CIVIC-CHAIN | FOR MAINE MUNICIPAL ADMINISTRATORS

New revenue for Maine towns. No new taxes.

Maine law already lets towns invest in U.S. Treasury-backed assets. The federal GENIUS Act (Guiding and Establishing National Innovation for U.S. Stablecoins Act) now sets the reserve rules for payment stablecoins, whose reserves are built largely from short-term Treasuries.

MAINE LAW | 30-A M.R.S. CH. 223, SUBCH. 3-A

What Maine already allows

- **§5712(1):** towns may invest in *"the bonds and other direct obligations of the United States"*, and of agencies and instrumentalities created by Congress.
- **§5706(2):** towns may use repurchase agreements on U.S. obligations when the market value of the underlying obligation is at least the amount invested.
- **§5706(3):** towns may hold registered funds limited to U.S. obligations and repos secured by them.
- **§5711:** the treasurer invests on direction of the municipal officers.

FEDERAL LAW | GENIUS ACT, S. 1582, §4(A)

What GENIUS requires of issuers

- **1 to 1 reserves:** identifiable reserves backing every outstanding coin, at least dollar for dollar.
- **Short, safe assets only:** cash, insured deposits, Treasury bills, notes, or bonds of **93 days or less**, and overnight Treasury repos.
- **Holders come first:** claims of coin holders rank ahead of other creditors on the reserve (§4(a)(7), §11).

Civic-Chain can provide municipalities multiples on the interest they earn today from their bank, and remain fully compliant with existing State and Federal Law.

Where the two meet

All stablecoins used by Civic-Chain are US Genius Act and Maine Title 30-A Chapter 223 Compliant: short-term US Obligations, held safely. GENIUS-compliant reserves are built largely from the same short-term U.S. paper. Our stablecoin provider uses only GENIUS-compliant stablecoins backed by U.S. Treasury paper of 93 days or less.

A new revenue stream for the town, without a penny of taxation.

Revenue comes from how town funds are put to work, not from residents' pockets. Every step stays inside Maine investment law and federal stablecoin law, and every step is approved by your officers first.

How a town starts

- Review with town counsel and the treasurer
- Officers vote on a written investment policy
- Start small, report openly

Please read. Payment stablecoins are not backed by the full faith and credit of the United States, are not guaranteed by the federal government, and are not FDIC or NCUA insured (GENIUS Act §4(e)). Issuers may not pay holders interest or yield for holding a coin (§4(a)(11)). The reserve rules above are the issuer's duty and do not, by themselves, decide whether a given purchase fits 30-A M.R.S. §5706 or §5712; that is a question for town counsel. The GENIUS Act takes effect on the earlier of 18 months after enactment or 120 days after final regulations (§20). This page is general information, not legal or investment advice. Sources: legislature.maine.gov/statutes/30-A/title30-Ach223.pdf and congress.gov/bill/119th-congress/senate-bill/1582/text.

We are early, and glad to help Maine towns get this right.

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