

DAVID J. JONES  
F. BRUCE SLEEPER  
LESLIE E. LOWRY III  
MICHAEL J. QUINLAN  
NATALIE L. BURNS  
SALLY J. DAGGETT  
ROY T. PIERCE  
BRENDAN P. RIELLY  
NICHOLAS J. MORRILL

MARK A. BOWER  
CHARLES M. KATZ-LEAVY  
ALYSSA C. TIBBETTS  
JEFFREY B. HERBERT  
ERICA M. JOHANSON  
TUDOR N. GOLDSMITH  
KATHERINE C. BAILEY  
BENJAMIN T. MCCALL  
SHARRA L. INGLIS

TEN FREE STREET  
P.O. BOX 4510  
PORTLAND, MAINE 04112-4510  
(207) 775-7271 (Phone)  
(207) 775-7935 (Fax)  
[www.jensenbaird.com](http://www.jensenbaird.com)

*Of Counsel*  
JOSEPH G. CARLTON, JR.  
LAWRENCE C. CLOUGH  
KENNETH M. COLE III  
PATRICIA M. DUNN  
FRANK H. FRYE  
R. LEE IVY  
DEBORAH M. MANN  
NICHOLAS S. NADZO  
RICHARD H. SPENCER, JR.

YORK COUNTY  
OFFICE  
11 MAIN STREET, SUITE 4  
KENNEBUNK, MAINE 04043  
(207) 985-4676 (Phone)  
(207) 985-4932 (Fax)

September 3, 2021

Monica Mezzapelle, Treasurer  
State of New Hampshire  
25 Capitol Street, Room 121  
Concord, NH 03301

Re: Legal Opinion: Partners Bank Ability to Accept Public Funds

Dear Ms. Mezzapelle:

This firm represents Partners Bank (the “Bank”), a federally insured financial institution duly organized and existing as such under the laws of the State of Maine with branch offices located in Portsmouth and Rye, New Hampshire, and with plans to open a new branch in Kingston, New Hampshire in the near future. The New Hampshire legislature recently passed, and Governor Sununu recently signed, HB 545 (enacted as Laws 2021, ch. 0065, effective August 3, 2021). RSA 6:8, I-a(a) of that bill (and now law) allows federally insured banks chartered under the laws of States other than New Hampshire to accept deposits of public funds from the New Hampshire State Treasurer if, among other things, the out-of-state bank furnishes you with an opinion of legal counsel that its chartering State would permit a New Hampshire-chartered bank to accept deposits of “public funds” from the Treasurer of that other State in substantially the same manner, and subject to substantially the same terms and conditions as would be required for banks chartered in that other State. See RSA 6:8, I-a(d). This letter is submitted to satisfy the requirement of your receipt of such a legal opinion with respect to the Bank.

Maine law provides that the Treasurer of the State of Maine may deposit State funds in “in any national bank or in any banking institution, trust company, state or federal savings and loan association or mutual savings bank organized under the laws of this State or having a location in the State”. 5 M.R.S.A. § 135 (copy attached). Maine law further provides that municipalities in the State of Maine may deposit their municipal funds in

Jensen Baird

September 3, 2021

Page 2

“accounts or deposits of institutions insured by the Federal Deposit Insurance Corporation, the National Credit Union Share Insurance Fund or the successors to these federal agencies.” 30-A M.R.S.A. § 5706(1) (copy attached). This same statute applies to public school districts in Maine. See 20-A M.R.S.A. §§ 1312(2) (school administrative districts may deposit funds according to the requirements for municipal funds under 30-A M.R.S.A. chapter 223, subchapter III-A, which includes 30-A M.R.S.A. § 5706), 1491(2) (same for regional school units), 1706(2) (same for community school districts); 8468(2) (same for regional school units) (same for career and technical education regions) (copies attached). The terms and conditions for allowing such deposits by each of these categories of entities are the same for all such banks and other financial institutions, whether they are chartered by the State of Maine, the federal government, or by another State. Accordingly, as and to the extent provided in the Maine statutes referenced above, it is the opinion of this firm that the conditions of RSA 6:8, I-a(a), as provided in HB 545, have been satisfied by the Bank.

It is my understanding that HB 545 requires your office to confirm receipt of this opinion in writing within 60 days of your receipt of the same and to make this opinion available on your department’s website. Thank you for your attention to this matter and please feel free to contact me with any questions.

Sincerely

A handwritten signature in blue ink, appearing to read "F. Bruce Sleeper".

F. Bruce Sleeper, Esquire

cc: Partners Bank

**§135. Deposit of state funds; limitations**

The Treasurer of State may deposit the money, including trust funds of the State, in any national bank or in any banking institution, trust company, state or federal savings and loan association or mutual savings bank organized under the laws of this State or having a location in the State except as provided in chapter 161. Before making a deposit, the Treasurer of State must consider the rating of the banking institution, trust company, state or federal savings and loan association or mutual savings bank on its most recent assessment conducted pursuant to the federal Community Reinvestment Act, 12 United States Code, Section 2901. The Treasurer of State may transfer funds into and out of the respective funds in the cash pool as circumstances may require to meet current obligations and shall request the State Controller to effect such transfers by journal entry as set forth in section 131-B. When there is excess money in the State Treasury that is not needed to meet current obligations, the Treasurer of State may invest, with the concurrence of the State Controller or the Commissioner of Administrative and Financial Services and with the consent of the Governor, those amounts in bonds, notes, certificates of indebtedness or other obligations of the United States and its agencies and instrumentalities that mature not more than 36 months from the date of investment or in repurchase agreements that mature within the succeeding 12 months that are secured by obligations of the United States and its agencies and instrumentalities, prime commercial paper, tax-exempt obligations and corporate bonds rated "AAA" that mature not more than 36 months from the date of investment, banker's acceptances or so-called "no-load" shares of any investment company registered under the federal Investment Company Act of 1940, as amended, that complies with Rule 2a-7 guidelines and maintains a constant share price. The Treasurer of State may participate in the securities loan market by loaning state-owned bonds, notes or certificates of indebtedness of the Federal Government, only if loans are fully collateralized by treasury bills or cash. The Treasurer of State shall seek competitive bids for investments except when, after a reasonable investigation, it appears that an investment of the desired maturity is procurable by the State from only one source. Interest earned on those investments of money must be credited to the respective funds, except that interest earned on investments of special revenue funds must be credited to the General Fund of the State. Effective July 1, 1995, interest earned on investments of the Highway Fund must be credited to the Highway Fund. Interest earned on funds of the Department of Inland Fisheries and Wildlife must be credited to the General Fund. Interest earned on funds of the Baxter State Park Authority must be credited to the Baxter State Park Fund. This section does not prevent the deposit for safekeeping or custodial care of the securities of the several funds of the State in banks or safe deposit companies in this State or any other state, nor the deposit of state funds required by the terms of custodial contracts or agreements negotiated in accordance with the laws of this State. All custodial contracts and agreements are subject to the approval of the Governor. [PL 2005, c. 386, Pt. CC, §2 (AMD).]

The Treasurer of State may accept component unit and nonstate funds into custody and invest those funds along with excess state funds as prescribed in this section. [PL 2003, c. 20, Pt. T, §3 (NEW).]

For the purpose of this section only, tax-exempt obligations and securities are limited exclusively to tax-exempt commercial paper and tax-exempt bonds maturing in less than 2 years. [PL 1985, c. 757 (NEW).]

No sum 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 associations may be on deposit therein at any one time. The restriction does not apply to deposits subject to immediate withdrawal available to meet the payment of any bonded debts or interest or to pay current bills or expenses of the State. The restriction does not apply to deposits that are secured by the pledge of certain securities as collateral, nor to deposits fully covered by insurance. Such collateral must be in an amount equal to such deposit. The Treasurer of State may require, in the discretion of the Treasurer of State, collateralization or insurance for the full amount of any deposit of public funds, whether held by an

institution permitted under this section or by a vendor contracted to collect or disburse public funds. The value of the securities so pledged must be determined by the Treasurer of State on the basis of market value. The Treasurer of State shall review the value of securities pledged on January 2nd and July 2nd of each year. The collateral must consist of securities or obligations issued or fully insured or guaranteed by the United States, an agency or instrumentality thereof or a United States government sponsored corporation. The securities must be held in a depository institution approved by the Treasurer of State and pledged to indemnify the State of Maine against any loss. Notice of such hypothecation at the time of deposit must be given to the Treasurer of State by the depository institution and a copy of said notice mailed to the Office of the State Auditor. [PL 2003, c. 20, Pt. T, §3 (AMD); PL 2013, c. 16, §10 (REV).]

It is the intent of the Legislature that the Treasurer of State shall seek competitive bids whenever possible prior to the selection of investments under this section. [PL 1977, c. 197, §2 (NEW).]

The Treasurer of State may deposit an amount not to exceed \$4,000,000 in each calendar year with responsible financial institutions authorized to do business in the State at a rate of return not more than 2% per year below the rate of return otherwise obtainable had the funds been invested with such financial institutions for a similar term, as determined by the treasurer, for periods not to exceed one year, provided that each such financial institution covenants with the treasurer as a condition of the deposit to loan an amount at least equal to the amount so deposited with the financial institution by the treasurer under this paragraph to agricultural enterprises located within the State for agricultural purposes. All the loans must be at interest rates that are below the interest rates the loans would have borne under existing market conditions and loan standards of the financial institution but for the deposit by the treasurer under this paragraph, and the interest rates must fully reflect the savings to the financial institution due to the reduced interest rate paid on the deposit. Notwithstanding any provisions of this section to the contrary, the treasurer is not obligated to seek competitive bids for investments or deposits pursuant to this paragraph. The Finance Authority of Maine shall provide assistance to the treasurer in implementing this paragraph. For purposes of this section, "agricultural enterprises" means a business involving cultivating soil, producing crops and raising livestock or their by-products. In adopting rules to implement this paragraph, the treasurer shall consider criteria targeting loans under the program to geographic areas of financial need and borrowers who are new entrants to agriculture, and may establish limits on deposits to any one financial institution and limits on deposits supporting loans to any one borrower. [PL 2003, c. 20, Pt. T, §3 (AMD).]

The Treasurer of State may deposit an amount not to exceed \$4,000,000 in each calendar year with responsible financial institutions authorized to do business in the State at a rate of return not more than 2% per year below the rate of return otherwise obtainable had the funds been invested with such financial institutions for a similar term, as determined by the treasurer, for periods not to exceed one year, provided that each such financial institution covenants with the treasurer as a condition of the deposit to loan an amount at least equal to the amount so deposited with the financial institution by the treasurer under this paragraph to commercial enterprises approved by the treasurer pursuant to this paragraph. All the loans must be at interest rates that are below the interest rates the loans would have borne under existing market conditions and loan standards of the financial institution but for the deposit by the treasurer under this paragraph, and the interest rates must fully reflect the savings to the financial institution due to the reduced interest rate paid on the deposit. Notwithstanding any provisions of this section to the contrary, the treasurer is not obligated to seek competitive bids for investments or deposits pursuant to this paragraph. The Finance Authority of Maine shall provide assistance to the treasurer in implementing this paragraph. For purposes of this paragraph, eligible commercial enterprises are for-profit businesses with 20 or fewer employees or annual sales of less than \$2,500,000, whose sales of services or products are primarily out of state or that are manufacturers, that are primarily owned and operated by Maine residents or by corporations that are primarily owned and operated by Maine residents, when the treasurer determines that not less than one job will be created or retained per \$20,000 of deposited funds. The maximum loan to any borrower for which a deposit may be applied

under this paragraph is \$200,000, and businesses are eligible to receive subsidies pursuant to this paragraph for a maximum of an aggregate of 24 months. In adopting rules to implement this paragraph, the treasurer shall consider criteria targeting loans under the program to geographic areas of financial need, and may establish limits on deposits to any one financial institution, further limits on deposits supporting loans to any one borrower, and further restrictions on eligibility. [PL 2003, c. 20, Pt. T, §3 (AMD).]

#### SECTION HISTORY

PL 1969, c. 63 (AMD). PL 1969, c. 583 (AMD). PL 1973, c. 406, §§1-3 (AMD). PL 1973, c. 426 (AMD). PL 1973, c. 639, §1 (AMD). PL 1975, c. 497, §3 (AMD). PL 1975, c. 771, §§38, 39 (AMD). PL 1977, c. 197, §§1, 2 (AMD). PL 1979, c. 127, §19 (AMD). PL 1979, c. 398, §§1, 2 (AMD). PL 1983, c. 588, §1 (AMD). PL 1985, c. 501, Pt. B, §14 (AMD). PL 1985, c. 757 (AMD). PL 1985, c. 785, Pt. A, §6 (AMD). PL 1985, c. 816, §1 (AMD). PL 1987, c. 247, §1 (AMD). PL 1987, c. 402, Pt. A, §10 (AMD). PL 1987, c. 769, Pt. A, §8 (AMD). PL 1987, c. 806, §§1, 2 (AMD). PL 1989, c. 672 (AMD). PL 1991, c. 622, Pt. K, §1 (AMD). PL 1991, c. 622, Pt. K, §2 (AFF). PL 1991, c. 780, Pt. Y, §9 (AMD). PL 1993, c. 437, §1 (AMD). PL 1993, c. 651, §1 (AMD). PL 1995, c. 368, Pt. ZZ, §1 (AMD). PL 1999, c. 401, Pt. HHH, §1 (AMD). PL 2003, c. 20, Pt. T, §3 (AMD). PL 2003, c. 451, Pt. DD, §1 (AMD). PL 2005, c. 386, Pt. CC, §2 (AMD). PL 2013, c. 16, §10 (REV).

The State of Maine claims a copyright in its codified statutes. If you intend to republish this material, we require that you include the following disclaimer in your publication:

*All copyrights and other rights to statutory text are reserved by the State of Maine. The text included in this publication reflects changes made through the Second Regular Session of the 129th Maine Legislature and is current through October 1, 2020. The text is subject to change without notice. It is a version that has not been officially certified by the Secretary of State. Refer to the Maine Revised Statutes Annotated and supplements for certified text.*

The Office of the Revisor of Statutes also requests that you send us one copy of any statutory publication you may produce. Our goal is not to restrict publishing activity, but to keep track of who is publishing what, to identify any needless duplication and to preserve the State's copyright rights.

PLEASE NOTE: The Revisor's Office cannot perform research for or provide legal advice or interpretation of Maine law to the public. If you need legal assistance, please contact a qualified attorney.

**§5706. Deposit or investment of funds**

As directed by the municipal officers, the treasurer shall invest 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 the investment, as follows: [PL 1987, c. 737, Pt. A, §2 (NEW); PL 1987, c. 737, Pt. C, §106 (NEW); PL 1989, c. 6 (AMD); PL 1989, c. 9, §2 (AMD); PL 1989, c. 104, Pt. C, §§8, 10 (AMD).]

**1. Financial institutions.** In accounts or deposits of institutions insured by the Federal Deposit 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 must be secured by the pledge of certain securities as collateral, or fully covered by insurance.

(1) The collateral must be in an amount equal to the excess deposit. The municipal officers shall determine the value of the pledged securities on the basis of market value and shall review the value of the pledged securities on the first business day of January and July of each year.

(2) The collateral may consist only of securities in which municipalities may invest, as provided in article 2. The securities must be held in a depository institution approved by the municipal officers and pledged to indemnify the municipalities against any loss. The depository institution shall notify the municipal officers of the pledging when the securities are deposited; [PL 2015, c. 44, §9 (AMD).]

[PL 2015, c. 44, §9 (AMD).]

**2. Repurchase agreements.** In repurchase agreements with respect to obligations of the United States Government, as defined in section 5712, subsection 1, as long as the market value of the underlying obligation is equal to or greater than the amount of the municipality's investment and either the municipality's security entitlement with respect to the underlying obligation is created pursuant to the provisions of Title 11, Article 8-A and other applicable law or the municipality's security interest is perfected pursuant to the provisions of Title 11, Article 9-A and other applicable law, except that, if the term of the repurchase agreement is not in excess of 96 hours, the municipality's security interest with respect to the underlying obligation need not be perfected as long as an executed Public Securities Association form of master repurchase agreement is on file with the counterparty prior to the date of the transaction;

[PL 1999, c. 699, Pt. D, §19 (AMD); PL 1999, c. 699, Pt. D, §30 (AFF).]

**3. Mutual funds.** In the shares of an investment company registered under the United States Investment Company Act of 1940, Public Law 76-768, whose shares are registered under the United States Securities Act of 1933, Public Law 73-22, provided that the investments of the fund are limited to bonds and other direct obligations of the United States Government, as defined in section 5712, subsection 1 or repurchase agreements secured by bonds and other direct obligations of the United States Government, as defined in section 5712, subsection 1;

[PL 1997, c. 367, §1 (AMD).]

**3-A. Mutual funds for trusts governed by the United States Internal Revenue Code, Section 501(c)(3).** In the case of a trust fund that is governed by the United States Internal Revenue Code, Section 501 (c) (3) (1997), in the shares of any investment company registered under the United States Investment Company Act of 1940, Public Law 76-768, whose shares are registered under the United States Securities Act of 1933, Public Law 73-22, as long as:

- A. The investment is approved by the municipal officers at a public meeting; and [PL 2003, c. 8, §1 (AMD).]
- B. No more than 50% of the assets of the trust are invested in mutual funds under this subsection; or [PL 2003, c. 8, §1 (AMD).]
- C. [PL 2003, c. 8, §1 (RP).]  
[PL 2003, c. 8, §1 (AMD).]

**4. 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 the State for the safekeeping of the reserve funds, as defined in section 5801, or trust funds, as defined by section 5653, of the municipality. Services must consist of the safekeeping of the funds, collection of interest and dividends, and any other fiscal service that is normally covered in a safekeeping agreement. Investment of reserve funds or trust funds deposited under a safekeeping agreement may be managed either by the financial institution with which the funds are deposited or by an investment advisor registered with the National Association of Securities Dealers, federal Securities and Exchange Commission or other governmental agency or instrumentality with jurisdiction over investment advisors, to act in such capacity pursuant to an investment advisory agreement providing for investment management and periodic review of portfolio investments. Investment of funds on behalf of the municipality under this section is governed by the rule of prudence, according to Title 18-B, sections 802 to 807 and chapter 9. The contracting parties shall give assurance of proper safeguards that are usual to these contracts and shall furnish insurance protection satisfactory to both parties.  
[PL 2003, c. 618, Pt. B, §17 (AMD); PL 2003, c. 618, Pt. B, §20 (AFF).]

#### SECTION HISTORY

PL 1987, c. 737, §§A2,C106 (NEW). PL 1989, c. 6 (AMD). PL 1989, c. 9, §2 (AMD). PL 1989, c. 104, §§C8,10 (AMD). PL 1995, c. 206, §1 (AMD). PL 1995, c. 664, §2 (AMD). PL 1997, c. 367, §§1,2 (AMD). PL 1997, c. 429, §C35 (AMD). PL 1999, c. 699, §D19 (AMD). PL 1999, c. 699, §D30 (AFF). PL 2003, c. 8, §1 (AMD). PL 2003, c. 618, §B17 (AMD). PL 2003, c. 618, §B20 (AFF). PL 2013, c. 16, §10 (REV). PL 2015, c. 44, §9 (AMD).

The State of Maine claims a copyright in its codified statutes. If you intend to republish this material, we require that you include the following disclaimer in your publication:

*All copyrights and other rights to statutory text are reserved by the State of Maine. The text included in this publication reflects changes made through the Second Regular Session of the 129th Maine Legislature and is current through October 1, 2020. The text is subject to change without notice. It is a version that has not been officially certified by the Secretary of State. Refer to the Maine Revised Statutes Annotated and supplements for certified text.*

The Office of the Revisor of Statutes also requests that you send us one copy of any statutory publication you may produce. Our goal is not to restrict publishing activity, but to keep track of who is publishing what, to identify any needless duplication and to preserve the State's copyright rights.

PLEASE NOTE: The Revisor's Office cannot perform research for or provide legal advice or interpretation of Maine law to the public. If you need legal assistance, please contact a qualified attorney.

**§1312. Reserve fund**

School administrative districts may establish a reserve fund as follows. [PL 1989, c. 132, §1 (AMD).]

**1. Establishment.** A school administrative district may establish a reserve fund for school construction projects, financing the acquisition or reconstruction of a specific or type of capital improvement, financing the acquisition of a specific item or type of capital equipment or any of the expenditures listed under section 1485, subsection 1, paragraph A by including a request in the district budget, which must include a description of the purpose of the reserve fund, and receiving voter approval. The board of directors is the trustee of the reserve fund. The reserve fund must be deposited or invested by the treasurer under the direction of the board.

[PL 2019, c. 588, §1 (AMD).]

**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-A, chapter 223, subchapter III-A.

[PL 1987, c. 737, Pt. C, §§42, 106 (AMD); PL 1989, c. 6 (AMD); PL 1989, c. 9, §2 (AMD); PL 1989, c. 104, Pt. C, §§8,10 (AMD).]

**3. Expending money from reserve funds.** The board of directors may expend the sum in the reserve fund when authorized to do so by a vote of the district at a district meeting or a district budget meeting, when an article for that purpose is set out in the warrant calling the meeting, except that the board of directors may expend funds from a reserve fund by a vote of the board in accordance with the procedure in subsection 4:

A. In the event of an emergency that requires the immediate expenditure of funds and when, in responding to the emergency, a vote of the district for permission is cost-prohibitive; or [PL 2019, c. 588, §2 (NEW).]

B. When such an expenditure is required by law. [PL 2019, c. 588, §2 (NEW).]  
[PL 2019, c. 588, §2 (AMD).]

**4. Procedure for expending money from reserve funds by vote of board.** The procedure for the board of directors to expend funds from the reserve fund pursuant to subsection 3, paragraph A or B must be as follows.

A. The board of directors shall provide public notice of the regular or special meeting at which the vote to expend funds from the reserve fund will be taken. [PL 2019, c. 588, §3 (NEW).]

B. The board of directors shall hold a public hearing prior to the vote to expend funds from the reserve fund. [PL 2019, c. 588, §3 (NEW).]

C. The vote to expend funds from the reserve fund must be recorded in the meeting minutes of the board of directors. [PL 2019, c. 588, §3 (NEW).]

[PL 2019, c. 588, §3 (NEW).]

**SECTION HISTORY**

PL 1981, c. 693, §§5,8 (NEW). PL 1983, c. 98, §1 (AMD). PL 1987, c. 737, §§C42,C106 (AMD). PL 1989, c. 6 (AMD). PL 1989, c. 9, §2 (AMD). PL 1989, c. 104, §§C8,C10 (AMD). PL 1989, c. 132, §§1,2 (AMD). PL 2019, c. 588, §§1-3 (AMD).

The State of Maine claims a copyright in its codified statutes. If you intend to republish this material, we require that you include the following disclaimer in your publication:

*All copyrights and other rights to statutory text are reserved by the State of Maine. The text included in this publication reflects changes made through the Second Regular Session of the 129th Maine Legislature and is current through October 1, 2020. The*



*text is subject to change without notice. It is a version that has not been officially certified by the Secretary of State. Refer to the Maine Revised Statutes Annotated and supplements for certified text.*

The Office of the Revisor of Statutes also requests that you send us one copy of any statutory publication you may produce. Our goal is not to restrict publishing activity, but to keep track of who is publishing what, to identify any needless duplication and to preserve the State's copyright rights.

PLEASE NOTE: The Revisor's Office cannot perform research for or provide legal advice or interpretation of Maine law to the public. If you need legal assistance, please contact a qualified attorney.

**§1491. Reserve fund**

**1. Establishment.** A regional school unit may establish a reserve fund for school construction projects, financing the acquisition or reconstruction of a specific or type of capital improvement, financing the acquisition of a specific item or type of capital equipment or any of the expenditures listed under section 1485, subsection 1, paragraph A by including a request in the regional school unit budget, which must include a description of the purpose of the reserve fund, and receiving voter approval. The regional school unit board is the trustee of the reserve fund. The reserve fund must be deposited or invested by the treasurer of the regional school unit under the direction of the regional school unit board.

[PL 2019, c. 588, §4 (AMD).]

**2. Deposit or investment.** All regional school unit funds, including reserve funds and trust funds to the extent not prohibited by the terms of the instrument or vote creating the fund, must be deposited or invested by the treasurer of the regional school unit under the direction of the regional school unit board according to the requirements for the deposit or investment of municipal funds contained in Title 30-A, chapter 223, subchapter 3-A.

[PL 2007, c. 240, Pt. XXXX, §13 (NEW).]

**3. Expending money from reserve funds.** The regional school unit board may expend the sum in the reserve fund when authorized to do so by a vote of the regional school unit at a regional school unit meeting or a regional school unit budget meeting when an article for that purpose is set out in the warrant calling the meeting, except that the regional school unit board may expend funds from a reserve fund by a vote of the board in accordance with the procedure in subsection 4:

A. In the event of an emergency that requires the immediate expenditure of funds and when, in responding to the emergency, a vote of the regional school unit for permission is cost-prohibitive; or [PL 2019, c. 588, §5 (NEW).]

B. When such an expenditure is required by law. [PL 2019, c. 588, §5 (NEW).]

[PL 2019, c. 588, §5 (AMD).]

**4. Procedure for expending money from reserve funds by vote of board.** The procedure for the regional school unit board to expend funds from the reserve fund pursuant to subsection 3, paragraph A or B must be as follows.

A. The regional school unit board shall provide public notice of the regular or special meeting at which the vote to expend funds from the reserve fund will be taken. [PL 2019, c. 588, §6 (NEW).]

B. The regional school unit board shall hold a public hearing prior to the vote to expend funds from the reserve fund. [PL 2019, c. 588, §6 (NEW).]

C. The vote to expend funds from the reserve fund must be recorded in the meeting minutes of the regional school unit board. [PL 2019, c. 588, §6 (NEW).]

[PL 2019, c. 588, §6 (NEW).]

**SECTION HISTORY**

PL 2007, c. 240, Pt. XXXX, §13 (NEW). PL 2019, c. 588, §§4-6 (AMD).

The State of Maine claims a copyright in its codified statutes. If you intend to republish this material, we require that you include the following disclaimer in your publication:

*All copyrights and other rights to statutory text are reserved by the State of Maine. The text included in this publication reflects changes made through the Second Regular Session of the 129th Maine Legislature and is current through October 1, 2020. The*

*text is subject to change without notice. It is a version that has not been officially certified by the Secretary of State. Refer to the Maine Revised Statutes Annotated and supplements for certified text.*

The Office of the Revisor of Statutes also requests that you send us one copy of any statutory publication you may produce. Our goal is not to restrict publishing activity, but to keep track of who is publishing what, to identify any needless duplication and to preserve the State's copyright rights.

PLEASE NOTE: The Revisor's Office cannot perform research for or provide legal advice or interpretation of Maine law to the public. If you need legal assistance, please contact a qualified attorney.

**§1706. Reserve fund**

Community school districts may establish a reserve fund as follows: [PL 1989, c. 132, §3 (NEW).]

**1. Establishment.** A community school district may establish a reserve fund for school construction projects, financing the acquisition or reconstruction of a specific or type of capital improvement, financing the acquisition of a specific item or type of capital equipment or any of the expenditures listed under section 1485, subsection 1, paragraph A by including a request in the district budget, which must include a description of the purpose of the reserve fund, and receiving voter approval.

The district school committee is the trustee of the reserve fund. The reserve fund must be deposited or invested by the treasurer under the direction of the school committee.

[PL 2019, c. 588, §7 (AMD).]

**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 district school committee according to the requirements for the deposit or investment of municipal funds contained in Title 30-A, section 5706.

[PL 1989, c. 132, §3 (NEW).]

**3. Expending money from reserve funds.** The district school committee may expend the sum in the reserve fund when authorized to do so by a vote of the district at a district meeting or a district budget meeting, when an article for that purpose is set out in the warrant calling the meeting, except that the district school committee may expend funds from a reserve fund by a vote of the committee in accordance with the procedure in subsection 4:

A. In the event of an emergency that requires the immediate expenditure of funds and when, in responding to the emergency, a vote of the district for permission is cost-prohibitive; or [PL 2019, c. 588, §8 (NEW).]

B. When the expenditure is required by law. [PL 2019, c. 588, §8 (NEW).]

[PL 2019, c. 588, §8 (AMD).]

**4. Procedure for expending money from reserve funds by vote of committee.** The procedure for the district school committee to expend funds from the reserve fund pursuant to subsection 3, paragraph A or B must be as follows.

A. The district school committee shall provide public notice of the regular or special meeting at which the vote to expend funds from the reserve fund will be taken. [PL 2019, c. 588, §9 (NEW).]

B. The district school committee shall hold a public hearing prior to the vote to expend funds from the reserve fund. [PL 2019, c. 588, §9 (NEW).]

C. The vote to expend funds from the reserve fund must be recorded in the meeting minutes of the district school committee. [PL 2019, c. 588, §9 (NEW).]

[PL 2019, c. 588, §9 (NEW).]

**SECTION HISTORY**

PL 1989, c. 132, §3 (NEW). PL 2019, c. 588, §§7-9 (AMD).

The State of Maine claims a copyright in its codified statutes. If you intend to republish this material, we require that you include the following disclaimer in your publication:

*All copyrights and other rights to statutory text are reserved by the State of Maine. The text included in this publication reflects changes made through the Second Regular Session of the 129th Maine Legislature and is current through October 1, 2020. The*

*text is subject to change without notice. It is a version that has not been officially certified by the Secretary of State. Refer to the Maine Revised Statutes Annotated and supplements for certified text.*

The Office of the Revisor of Statutes also requests that you send us one copy of any statutory publication you may produce. Our goal is not to restrict publishing activity, but to keep track of who is publishing what, to identify any needless duplication and to preserve the State's copyright rights.

PLEASE NOTE: The Revisor's Office cannot perform research for or provide legal advice or interpretation of Maine law to the public. If you need legal assistance, please contact a qualified attorney.

**§8468. Reserve fund**

**1. Establishment.** A career and technical education region may establish a reserve fund for a school construction project, the acquisition or reconstruction of a specific item or type of capital improvement, the acquisition of a specific item or type of capital equipment or any of the expenditures listed under section 1485, subsection 1, paragraph A by including a request in the region budget, which must include a description of the purpose of the reserve fund, pursuant to this chapter. The cooperative board is the trustee of such a reserve fund.

[PL 2019, c. 588, §10 (AMD).]

**2. Deposit or investment.** All region funds, including reserve funds and trust funds to the extent that the terms of the instrument or vote creating the fund do not prohibit, must be deposited or invested by the treasurer of the cooperative board under the direction of the cooperative board according to the requirements for the deposit or investment of municipal funds contained in Title 30-A, section 5706.

[PL 1991, c. 518, §32 (AMD).]

**3. Expending money from reserve funds.** The cooperative board may expend a sum in a reserve fund if permitted by the conditions of any indebtedness secured by the reserve fund and if approved in the region budget. A separate article for that purpose must be included in the region budget proposal. The cooperative board may expend funds from the reserve fund by a vote of the board without the expenditure's having to be included in the region budget or region budget proposal in accordance with the procedure in subsection 4:

A. In the event of an emergency that requires the immediate expenditure of funds and when, in responding to the emergency, a vote of the region for permission is cost-prohibitive; or [PL 2019, c. 588, §11 (NEW).]

B. When the expenditure is required by law. [PL 2019, c. 588, §11 (NEW).]

[PL 2019, c. 588, §11 (AMD).]

**4. Procedure for expending money from reserve funds by vote of board.** The procedure for the cooperative board to expend funds from the reserve fund pursuant to subsection 3, paragraph A or B must be as follows.

A. The cooperative board shall provide public notice of the regular or special meeting at which the vote to expend funds from the reserve fund will be taken. [PL 2019, c. 588, §12 (NEW).]

B. The cooperative board shall hold a public hearing prior to the vote to expend funds from the reserve fund. [PL 2019, c. 588, §12 (NEW).]

C. The vote to expend funds from the reserve fund must be recorded in the meeting minutes of the cooperative board. [PL 2019, c. 588, §12 (NEW).]

[PL 2019, c. 588, §12 (NEW).]

**SECTION HISTORY**

PL 1989, c. 132, §4 (NEW). RR 1991, c. 2, §64 (COR). PL 1991, c. 518, §32 (AMD). PL 2003, c. 545, §5 (REV). PL 2019, c. 588, §§10-12 (AMD).

The State of Maine claims a copyright in its codified statutes. If you intend to republish this material, we require that you include the following disclaimer in your publication:

*All copyrights and other rights to statutory text are reserved by the State of Maine. The text included in this publication reflects changes made through the Second Regular Session of the 129th Maine Legislature and is current through October 1, 2020. The text is subject to change without notice. It is a version that has not been officially certified by the Secretary of State. Refer to the Maine Revised Statutes Annotated and supplements for certified text.*

The Office of the Revisor of Statutes also requests that you send us one copy of any statutory publication you may produce. Our goal is not to restrict publishing activity, but to keep track of who is publishing what, to identify any needless duplication and to preserve the State's copyright rights.

PLEASE NOTE: The Revisor's Office cannot perform research for or provide legal advice or interpretation of Maine law to the public. If you need legal assistance, please contact a qualified attorney.