

MAINE STATE LEGISLATURE

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NEW DRAFT.

Seventy-first Legislature.

HOUSE.

No. 477

STATE OF MAINE.

IN THE YEAR OF OUR LORD ONE THOUSAND NINE
HUNDRED AND THREE.

AN ACT to amend section one hundred of chapter forty-seven of the Revised Statutes as amended by chapter one hundred sixty-one of the Public Laws of eighteen hundred and ninety-five relating to the investment of funds of savings banks.

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

Section 1. Section one hundred of chapter forty-seven of
2 the Revised Statutes as amended by chapter one hundred
3 sixty-one of the Public Laws of eighteen hundred and ninety-
4 five is hereby amended so as to read as follows:

'Sect. 100. Savings banks and institutions for savings are
6 restricted to and hereafter may invest their deposits as fol-
7 lows:

First, *a*: In the public funds of the United States and District of Columbia.

b: In the public funds of any of the New England states and of the states of New York, Pennsylvania, Maryland, Ohio, Indiana, Kentucky, Michigan, Wisconsin, Minnesota, Iowa, Illinois, Missouri, Kansas and Nebraska.

Second, *a*: In the bonds of the counties, cities and towns of any of the New England states.

b: In the bonds of cities and districts in the states of New York, Pennsylvania, Maryland, Ohio, Indiana, Kentucky, Michigan, Wisconsin, Minnesota, Iowa, Illinois, Missouri, Kansas and Nebraska, having a population of seventy-five thousand or more, when issued for municipal purposes and which are a direct obligation on all the taxable property therein.

c: In the bonds of counties of twenty thousand inhabitants or more in the states of New York, Pennsylvania, Maryland, Ohio, Indiana, Kentucky, Michigan, Wisconsin, Minnesota, Iowa, Illinois, Missouri, Kansas and Nebraska, when issued for municipal purposes, and which are a direct obligation on all the taxable property therein, except when issued in aid of railroads, provided that the net municipal indebtedness of such county does not exceed five per cent of the last preceding valuation of the property therein for the assessment of taxes.

d: In the bonds of any city of ten thousand inhabitants or more in the states of New York, Pennsylvania, Maryland, Ohio, Indiana, Kentucky, Michigan, Wisconsin, Minnesota, Iowa, Illinois, Missouri, Kansas and Nebraska, when issued for municipal purposes and which are a direct obligation on all the taxable property therein, except when issued in aid of railroads, provided the net municipal indebtedness of such city does not exceed five per cent of the last preceding valuation of the property therein for the assessment of taxes.

e: In the refunding bonds of counties and cities above
43 enumerated issued to take up at maturity bonds which were
44 legal and constitutional when issued, provided the interest
45 has been fully paid on such original bonds for at least five
46 years last prior to such refunding; provided further that such
47 counties and cities can otherwise meet the foregoing con-
48 ditions.

f: In the bonds and obligations of school district boards,
50 boards of education and other corporate bodies within such
51 cities, authorized to issue bonds payable primarily from taxes
52 levied on all the taxable property in said district; provided
53 that the population of the district is ten thousand or more, and
54 the population and assessed valuation of the district are equal
55 to at least ninety per cent of the population and the assessed
56 valuation of the city within which such district is located;
57 provided further that the net municipal indebtedness of such
58 district does not exceed five per cent of the last preceding
59 valuation of the property therein for the assessment of taxes.

g: In the bonds or obligations of any municipal or quasi
61 municipal corporation of this State, when such securities are
62 a direct obligation on all the taxable property of said corpo-
63 ration.

Third, *a:* In the railroad bonds of this State.

b: In the first mortgage bonds of any completed railroads
66 of the states of New Hampshire, Vermont, Massachusetts,
67 Rhode Island, Connecticut, New York, New Jersey, Penn-
68 sylvania, Maryland, Ohio, Indiana, Kentucky, Michigan,
69 Wisconsin, Minnesota, Iowa, Illinois, Missouri, Kansas and
70 Nebraska.

c: In the first mortgage bonds of the Central Pacific, Union
72 Pacific and Northern Pacific railroads.

d: In the mortgage bonds of any railroad leased to any
74 dividend paying railroad in New England upon terms guar-

75 anteeing the payment of a regular stated dividend upon the
76 stock of such leased road and the interest on its bonds.

e: Street railroad companies are not railroad companies
78 within the meaning of the foregoing clauses of this section.

f: In the bonds of street railroads constructed in this State
80 prior to April 27, 1895, and in the bonds of street railroads
81 in this State constructed after said date and in the first mort-
82 gage bonds of any completed street railroad in the states of
83 New Hampshire, Vermont, Massachusetts, Rhode Island,
84 Connecticut, New York, New Jersey, Pennsylvania, Mary-
85 land, Ohio, Indiana, Kentucky, Michigan, Wisconsin, Min-
86 nesota, Iowa, Illinois, Missouri, Kansas and Nebraska ; pro-
87 vided that in the case of street railroads constructed in this
88 State after April 27, 1895, and in the case of street railroads
89 in the states above named, an amount of capital stock equal
90 to thirty-three and one-third per cent of the mortgage debt
91 shall have been paid in, in cash, and expended upon the road
92 evidenced by a certificate of the railroad commissioners of
93 the state where the road is located, filed in the office of the
94 secretary of state of this State, that said percentage has been
95 so paid in and expended in addition to the amount of the
96 bonded debt ; provided, that in such of the above states as
97 have no railroad commissioners having supervision of street
98 railroads the bank examiner of this State may ascertain the
99 facts and if they meet the foregoing requirement may file
100 certificate thereof with the secretary of state, and all the
101 expenses and compensation of the bank examiner for such
102 service shall be paid by the railroad company seeking to
103 make its bonds a legal investment under this section, whether
104 the same are admitted or not.

Fourth : In the mortgage bonds of any water company in
106 the New England states actually engaged in supplying any
107 city or cities, town or towns, village or villages, or other
108 municipal corporations with water for domestic use and for

109 the extinguishment of fires, whenever such company is earn-
110 ing more than its fixed charges and interest on its debts and
111 its running expenses.

Fifth: In bonds of any corporation other than railroad
113 and water companies, incorporated under the authority of
114 this State, which are earning and are paying a regular divi-
115 dend of not less than five per cent a year.

Sixth, *a*: In the stock of any bank or banking association
117 incorporated under the authority of this State.

b: In the stock of any bank or banking association incor-
119 porated under the authority of the United States, if located
120 within the New England states.

c: In the stock of any railroad company of this State
122 unencumbered by mortgage.

d: In the stock of any dividend paying railroad in New
124 England.

e: In the stock of any railroad leased to any dividend pay-
126 ing railroad in New England upon terms guaranteeing the
127 payment of a regular stated dividend upon the stock of such
128 leased road and the interest on its bonds.

f: In the stock of any corporation, other than railroad
130 and water companies, incorporated under authority of this
131 State which earns and is paying a regular dividend of not
132 less than five per cent a year.

Sixth, *a*: In loans secured by first mortgages of real estate
134 in this State and New Hampshire to an amount not exceed-
135 ing sixty per cent of the value of such real estate.

b: In notes with a pledge as collateral of any public funds
137 or bonds of any kind, or of any stocks, which the bank or
138 institution would, by this section, be authorized to purchase.

c: In notes with a pledge as collateral of any savings bank
140 deposit book issued by any savings bank in this State.

d: In notes with a pledge as collateral of the stock of any
142 railroad or railroads mentioned in this section, to an amount

143 not exceeding seventy-five per cent of the market value of
144 such stock.

e: In loans to any municipal corporation in this State.

f: In loans secured by a mortgage of such personal prop-
147 erty as in the judgment of the trustees it is safe and for the
148 interest of the bank to accept.

g: In loans to any corporation owning real estate in this
150 State and actually conducting in this State the business for
151 which such corporation was created.

Seventh, *a*: The term "net municipal indebtedness of
153 counties" as used in this section shall be construed to include
154 all bonds which are a direct obligation of the county, less
155 the amount of any sinking fund available in reduction of
156 such debt.

b: The term "net municipal indebtedness of cities and
158 districts" as used in this section shall be construed to include
159 in the case of either, not only all bonds which are a direct
160 obligation of the cities but also all bonds of the districts or
161 boards within the same as above enumerated, exclusive of
162 any such debt created for a water supply and of the amount
163 of any sinking fund available in reduction of such debt.

c: The number of inhabitants of cities and counties shall
165 be determined by the last previous official census thereof as
166 established by the last United States or state census, or city
167 or county census taken in the same manner as United States
168 or state census, and duly certified to by the clerk or treas-
169 urer of such city or the auditor or treasurer of such county.

Eighth: All investments shall be charged and entered on
171 the books of the bank at their cost to the bank, or at par when
172 a premium is paid.'

STATE OF MAINE.

IN HOUSE OF REPRESENTATIVES,

AUGUSTA, March 19, 1903.

Reported by Mr. DUDLEY of Augusta, from Committee on Banks
and Banking, and ordered printed under joint rules.

W. S. COTTON, *Clerk.*