

MAINE STATE LEGISLATURE

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FIFTY-THIRD LEGISLATURE.

HOUSE.

No. 85.

STATE OF MAINE.

IN THE YEAR OF OUR LORD ONE THOUSAND EIGHT HUNDRED AND
SEVENTY-FOUR.

AN ACT relating to savings banks.

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

SECTION 1. No savings bank, incorporated under
2 the laws of this state, shall hereafter invest any of its
3 funds in securities issued by any person or corporation,
4 or other party or body located beyond the limits of the
5 New England States, excepting United States bonds,
6 and strictly municipal bonds of cities containing fifty
7 thousand inhabitants or more, in the following named
8 States, to wit: New York, Ohio, Indiana, Illinois,
9 Missouri or Michigan.

SECT. 2. Section one of chapter seventy-four of the
2 public laws of eighteen hundred and seventy-two, is
3 hereby amended, by striking out the word "total" in
4 the third line, and inserting the word 'average;' by

5 inserting after the word “ deposits ” in the fourth line,
6 the words “ for the then last six months, deducting
7 therefrom the value of all real estate owned by the
8 bank ; ” by striking out the word “ ten ” in the fourth
9 line, and inserting the words ‘ forty-five ; ’ by striking
10 out the word “ quarter ” in the fifth line, and inserting
11 the word ‘ half ; ’ by striking out the words “ for the
12 use of the state ” in the fifth and sixth lines, and
13 inserting the words ‘ one-half of the sum so paid ; ’
14 and by inserting between the word “ statutes ” and
15 the word “ and ” in the eighth line, the words ‘ and
16 one-half to the use of the state ; ’ so that said section,
17 as amended, shall read as follows :

18 *Sect. 1.* On the last Saturday preceding the first
19 Monday of May and November of each year, every
20 savings bank in this state shall return, under oath, to
21 the state treasurer, the average amount of its deposits
22 for the then last six months, deducting therefrom the
23 value of all real estate owned by the bank, and, within
24 forty-five days thereafter, pay to the state treasurer
25 one-half of one per cent. on the amount so returned,
26 one-half of the sum so paid to be appropriated for the
27 use of schools, as provided in chapter eleven, section
28 ninety-one of the revised statutes, and one-half to the
29 use of the state ; and if any bank neglects to pay said
30 tax for thirty days after it is due, the treasurer shall

31 issue a warrant of distress to enforce payment thereof
32 out of its estate and effects.

SECT. 3. All deposits of savings banks in this state
2 shall be exempted from municipal taxation to the bank
3 or to the depositor, excepting real estate owned by the
4 bank and not held as collateral security, which may
5 be taxed by the city or town in which the same is
6 located.

SECT. 4. The tax required to be paid by savings
2 banks to the United States shall be charged ratably
3 to the depositors upon whose deposits the same is
4 assessed.

SECT. 5. Section two, chapter seventy-four of the
2 public laws of eighteen hundred and seventy-two, as
3 amended by section one of chapter one hundred and
4 fifty-four of the public laws of eighteen hundred and
5 seventy-three, is hereby further amended, by striking
6 out the words "after setting apart, from the earnings
7 of the corporation, the amount required by section
8 ninety-three of chapter forty-seven of the revised
9 statutes, for a reserved fund," in the first, second,
10 third and fourth lines; by inserting between the word
11 "semi-annually" and the word "at" in the fifth line,
12 the words 'excepting as hereinafter provided;' by
13 striking out the words "but the corporation may, by
14 their by-laws, include deposits of less standing," in

15 the seventh and eighth lines ; by striking out the
16 words “ and the sum required for a reserved fund,” in
17 the ninth and tenth lines ; and by striking out the
18 words “ may once in two years be divided among
19 depositors on their balances of one and two years
20 standing ratably, said two years to begin at the date
21 of the next dividend after the approval of the act to
22 which this is additional and amendatory, or the date
23 of commencing business of new banks,” from the tenth
24 to the fifteenth lines inclusive, and inserting the words
25 ‘ shall be passed to the reserved fund, not subject to
26 be divided, but kept constantly on hand, to secure
27 against losses and contingencies, until the said reserved
28 fund amounts to ten per cent. of their assets,—all
29 losses shall be passed to the debit of said account,—
30 and when said reserved fund amounts to ten per cent.
31 of the assets of any savings bank, all net profits there-
32 after made of said bank shall be divided ratably
33 among the depositors thereof ;’ so that said section, as
34 amended, shall read as follows :

35 *Sect. 2.* The trustees shall, once in six months,
36 declare dividends, not to exceed three per cent. semi-
37 annually, except as hereinafter provided, at such times
38 as may be required by their by-laws, among depositors
39 of three months standing at least, before dividend day.
40 Any balance of earnings over the said three per cent.

41 semi-annually, taxes and expenses, shall be passed to
42 the reserved fund, not subject to be divided, but kept
43 constantly on hand, to secure against losses and con-
44 tingencies, until the said reserved fund amounts to ten
45 per cent. of their assets,—all losses shall be passed to
46 the debit of said account,—and when said reserved
47 fund amounts to ten per cent. of the assets of any
48 bank, all net profits thereafter made of said bank
49 shall be divided ratably among the depositors thereof.
50 No deposit shall be received under any agreement to
51 pay any specified sum of interest for its use, other
52 than regular semi-annual dividends, except when
53 deposited by order of some court of competent juris-
54 diction.

SECT. 6. Section ninety-three of chapter forty-seven
2 of the revised statutes, amended by section eight of
3 chapter seventy-four of the public laws of eighteen
4 hundred and seventy-two, is hereby repealed.

SECT. 7. No savings bank shall be required, or obliged
2 to pay to any depositor any sum less than five hundred
3 dollars, until after thirty days' notice, nor any sum
4 exceeding five hundred dollars, until after sixty days'
5 notice.

SECT. 8. No treasurer of any savings bank, the
2 deposits of which exceed one hundred and fifty thou-
3 sand dollars, shall be cashier in a national or stock

4 bank ; and if the treasurer of a savings bank, having
5 deposits not exceeding one hundred and fifty thousand
6 dollars, is cashier in a national or stock bank, not more
7 than one trustee of the savings bank shall be a director,
8 nor more than two trustees shall be stockholders, in
9 the national or stock bank, so connected therewith.

SECT. 9. In the returns required to be made to the
2 state treasurer by savings banks, shall be given the
3 cost, par and actual value of all securities held by
4 them.

SECT. 10. No gift, fee, commission, or brokerage
2 shall be received by any officer of a savings bank, on
3 account of any transaction to which the bank is a
4 party, under a penalty for each offence of one hundred
5 dollars, to be recovered in an action of debt, in the
6 name and to the use of the state.

SECT. 11. Section eighty-eight of chapter forty-seven
2 of the revised statutes is hereby amended by inserting
3 before the word " five," in the third line, the words
4 " not less than," so that said section as amended shall
5 read as follows :

6 Sect. 88. The members of the corporation shall an-
7 nually, at such times as may be provided in their by-
8 laws, elect from their number not less than five trus-
9 tees, who shall have the entire supervision and man-
10 agement of the affairs of the institution, except so far

11 as may be otherwise provided by their by-laws. The
12 members may also, at any legal meeting of the cor-
13 poration, by a majority of at least two-thirds of those
14 present, by ballot, fill any vacancies that may occur in
15 their number, and may add new members in the same
16 manner if they see fit. Members removing from the
17 state shall thereupon cease to be such.

SECT. 12. All securities, owned or held by savings
2 banks, shall be kept within this state.

SECT. 13. The treasurer of every savings bank shall,
2 on Saturday of each and every week, make and declare
3 a trial balance, which shall be recorded in a book
4 kept for that purpose, and said book shall be open at
5 all times for the inspection of the trustees and of the
6 examiner of banks.

SECT. 14. All acts and parts of acts inconsistent
2 with this act are hereby repealed.

SECT. 15. This act shall take effect on the fifteenth
2 day of May, eighteen hundred and seventy-four, and
3 the first return of deposits, herein required, shall be
4 made on the last Saturday preceding the first Monday
5 of November following.

STATE OF MAINE.

HOUSE OF REPRESENTATIVES, }
February 21, 1874. }

Reported from Committee on Banks and Banking, by Mr. REED,
and laid on table to be printed.

S. J. CHADBOURNE, *Clerk.*