

MAINE STATE LEGISLATURE

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STATE OF MAINE

REPORT
OF THE
ATTORNEY GENERAL

for the calender years

1961 - 1962

The above are the only restrictions or limitations relative to real estate mortgages held by savings banks.

We now turn to the law relative to trust companies. The only restriction in the law concerning loans by trust companies is contained in section 112. This section provides that no trust company shall loan to any person, firm, etc., amounts in excess of 10% of its total capital, unimpaired surplus and net undivided profits unless secured by collateral of value equal to the excess of said loans above said 10% "and the total amount of loans to any person, firm, business syndicate or corporation shall at no time exceed 20% of said total capital, unimpaired surplus and net undivided profits;"

Section 91 reads exactly the same as section 19-H, I, C, quoted supra. The same interpretation must be made of section 91 as of section 19-H, I, C. Therefore, the 20% limitation of loans to any one person, firm, business syndicate or corporation does not apply to a loan or loans secured by an MIBA insured mortgage.

GEORGE C. WEST

Deputy Attorney General

September 18, 1962

To: Keith L. Crockett, Director, Division of Field Services, Education Department

Re: Reimbursement for Costs of Architects Fees for Developing School Plans

This is in answer to your memorandum of September 11, 1962, in which you propose the following questions:

1. Is the reimbursement for cost of school surveys and school plans mandatory under Section 235?

Answer: Yes.

2. Does Section 237-H supersede Section 235 in relation to the costs for school surveys and school plans with specific reference to school administrative districts and single administrative school units which are eligible for state aid for school construction?

Answer: No.

3. Do Sections 235 and 237-H imply that reimbursements should be made in both instances thus, in a sense, resulting in a double subsidy?

Answer: No. Subsidy under section 237-H is paid upon the cost to the administrative unit of "architectural. . . expenses, plans, specifications, estimates of cost. . . " in construction of a school building. The grant made by the State to an administrative unit under section 235 is not a "cost" to the Administrative Unit under section 237-H and the grant should not be included as "capital outlay" under 237-H.

4. When a single administrative unit becomes a part of a school administrative district, should it receive reimbursement of itself or should the district be reimbursed under Section 235? (It is conceivable that five towns could be formed into a district and each town have a new school built for elementary purposes. Should the district receive up to \$2,000 for any two projects or be reimbursed for each project under Section 235?)

Answer: If the school administrative district constructed the schools, then the district only should be reimbursed under section 235 for the cost of the school plans. Because of limitations of funds available under section 235, the Commissioner has ruled that no more than \$2,000 will be allocated to an administrative unit for school plans for any one year. Even though the school plans may involve several separate buildings in the administrative unit, the commissioner can properly limit the allocation to the administrative unit of the grant under section 235 based upon the aggregate cost of the school plans rather than considering the plan for each building as a separate plan requiring the allocation of a grant under section 235 for each such plan.

RICHARD A. FOLEY

Assistant Attorney General

September 19, 1962

To: Warren G. Hill, Commissioner of Education

Re: Educational Television Programs

You have inquired whether the Department of Education has the authority under Chapter 121 of the Resolves of 1961 to contract with and pay to T. V. Station WCBB for the transmission of educational television programs under the Department's sponsorship. The resolve provides funds ". . . to produce or contract for educational television programs . . ."; this language clearly authorizes the proposed contract with WCBB.

RICHARD A. FOLEY

Assistant Attorney General

September 21, 1962

To: E. L. Walter, Assistant Executive Secretary, Maine State Retirement System

Re: Payment of Deceased Member's Retirement Account and Group Life Insurance

A member of the retirement system designated his wife as beneficiary for his retirement account. Subsequent to this act a divorce took place. Apparently there were no children. The member died without changing the designated beneficiary.

Question: Who is eligible to receive any retirement benefits available from his retirement account?

Answer: The designated beneficiary.

Chapter 63-A, section 9, provides in part:

"I. Should a member die any time before attaining eligibility for retirement, one of the following payments shall be made.

A. The amount of his contribution to the members' contribution fund together with not less than 3/4 of the accumulated regular interest, as the board of trustees shall allow, shall be paid to *such person*, if any, as he has nominated by written designation duly acknowledged and filed with the board prior to his death." (Emphasis supplied)