

# MAINE STATE LEGISLATURE

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**STATE OF MAINE**

**REPORT**

**OF THE**

**ATTORNEY GENERAL**

**for the calendar years**

**1957 - 1958**

Section 11 of Chapter 14 of the Revised Statute of 1954 sets forth the elements of the bond of the State Property Officer, and we herewith quote that section:

“The property officer shall perform such duties relative to the care, preservation and repair of military property belonging or issued to the state as the adjutant general may from time to time direct and shall receipt and account for all property allotted to his custody and make such returns and reports concerning the same as may be required by the adjutant general. He shall give a good and sufficient bond to the state in an amount to be determined by the governor for the faithful performance of his duties and for the safekeeping and proper distribution of all property entrusted to his care.”

You state that the Property Officer does not handle any cash monies as such but does have supervision over the rental of State-owned armories that are rented from time to time to agencies and individuals in and out of the State in accordance with an established rental schedule.

Inasmuch as the statute provides that the amount of the bond of the Property Officer shall be determined by the Governor, it is our opinion that, while the Property Officer may be included in the comprehensive bond, as the coverages of the bond and of the statute are substantially the same, the Governor should expressly approve the amount of the Property Officer's bond. If he approves an amount that can be covered by the comprehensive bond, then it would be our opinion that that officer would be properly included within the blanket bond.

JAMES GLYNN FROST  
Deputy Attorney General

July 29, 1957

To Albert S. Noyes, Bank Commissioner

Re: Application for Branch or Agency

. . . You inquire if a bank requesting permission to establish a branch under the provisions of Section 124 of Chapter 59, R. S., which request is refused by the Bank Commissioner, can apply, within a year from the date of the refusal, to establish an agency in the same town for which permission for the branch has been refused.

In our opinion a bank may so apply to establish an agency within a year from the date of the refusal to establish a branch.

Section 124 of Chapter 59, R. S., reads in part as follows:

“No trust company, now or hereafter organized, shall establish a branch or agency until it shall have received a warrant to do so from the bank commissioner, who shall issue such warrant only when satisfied that public convenience and advantage will be promoted by the establishing of such branch or agency, and that the unimpaired capital stock of the parent institution is sufficient to comply with the conditions of section 103, reckoning the aggregate population of its home city or town and of all cities and towns in which it is authorized by its charter to establish branches or agencies, including the one under consideration.”

It is our opinion that both according to your custom and according to a reading of the above quoted section of law, there is a distinction between a branch and an agency. While you may be justified in refusing to recognize a second application to establish a branch within the period of a year from the date of refusal, we believe that with respect to an agency the application should be recognized and acted upon.

JAMES GLYNN FROST

Deputy Attorney General

July 29, 1957

To Albert S. Noyes, Bank Commissioner

Re: Medical Insurance for Savings Bank Trustees

. . . You inquire if the trustees of a savings bank may, under the provisions of Section 19-E-II-G of Chapter 59, R. S. 1954, receive Blue Cross and Blue Shield coverage as compensation.

The said section reads as follows:

“The trustees may receive such compensation for services performed by them in their capacity as may be fixed by the corporation at any legal meeting thereof, or as may be fixed by the board of trustees and approved by the bank commissioner in writing.”

Section 19-K-VIII of Chapter 59 provides:

“The trustees may also make such provision for the payment of medical, surgical and hospital expenses of officers and employees, due to accident or illness, as in their judgment is reasonably required.”

We also draw your attention to Section 19-E-III-A:

“The board of trustees shall annually elect, from their membership or otherwise, a president, one or more vice presidents, clerk, treasurer, one or more assistant treasurers, and such other officers as they may deem advisable, may determine their respective duties and functions when not fixed by law or by the by-laws of the bank, and may fix their compensation.”

A study of the above quoted sections of law convinces us that Blue Cross and Blue Shield coverage is not compensation, and for that reason we advise that you should not approve any act of the trustees in including such coverage as compensation.

You will note in the last above quoted section that compensation of the officers is to be determined by the board of trustees, but that in order to give such officers the insurance coverage in question the legislature found it necessary to enact the above quoted Section 19-K-VIII. It is apparent, therefore, that insurance coverage and compensation are not one and the same thing. This being so, it follows, in our opinion, that in fixing the compensation of the trustees, such compensation cannot include Blue Cross and Blue Shield without special statutory authority.

JAMES GLYNN FROST

Deputy Attorney General