

MAINE STATE LEGISLATURE

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SEVENTY-THIRD LEGISLATURE

HOUSE.

No. 234

STATE OF MAINE.

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

AN ACT to amend Chapter forty-eight of the Revised Statutes
relating to Savings Banks.

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

Section 1. Section twenty-one of chapter forty-eight of
2 the Revised Statutes is hereby amended by adding thereto
3 the following: "And when money is deposited in the names
4 of two or more persons, payable to either, the whole, or
5 any part thereof, may be paid to either of such persons with
6 or without the consent of the other, before or after the
7 death of the other, unless otherwise ordered by a Justice of
8 the Supreme Judicial Court, or by a Judge of a Probate
9 Court having jurisdiction over the estate of such deceased

10 person,” so that said section as amended shall read as fol-
11 lows:

‘Sect. 21. Money deposited in a savings bank, institu-
13 tion for savings or trust company by a married woman or
14 minor, is the property of and shall be paid to the order of
15 the depositor, and is not the property of the husband or par-
16 ents, and such depositors may maintain actions in their own
17 names against the bank or trust company to recover their
18 deposits; but this section does not apply to money fraudu-
19 lently deposited by or in the name of a married woman or
20 minor belonging to a third person. The receipt of such
21 married women or minor for such deposits and interest, or
22 any part thereof, is a valid release and discharge to the
23 corporation. When money is deposited in the name of a
24 minor, the trustees may in their discretion pay the same to
25 such minor or to the person making such deposit, and the
26 same shall be valid payment. And when money is depos-
27 ited in the names of two or more persons, payable to either,
28 the whole, or any part thereof, may be paid to either of
29 such persons with or without the consent of the other, before
30 or after the death of the other, unless otherwise ordered by
31 a justice of the supreme judicial court, or by a judge of a
32 probate court having jurisdiction over the estate of such
33 deceased person.’

Sect. 2. Clause “f”, subdivided “Third”, section twenty-
2 three of said chapter, is hereby amended by inserting after
3 the words “secretary of state”, in the nineteenth line there-

4 of, and before the words "and all" in the twentieth line, the
5 words, '*provided, further,* that when for any reason it is
6 impossible to obtain a certificate that an amount of capital
7 stock equal to one-third of the bonded debt has been paid in,
8 in cash, in lieu thereof such bonds may be certified as legal
9 for the purpose hereof on satisfactory proof to the bank
10 examiner that annual dividends in amount equivalent to
11 five per centum per annum on an amount of capital stock
12 equal to one-third of the bonded debt has been earned and
13 paid for a period of five years next prior thereto,' so that
14 said clause as amended shall read as follows:

"f." In the bonds of street railroads constructed in this
16 state prior to April twenty-seven, eighteen hundred and
17 ninety-five, and in the bonds of street railroads in this State
18 constructed after said date, and in the first mortgage
19 bonds of any completed street railroad in the states of New
20 Hampshire, Vermont, Massachusetts, Rhode Island, Connec-
21 ticut, New York, New Jersey, Pennsylvania, Maryland,
22 Ohio, Indiana, Kentucky, Michigan, Wisconsin, Minnesota,
23 Iowa, Illinois, Missouri, Kansas and Nebraska; *provided,*
24 that in the case of street railroads constructed in this state
25 after April twenty-seven eighteen hundred and ninety-five,
26 and in the case of street railroads in the states above named,
27 an amount of capital stock equal to thirty-three and one-
28 third per cent of the mortgaged debt shall have been paid
29 in, in cash, and expended upon the road evidenced by a
30 certificate of the railroad commissioners of the state where

31 the road is located, filed in the office of the secretary of state
32 of this state, that said percentage has been so paid in and
33 expended in addition to the amount of the bonded debt;
34 *provided, further*, that in such of the above states as have
35 no railroad commissioners having supervision of street rail-
36 roads the bank examiner of this state may ascertain the
37 facts and if they meet the foregoing requirement may file
38 certificate thereof with the secretary of state; *provided*,
39 *further*, that when for any reason it is impossible to obtain
40 a certificate that an amount of capital stock equal to one-
41 third of the bonded debt has been paid in, in cash, in lieu
42 thereof such bonds may be certified as legal for the purpose
43 hereof, on satisfactory proof to the bank examiner that
44 annual dividends in amount equal to five per centum per
45 annum on an amount of capital stock equal to one-third of
46 the bonded debt has been earned and paid for a period of
47 five years next prior thereto; and all the expenses and com-
48 pensation of the bank examiner for such service shall be
49 paid by the railroad company seeking to make its bonds a
50 legal investment under this section, whether the same are
51 admitted or not.'

Sect. 3. Subdivision "Third" of section twenty-three of
2 said chapter is hereby amended by adding thereto, under the
3 designation of clause "g", the following:

'"g". In consolidated or refunding bonds, which are of
5 an issue to retire the entire funded debt under the condi-
6 tions as applied to first mortgage bonds in clauses b, c, and

7 f, of this subdivision, and which are secured by a first mort-
8 gage on the whole or any part of the system.'

Sect. 4. Clause "d", subdivision "Sixth", section twenty-
2 three, of said chapter, is hereby amended by striking out the
3 whole thereof, and substituting therefor the following:

"d". In the bonds, stock or notes of any railroad in New
5 England, which has earned and paid an annual dividend of
6 five per cent on its capital stock for a period of ten years
7 next prior thereto, and in the stock or notes of the New
8 York Central and Hudson River, the Illinois Central, and
9 the Pennsylvania Railroad Companies.'

Sect. 5. Clause "b" subdivision "Seventh", section
2 twenty-three of said chapter is hereby amended so as to
3 read as follows:

"b". In notes with a pledge as collateral of any funds,
5 bonds, notes or stocks which the bank or institution would,
6 by this section, be authorized to purchase.'

Sect. 6. Clause "d," subdivision "Seventh," section
2 twenty-three of said chapter, is hereby amended so as to
3 read as follows:

"d". In notes with a pledge as collateral of such funds,
5 bonds, notes or stocks as in the judgment of the trustees it
6 is safe and for the interest of the bank to accept, to an
7 amount not exceeding seventy-five per cent of the market
8 value of such funds, bonds, notes or stocks.'

Sect. 7. Section twenty-five of said chapter is hereby
2 amended by inserting between the words "stock" and "of"

3 in the fourth line, the words, 'bonds not included in the first
4 five subdivisions of the section, or notes,' so that said sec-
5 tion as amended shall read as follows:

'Sect. 25. No such bank or institution shall hold by way of
7 investment, or as security for loans, or both, more than one-
8 fifth of the capital stock of any corporation, nor invest more
9 than ten per cent of its deposits, not exceeding sixty thou-
10 sand dollars, in the capital stock, bonds not included in the
11 first five subdivisions of this section, or notes of any corpora-
12 tion, nor have more than fifty per cent of its deposits in
13 mortgages of real estate. This section and the two preced-
14 ing do not apply to real estate, or other assets, acquired by
15 the foreclosure of a mortgage thereon, or upon judgment
16 for debts, or in settlements to secure debts.'

Sect. 8. Section twenty-eight of said chapter is hereby
2 amended by striking out the word "ten" in the ninth line
3 thereof, and inserting in its place the word "five", so that
4 said section as amended shall read as follows:

'Sect 28. The trustees, after passing to the reserve fund
6 one-quarter of one per cent of the average amount of depos-
7 its for the six months previous to declaring a dividend, not
8 subject to be divided, shall declare dividends, not exceeding
9 two and a half per cent semi-annually, except as herein-
10 after provided, at such times as are required by their by-
11 laws, among depositors of three months standing at least
12 before dividend day. The corporation may by its by-laws
13 include deposits of less standing. The reserve fund shall

14 be kept constantly on hand, to secure against losses and con-
15 tingencies, until it amounts to five per cent of the deposits.
16 All losses shall be passed to the debit of said account. And
17 when said reserve fund amounts to ten per cent of the
18 average amount of deposits for the six months previous to
19 declaring a dividend, all net profits not otherwise divided,
20 thereafter made by said banks, shall be divided every three
21 years ratably among the depositors of one, two and three
22 full years' standing, as extra dividends. No dividends or
23 interest shall be declared, credited or paid, except by a vote
24 of the board of trustees, entered upon their records, whereon
25 shall be recorded the yeas and nays upon such vote. Trus-
26 tees of savings banks and savings institutions are forbidden
27 to make any semi-annual dividend of a rate per cent which
28 will make the aggregate amount of said dividend greater
29 than the actual earnings of the bank or institution, actually
30 collected.'

Sect. 9. This act shall take effect when approved.

STATE OF MAINE.

HOUSE OF REPRESENTATIVES,
Augusta, February 20, 1907.

Tabled pending reference to a committee by Mr. FLAHERTY of
Portland, and ordered printed.

E. M. THOMPSON, *Clerk.*