

MAINE STATE LEGISLATURE

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FORTY-EIGHTH LEGISLATURE.

HOUSE.

No. 57.

STATE OF MAINE.

IN THE YEAR OF OUR LORD ONE THOUSAND EIGHT HUNDRED AND SIXTY-NINE.

AN ACT relating to savings banks and savings institutions.

Be it enacted by the Senate and House of Representatives in Legislature assembled, as follows :

SECTION 1. Savings banks and savings institutions
2 shall exercise the powers and be subject to the duties,
3 liabilities and provisions of this act and of their re-
4 spective charters, and of the general law of the state,
5 respecting corporations, except as otherwise provided.

SECT. 2. The members of the corporation shall
2 annually, at such times as may be provided in their
3 by-laws, elect from their number five trustees, who
4 shall have the entire supervision and management of
5 the affairs of the institution, except so far as may be
6 otherwise provided by their by-laws. The members

7 may also, at any legal meeting of the corporation, by
8 a majority of at least two-thirds of those present, by
9 ballot, fill any vacancies that may occur in their
10 number, and may add new members in the same
11 manner if they see fit. Members removing from the
12 state shall thereupon cease to be such.

SECT. 3. The trustees, immediately after their elec-
2 tion and qualification, shall elect one of their number
3 for president who shall also be president of the corpo-
4 ration. They shall also elect a treasurer, and when
5 in their opinion necessary, an assistant treasurer.
6 The treasurer, and in his absence the assistant treas-
7 urer, (if there be one,) shall be *ex officio* clerk of
8 the corporation, and also of the trustees. Said treas-
9 urer and assistant shall both be subject to removal at
10 the will of the trustees. They shall give bonds to the
11 corporation for the faithful execution of the duties of
12 their respective offices in such sums respectively as
13 the trustees may decide to be necessary for the safety
14 of the funds. All said officers shall be under oath
15 faithfully to perform the duties of their office. The
16 treasurer and assistant shall receive a compensation,
17 to be fixed by the trustees, but the trustees shall per-
18 form their duties gratuitously.

SECT. 4. The trustees shall as often as once in every
2 six months, thoroughly examine the affairs of the cor-

3 poration and settle the treasurer's account, and ascer-
4 tain the true state of both, an accurate record of which
5 shall be kept for the inspection of any member of the
6 corporation.

SECT. 5. It shall be the especial duty of the trustees
2 to see to the proper and safe investment of deposits
3 and funds of the corporation, which investment may
4 be made in whatever manner the trustees shall regard
5 perfectly safe, except that not more than one fifth of
6 all the funds shall be invested or loaned on security
7 of names alone, nor shall any loan be made directly or
8 indirectly to any one of the trustees, nor upon the
9 name of any of them, either as principal or surety, or
10 any firm of which he is a member. Nor shall any loan
11 be made on any paper without at least three names,
12 either one of which shall in the opinion of the trustees
13 be good for the whole, the name of a firm and all its
14 members to be regarded as a single name.

SECT. 6. The corporation may purchase, and hold
2 in fee, in addition to such real estate, as they shall
3 acquire by mortgage or in the way of security, such
4 other good rentable real estate, by way of investment,
5 as in their opinion will produce a net annual income
6 of at least six per cent. upon the cost, including a fair
7 and reasonable rent, for such part thereof as they may
8 use for their own corporate purposes, the whole cost

9 of such real estate to be thus held in fee, not to exceed
10 five per cent. of the deposits, nor in any case to exceed
11 twenty-five thousand dollars. Any real estate already
12 owned by any savings bank or institution, may con-
13 tinue to be so held by them under the provisions of
14 this act.

SECT. 7. The net income or earnings of the corpo-
2 ration, after deducting the sum herein funded for a
3 reserved fund, shall be divided semi-annually at such
4 times as may be fixed by the by-laws among the de-
5 positors of three months standing at least before divi-
6 dend day, or their representatives, ratably; but the
7 corporation may by their by-laws include deposits of
8 less standing. But no fractional percentage less than
9 one quarter shall be adopted. Any balance of earn-
10 ings shall be carried to new account for next dividend.
11 No deposit shall be received under any agreement, to
12 pay any specified sum, interest or dividend, for its use.

SECT. 8. Before making any such dividend, the
2 trustees shall set apart from the earnings a sum equal
3 to one half per cent. per annum, viz: one quarter per
4 cent. for each six months, for a reserved fund, not
5 subject to be divided, but kept constantly on hand to
6 secure against losses and contingencies until the said
7 reserved fund amounts to ten per cent. of their assets.

8 All losses shall be passed to the debit of said account,
9 whenever absolutely determined, but not before.

SECT. 9. The treasurer has full power to assign,
2 discharge and foreclose mortgages held by the corpo-
3 ration and convey real estate held as security for
4 loans, or the title of which accrued from foreclosure of
5 mortgages. But he shall have no power to convey
6 lands held under section six without a vote of the
7 trustees.

SECT. 10. The trustees shall cause all real estate of
2 an insurable character held by them absolutely or in
3 mortgage to be fully insured, the expense of which in
4 case of mortgage, shall be added to the amount of the
5 mortgage debt to be refunded in case of redemption.

SECT. 11. Money deposited by married women, may
2 at the discretion of the trustees, be paid to the person
3 in whose name the deposit is made, and such payment
4 shall be valid.

SECT. 12. The treasurer shall annually make to
2 the bank examiner a report under oath of the standing
3 of the corporation, the situation of its funds, and all
4 other matters which the examiner shall require, ac-
5 cording to such form as he may prescribe. And for
6 that purpose the examiner shall seasonably furnish the
7 treasurer with proper blanks, which shall be fully
8 answered by the treasurer.

SECT. 13. No officer of the corporation shall use or
2 appropriate any of its funds to his own private pur-
3 poses, under the penalty imposed by law for embezzle-
4 ment.

SECT. 14. This act shall go into effect on the first
2 day of July next.

STATE OF MAINE.

IN HOUSE OF REPRESENTATIVES, }
February 19, 1869. }

Reported from the Committee on Banks and Banking by Mr.
CHAMBERLAIN, and printed under the Joint Rule.

S. J. CHADBÖURNE, *Clerk.*