

MAINE STATE LEGISLATURE

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STATE OF MAINE

REPORT

OF THE

ATTORNEY GENERAL

for the calendar years

1941--1942

To: January 18, 1943
 Homer E. Robinson, Commissioner Banking

From: Attorney General
 Frank A. Farrington, Deputy

Split-rate dividends to depositors in mutual savings banks

Reference is to your memorandum of January 15th on the above subject.

While the banking laws of the State do not state specifically whether savings banks may set up different dividend rates for different types of deposits, the following sections of Chapter 57, R. S. 1930, are of interest.

Section 34 states that, "The trustees may declare such dividends as are directed or required by their by-laws;" section 36 states, ". . . Savings banks shall . . . in computing dividends on savings deposits, figure interest on the balance that has remained on deposit for the full dividend period with additions for all deposits less the withdrawals remaining in the bank. . . ."

Said section 36 in the last sentence thereof contains this provision: "Savings banks may contract, on terms to be agreed upon, for the deposit at intervals within a period of twelve months of sums of money and for the payment of interest on the same at a rate not more than the rate of their last regular dividends on savings deposits." This is a specific case where the rate of interest may be determined at a rate lower than the regular dividend rate.

It is the opinion of this department that the intent of the statutes is that all deposits should be treated alike as to dividends except for the deposits made on contract as referred to.

The problem of deposits due to a floating population referred to in your memorandum, as contained in a letter from the Bath Savings Institution, could be taken care of, if necessary, by the general right of the trustees to refuse deposits. If the custom long established in regard to payment of dividends on deposits were to be changed, it should be done by legislative enactment.

Enclosed herewith we are returning copy of the by-laws of the Bath Savings Institution which was attached to your memorandum.

Deputy Attorney General

To: January 19, 1943
 Francis K. Purinton, Exec. Sec'y Executive

From: Attorney General
 Frank A. Farrington, Deputy

*Expenses of Boards of Visitors under Section 321, Chapter 1,
 P. L. 1933*

In reply to your question as to whether the law needs to be amended to allow payment of expenses in connection with the above mentioned