

PLEASE NOTE: Legislative Information **cannot** perform research, provide legal advice, or interpret Maine law. For legal assistance, please contact a qualified attorney.

## **An Act To Strengthen Maine's Financial Future in Perpetuity**

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

**Sec. 1. 5 MRSA §1522** is enacted to read:

### **§ 1522. Irrevocable Budget Trust Fund**

**1. Irrevocable Budget Trust Fund established; purpose.** The Irrevocable Budget Trust Fund, referred to in this section as "the trust fund," is established to create a long-term revenue stream from investments in order to supplement future General Fund revenues. Funds appropriated to the trust fund must be held in trust and must be invested for the exclusive purpose of providing stable revenues for the General Fund and may not be encumbered for, or diverted to, other purposes. Funds appropriated for the trust fund may not be diverted or deappropriated by any subsequent action.

**2. Trustees.** The Treasurer of State and the State Controller shall serve as trustees of the trust fund.

**3. Duties of the trustees.** The trustees of the trust fund shall jointly make the final decision on all matters pertaining to administration of the trust fund.

**4. Investment of funds.** The trustees of the trust fund are responsible for the investment and reinvestment of the funds appropriated to the trust fund in accordance with the Maine Uniform Trust Code and the Maine Uniform Prudent Investor Act under Title 18-B, subject to the guidelines set for the Retiree Health Insurance Post-employment Benefits Investment Trust Fund in section 17435. A portion of the trust fund must be invested in the Treasurer of State's cash pool with other trust funds invested through the Maine Public Employees Retirement System.

**5. Annual transfers of funds.** Notwithstanding any law to the contrary and before any transfers pursuant to chapter 142 or any other provision of law, annually beginning with the fiscal year starting July 1, 2010 the Legislature shall appropriate 5% of General Fund revenues to fund the trust fund. Annually beginning with the fiscal year starting July 1, 2011 the trustees shall transfer to the State's General Fund 5% of the fund earnings from the previous fiscal year. Earnings transferred to the General Fund from the trust fund are not considered General Fund revenue for the purposes of this subsection.

**6. Report to Legislature.** The trustees of the trust fund shall make a written report to the joint standing committee of the Legislature having jurisdiction over appropriations and financial affairs on or before March 1st of each year including a discussion of any areas of policy or administration of the trust fund that, in the opinion of the trustees of the trust fund, should be brought to the attention of the joint standing committee and a review of the status of the trust fund.

## **SUMMARY**

The purpose of this bill is to provide a stable source of revenue for the State.

This bill establishes the Irrevocable Budget Trust Fund and requires the Legislature to appropriate 5% of General Fund revenues to the Irrevocable Budget Trust Fund, beginning with fiscal year 2010-11. The Treasurer of the State and the State Controller, as trustees of the fund, are required to invest the money in the fund. Beginning with fiscal year 2011-12, 5% of the earnings in the fund are transferred back to the General Fund.