

# MAINE STATE LEGISLATURE

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STATE OF MAINE

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REPORT

OF THE

ATTORNEY GENERAL

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for the calendar years

1941--1942

Portland Office

January 5, 1942

Hon. Charles E. Gurney  
119 Exchange Street  
Portland, Maine

Dear Sir:

Commissioner Beck has referred to me the problem as to whether a loan and building association, under the present statutes, has the power to make a loan to another loan and building association where the loan must be made in whole or in part from borrowed money, or where the association making the loan is, at the time, owing borrowed money.

As the law stood, prior to March 1, 1933, I believe that such a loan could not be legally made. Apparently the powers of the loan and building associations to make loans were limited to the provisions of R. S. Chapter 37, Sections 99 to 108 inclusive, and loans were properly and legally made from the surplus funds of the associations only.

On March 1, 1933, as appears in Chapter 7 of the Public Laws of that year, an emergency act took effect which permits associations to borrow money "within or without the state". The purpose of this act, it seems to me, was to make it possible for the associations to procure the funds by borrowing so that they could continue in business, since no additional limitation was placed on the matter of loans.

Since that time, there have been two further amendments to Section 108, neither of which has restricted the associations in the making of loans. As matters stand then, we have the original Section 108, as enlarged by the provisions of 1933 P. L. Chap. 7, the effect of which has not been modified in any way by subsequent legislation.

1. It seems, therefore, that there is no restriction in our statutes on the right of an association to lend borrowed money, and, as a matter of fact, by implication we have a direct authorization to lend borrowed money.

2. The question then arises as to whether or not it is proper for a loan and building association to make a loan to another association for the avowed purpose of furnishing the latter financial aid. We are presented with the question of why Association A should ever be permitted to lend to Association B. The provision for the loan from one association to another has been in effect for a good many years, having first appeared as Chapter 30 of the Public Laws of 1917. The provision for borrowing outside of the loan and building association group was fixed in 1933. Certainly the legislature must have

had in mind, in passing the original act, that the borrowing association might be in need of money and a source from which it could be procured was provided.

That is exactly the situation that we have in the present case. An association needs some money and a pool has been arranged, and the Maine association is asked to be a contributor to that pool. I see no valid objection in the law to the Maine Loan and Building Association making the Loan to the Dexter Loan and Building Association.

Very truly yours,

FRANK I. COWAN  
Attorney General

January 5, 1942

From:

The Attorney General's Office

To:

William D. Hayes, State Auditor

*In re Expense Account—County Commissioners*

Expense accounts of County Commissioners may be many and include a multitude of things; it is practically impossible to make any definite statement relative thereto.

Section 43 of Chapter 125, R. S., provides that they be allowed actual necessary expenses incurred outside of their respective counties for the transaction of official business; and expense incurred at public hearings away from the County Seat, and also such expenses as are provided for in Section 26 of Chapter 92, R. S. (Actual traveling expense).

Under the "Bridge Act", Chapter 28, R. S., Section 62, the county commissioners act with the Highway Commission and are evidently entitled to receive their required expense for travel, etc.

Under the provisions of Chapter 27, R. S., the commissioners are to lay out, alter and discontinue highways; they are required to fix boundaries of ways the location of which is lost.

"When a petition is presented respecting a way in two or more counties, the commissioners receiving the petition may call a meeting of the commissioners of all the counties," etc. . . .

In all the foregoing cases it is evident to me that the commissioners are entitled to their travel and expense while away from their office. All their expense bills have to be approved by the County Attorney and Clerk of Courts which appears to me to be a pretty good check. The Board's fee for travel is 10 cents a mile.

The Board of County Commissioners is a Court, having a seal and clerk. (91 Me. 58)