

MAINE STATE LEGISLATURE

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NEW DRAFT

SEVENTY-NINTH LEGISLATURE

SENATE

NO. 247

In Senate, March 22, 1919.

Reported by Mr. Baxter from Committee on Banks and Banking and laid on table to be printed under joint rules.

P. F. CRANE, Secretary.

STATE OF MAINE

IN THE YEAR OF OUR LORD ONE THOUSAND
NINE HUNDRED AND NINETEEN

AN ACT Relative to the Surety Bond Business of Trust Companies and Domestic Corporations and Amending Section Ninety of Chapter Fifty-two of the Revised Statutes.

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

Section 1. No trust company shall engage in the business
2 of acting as surety on official bonds or bonds for the per-
3 formance of other obligations or guaranteeing the fidelity
4 of persons in positions of trust, private or public, and at
5 the same time engage in the business of receiving on de-
6 posit money, coin, bank-notes, evidence of debt, accounts
7 of individuals, companies, corporations, municipalities or
8 states, subject to check or payable on demand, other than

9 deposits for the payment of bonds and interest thereon and
10 for sinking funds. But nothing in this section shall be con-
11 strued as enlarging any of the corporate powers of any
12 trust company.

Sect. 2. No corporation organized under the laws of this
2 state shall be authorized to guarantee the fidelity of persons
3 in positions of trust, private or public, and to act as surety
4 on official bonds and for the performance of other obliga-
5 tions, unless it shall have a capital stock, fully paid in, of
6 not less than two hundred and fifty thousand dollars.

Sect. 3. Section ninety of chapter fifty-two of the revised
2 statutes is hereby amended by inserting after the word
3 "and" in the twelfth line thereof the words 'in the case of
4 any trust company which also acts as surety upon any
5 bonds or other obligations the amount of its assets so seg-
6 regated and set apart shall be at least fifteen per cent. in
7 excess of the aggregate amount of such deposits,' so that
8 said section, as amended, shall read as follows:

'Sect. 90. Every trust company soliciting or receiving
2 savings deposits which may be withdrawn only on presen-
3 tation of the passbook or other similar form of receipt
4 which permits successive deposits or withdrawals to be
5 entered thereon; or which at the option of the trust com-
6 pany may be withdrawn only at the expiration of a stated
7 period after notice of intention to withdraw has been given;
8 or in any other way which might lead the public to believe
9 that such deposits are received or invested in the same

10 manner as deposits in savings banks; or which advertises
11 or holds itself out as maintaining a savings department,
12 or uses the term "savings" in connection with any part of
13 its business, shall segregate and set apart and at all times
14 keep on hand so segregated and set apart, assets at least
15 equal to the aggregate amount of such deposits, and in
16 the case of any trust company which also acts as surety
17 upon any bonds or other obligations the amount of its as-
18 sets so segregated and set apart shall be at least fifteen per
19 cent. in excess of the aggregate amount of such deposits.
20 The bank commissioner shall require all such assets as ap-
21 pear to him to be carried in excess of their true value to
22 be charged down to such value.'

Sect. 4. This act shall take effect on the first day of July,
2 nineteen hundred and twenty.