

MAINE STATE LEGISLATURE

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N I N E T Y - T H I R D L E G I S L A T U R E

Legislative Document

No. 111

S. P. 85

In Senate, January 21, 1947.

Referred to Committee on Judiciary. Sent down for concurrence and ordered printed.

CHESTER T. WINSLOW, Secretary.

Presented by Senator Edwards of Oxford.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
FORTY-SEVEN

**AN ACT Relating to the Amortization of Premiums and the Accumulation
of Discounts on Bonds or Other Obligations Held in Trust.**

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

R. S., c. 147, § 21, additional. Chapter 147 of the revised statutes is hereby amended by adding thereto a new section to be numbered 21, to read as follows:

‘Sec. 21. Obligations in trust; amortization. Where any part of the principal of a trust consists of bonds or other obligations for the payment of money, they shall be deemed principal at their inventory value or in default thereof at their market value at the time the principal was established, or at their cost where purchased later, regardless of their par or maturity value; and upon their respective maturities or upon their sale or other disposition any loss or gain realized thereon shall, unless otherwise provided in the instrument creating the trust, fall upon or inure to principal; except that in the case of bonds bearing no stated interest and payable at maturity or at a future time at an amount in excess of their issue price, the amount realized upon their respective maturities or upon their sale or other disposition which is in excess of their inventory value or in default thereof of their market value at the time the principal was established, or of their

cost where purchased later, shall, unless otherwise provided in the instrument creating the trust, inure to income when received.'