authorized under the Internal Revenue Code of 1986, as amended. The State, pursuant to section 885, may offer to state employees and state employees may elect to participate in any tax-deferred arrangement established and made available by the Board of Trustees of the Maine State Retirement System pursuant to section 17103.

**Sec. 3. 5 MRSA §882,** as enacted by PL 1973, c. 491, is amended to read:

**§882. Authorization**

The director or the principal officer of each state agency, department, board, commission or institution is authorized to enter into such contractual agreements with employees of that particular state agency, department, board, commission or institution on behalf of the State to defer any portion of that employee's compensation as part of a tax-deferred arrangement under this chapter.