

MAINE STATE LEGISLATURE

The following document is provided by the
LAW AND LEGISLATIVE DIGITAL LIBRARY
at the Maine State Law and Legislative Reference Library
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied
(searchable text may contain some errors and/or omissions)

**This document is from the files of the Office of
the Maine Attorney General as transferred to
the Maine State Law and Legislative Reference
Library on January 19, 2022**

No

December 19, 1952

To Frank S. Carpenter, Treasurer of State
Re: Deposit of State Funds

This opinion is supplemental to those issued by this office dated April 25, 1952 and May 16, 1952, in which we discussed section 11 of Chapter 15 of the Revised Statutes of 1944.

Since the opinions above mentioned were written, we have had occasion to re-examine this matter and we submit the following in the hope that it will more clearly define the duty of the Treasurer with respect to the provisions of this section.

For convenience in considering this problem we again quote the law involved:

"No sum exceeding an amount equal to 25% of the capital, surplus, and undivided profits of any trust company or national bank or a sum exceeding an amount equal to 25% of the reserve fund and undivided profit account of a mutual savings bank shall be on deposit therein at any one time. The above restriction shall not apply to deposits subject to immediate withdrawal available to meet the payment of any bonded debts or interest or to pay current bills of expenses of the state.

In reading our opinions above mentioned, we are convinced that you would be justified in assuming that the purpose for which the deposit and withdrawal were made is the test in determining whether or not funds were deposited in compliance with the statute.

We should like to clarify this, and state that the test in determining if funds were deposited in compliance with the statute is whether or not State funds on deposit are subject to immediate withdrawal and "available" to meet the payment of bonded debts or interest or to pay current bills or expenses of the State.

Such funds are subject to immediate withdrawal if the deposits are in checking accounts.

Such funds are similarly "available" for the purposes stated in the statute if they are subject to immediate withdrawal.

In determining if you are complying with the statute herein discussed, it is our opinion that the tests described above may be used to determine if funds deposited in the several banks are within the exception of the 25% restriction set out in the first portion of section 11.

Alexander A. LaFleur
Attorney General

jgf/c