

MAINE STATE LEGISLATURE

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ONE HUNDRED AND THIRD LEGISLATURE

Legislative Document

No. 887

H. P. 631

House of Representatives, February 15, 1907

Referred to Committee on Judiciary. Sent up for concurrence and ordered printed.

BERTHA W. JOHNSON, Clerk

Presented by Mr. McNally of Ellsworth.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SIXTY-SEVEN

AN ACT to Allow the Use of Certain Government Bonds in Place of Retention
of Payments Due Contractor in State Contracts.

Be it enacted by the People of the State of Maine, as follows:

R. S., T. 5, § 1746, amended. Section 1746 of Title 5 of the Revised Statutes is amended by adding at the end the following:

Under any contract made or awarded by the State or by any public department or official thereof, the contractor may, from time to time, withdraw the whole or any portion of the amount retained for payments to the contractor pursuant to the terms of the contract, upon depositing with the Treasurer of State: United States treasury bonds, United States treasury notes, United States treasury certificates of indebtedness, United States treasury bills, or bonds or notes of the State of Maine or bonds of any political subdivision in the State of Maine. No amount shall be withdrawn in excess of the market value of the securities at the time of deposit or of the par value of such securities, whichever is lower.

The Treasurer of State shall collect all interest or income when due on the obligations so deposited and shall pay the same, when and as collected, to the contractor who deposited the obligations. If the deposit is in the form of coupon bonds, the Treasurer of State shall deliver each coupon as it matures to the contractor.

Any amount deducted by the State, or by any public department or official thereof, pursuant to the terms of the contract, from the retained payments due the contractor, shall be deducted, first from that portion of the retained payments for which no security has been substituted, then from the proceeds of any deposited security. In the latter case, the contractor shall be entitled to

receive interest, coupons or income only from those securities which remain after such amount has been deducted.

Any assignment of retained payments made by the contractor shall be honored by the Treasurer of State as part of the procedure to accomplish the substitution of securities under this section, provided that such assignment will not be made without prior notification to the contracting agency of the State and the Treasurer of State.