

MAINE STATE LEGISLATURE

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STATE OF MAINE

REPORT

OF THE

ATTORNEY GENERAL

for the calendar years

1957 - 1958

December 5, 1957

To Albert S. Noyes, Banking Commissioner

Re: Mobile Banking

. . . You ask if the provisions of Chapter 59, Section 124, R. S. 1954 (Establishment and closing of branches), would permit you to authorize the establishment of mobile banks.

A "mobile bank" is a bus that goes from place to place, picking up deposits and transacting a general banking business.

We are of the opinion that the present banking laws do not permit mobile banks.

Articles appear in the daily banking newspaper, "American Banker," which indicate that the Federal Deposit Insurance Corporation has recently approved "bank mobile" service where such service was legally authorized in Puerto Rico by legislative Act. As indicated in articles in that newspaper dated November 12 and 14, 1957, bank mobile business was closely regulated either by legislative Act or under rules and regulations in relation to such items as fixed locations, designated dates and times, telephone connections with the home office, return on a regular schedule to home offices, prohibitions against doing any banking business along the road between designated places and from their home offices, etc.

History-wise, the evils that accompanied mobile banks, or "saddle-bag banks," became so well known that as early as 1830 banking legislation precluded mobile banking. See the above publications of the "American Banker."

Our examination of the banking law convinces us that it was the intent of the legislature that banks or branches of banks should be in fixed locations.

Even if this were not in our opinion the clear intent of the legislature, it would seem that experiences of past years would demand that if such mobile banks could be authorized, such authorization would have to be expressed in our legislation, with the right to control the business set forth by statute or by means of rules and regulations. Presently, the Banking Commissioner has no authority to issue rules and regulations affecting banks except in times of banking emergencies.

It is for these reasons that we give our opinion that mobile banking is not presently authorized by the statutes of the State of Maine.

FRANK F. HARDING
Attorney General

December 9, 1957

To: Kermit S. Nickerson, Deputy Commissioner of Education

Re: Teachers' Contracts

We have your memorandum of December 3, 1957, in which you ask for an interpretation of Chapter 41, Section 87, Paragraph V.

This section relating to the employment of teachers states in part:

"Except that after a probationary period of not to exceed 3 years, subsequent contracts of duly certified teachers shall be for not less than 2 years, and furthermore, that unless a duly certified teacher receives written notice to the contrary at least 6 months before the terminal date of the contract, the contract shall be extended automatically for 1 year and similarly in subsequent years, although the right to an extension for a longer period of time through a new contract is specifically reserved to the contracting parties."

You then ask whether or not the superintending school committee would have the right to make a reduction in the salary paid to a teacher who does not receive notice of termination of contract or a new contract. We answer your question in the negative.

We assume that a teacher's contract of employment expressly sets forth the salary to be paid the teacher. When such a contract is extended by the "self-executing" statute above referred to, the contract in all its essential elements but one (original term of contract) is extended from year to year. Such extension embraces the salary of the teacher. If the contract is so extended, it necessarily calls for the conclusion that the salary in the contract cannot be diminished.

JAMES G. FROST
Deputy Attorney General

December 10, 1957

To: Kermit S. Nickerson, Deputy Commissioner

Re: Town of West Paris

This will acknowledge receipt of your memorandum of December 6, 1957, in which you ask for an interpretation of Section 37, Chapter 364, Public Laws of 1957, with respect to the application of said section to the new town of West Paris.

The Town of West Paris is being organized in January 1958 at which time three members of the superintending school committee will be elected. This town was formerly part of the Town of Paris which was included in Maine School Union No. 26 composed of the towns of Hebron, Paris and Woodstock.

You state that because of the number of teaching positions, it will be necessary to include West Paris in the supervisory union and you inquire as to the procedure for adding a new town to an existing school union.

Our examination of the new law leads us to the conclusion that you can use the same procedure as has been used in the past for adding a new town to an existing union. Section 77 of Chapter 41 of the Revised Statutes of 1954, after stating that it is the duty of the Commissioner and the State Board of Education to regroup all of the towns in the State into unions, provides:

"Such supervisory unions as have been formed on June 30, 1946, may be dissolved by the Commissioner for the purpose of a more advantageous combination, provided that there has been obtained the approval of the majority vote of the members of the superintending school committees in the towns comprising such supervisory unions Whenever regroupings are made, the Commissioner and the State Board of