

# MAINE STATE LEGISLATURE

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STATE OF MAINE

REPORT  
OF THE  
ATTORNEY GENERAL

for the calender years

1961 - 1962

depositors are required to subscribe to, that 'no money shall be paid to any person without the production of the original book that such payment may be entered therein'."

In the absence of statutes requiring individual passbooks for savings accounts in which each and every transaction is recorded, their issuance is a matter of bank by-laws. Being a matter determined by the by-laws of each bank it follows that a bank may amend its by-laws to provide for the type of statement or passbook suggested for use in the payroll savings plan. Sections 19-D, II, D and 19-E, II, H, provide the methods for amending by-laws.

GEORGE C. WEST

Deputy Attorney General

March 13, 1962

To: Public Utilities Commission

Re: Limestone Electric Company

*Attention: Vernon C. Morrison, Engineer*

You have asked this office if the town of Limestone may purchase the Limestone Electric Company and provide the service now provided by the Electric Company to towns other than Limestone.

The town of Limestone may not purchase the Limestone Electric Co. without specific authorization from the legislature.

There is no provision in the present charter of the town of Limestone nor in the general law of municipalities that authorizes such an act by a town. Therefore, it is necessary to have a special act of the legislature.

GEORGE C. WEST

Deputy Attorney General

March 14, 1962

To: Henry L. Cranshaw, Controller, Accounts and Control

Re: Deduction of Union Dues

We have your request for an opinion as to whether or not a State employee can authorize your office to deduct Union dues with a request that you forward these dues to his Union officials.

The Governor of the State of Maine is the supreme executive power of the State (Constitution of Maine, Article V, Part First). "Everything pertaining to the executive department of the state is at all times pending before the Governor in his official capacity." *State v. Simon*, 149 Me. 256. The executive council functions to aid the Governor in ordering and directing the affairs of state according to law. (Constitution of Maine, Article V, Part Second, Section 1.) For this reason your office may not unilaterally adopt a policy of permitting the above deductions even when authorized by the individual employee. The decision to grant this authority must rest with the head of the executive department, that is, the Governor and Council.

Therefore, it is our opinion that deductions for Union dues can be made only with the approval of the Governor and Council and upon the subsequent signed authorization of the individual employee.

THOMAS W. TAVENNER

Assistant Attorney General

March 15, 1962

To: David Garceau, Commissioner of Banks and Banking

Re: Investment of Money of Municipality borrowed in anticipation of Taxes

You have asked the question: Can a Maine municipality properly invest in United States Government 90-day bills or other short-term United States securities, the money that municipality borrows in anticipation of taxes?

Chapter 90-A, § 21, directs the use of "reserve funds, trust funds and all permanent funds" as follows:

"I. Deposited in savings banks, trust companies and national banks in the State.

A. The balance at any time in any bank shall not exceed the amount insured by the Federal Deposit Insurance Corporation. (1957, c. 174.)

II. Invested in shares of building and loan or savings and loan associations organized under State law.

III. Invested according to the law governing the investment of the funds of savings banks in section 19-I of chapter 59.

A. For the purpose of this section, the words "deposits of a bank" or their equivalent as used in section 19-I of chapter 59 mean the total assets of the reserve fund, trust fund or other permanent fund being invested, but the limitation concerning the maximum amount which may be invested in a security or type of security under section 19-I applies only to an investment in that security or type of security which exceeds \$2,000. (1957, c. 244)"

Section 19-I of chapter 59 refers to government obligations.

We are of the opinion that money borrowed in anticipation of taxes becomes a part of the municipality's general permanent fund and may be invested according to Chapter 90-A, § 21.

It is our understanding that this is becoming fairly general practice throughout the State.

FRANK E. HANCOCK

Attorney General

March 15, 1962

To: David H. Stevens, Chairman, State Highway Commission

Re: Land Damage Board Hearings (c. 23, R.S. 1954, as amended by c. 295, P.L. 1961)

A letter dated March 13, 1962 from the Division Engineer of Region One,