

MAINE STATE LEGISLATURE

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NEW DRAFT.

SEVENTY-THIRD LEGISLATURE

HOUSE.

No. 400

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 striking out the
3 word "savings" before the word "bank" in the first line, and
4 by adding to said section the following: 'And when money
5 is deposited in the names of two or more persons, payable
6 to either, the whole, or any part thereof, may be paid to
7 either of such persons with or without the consent of the
8 other, before or after the death of the other,' so that said
9 section as amended shall read as follows:

'Sect. 21. Money deposited in a bank, institution for sav-
11 ings or trust company by a married woman or minor, is the
12 property of and shall be paid to the order of the depositor,
13 and is not the property of the husband or parents, and such
14 depositors may maintain actions in their own names against
15 the bank or trust company to recover their deposits; but this
16 section does not apply to money fraudulently deposited by
17 or in the name of a married woman or minor belonging to
18 a third person. The receipt of such married woman or
19 minor for such deposits and interest, or any part thereof,
20 is a valid release and discharge to the corporation. When
21 money is deposited in the name of a minor, the trustees
22 may in their discretion pay the same to such minor or to
23 the person making such deposit, and the same shall be valid
24 payment. And when money is deposited in the names of
25 two or more persons, payable to either, the whole, or any
26 part thereof, may be paid to either of such persons with or
27 without the consent of the other, before or after the death
28 of the other.'

Section 2. Clause "b," subdivision "first," section twenty-
2 three of said chapter, is hereby amended by striking out the
3 word "and" before the word "Nebraska" and adding to said
4 clause the words 'California, Oregon and Washington,' so
5 that said clause, as amended, shall read as follows:

'b: In the public funds of any of the New England states
7 and of the states of New York, Pennsylvania, Maryland,
8 Ohio, Indiana, Kentucky, Michigan, Wisconsin, Minnesota,

9 Iowa, Illinois, Missouri, Kansas, Nebraska, California, Ore-
10 gon and Washington.'

Sect. 3. Clauses "b," "c" and "d," subdivision "second,"
2 of said section twenty-three, are hereby amended by striking
3 out the word "and" before, and inserting after, the word
4 "Nebraska" in each clause the words 'California, Oregon
5 and Washington,' so that said several clauses as amended
6 shall read as follows, respectively:

'b: In the bonds of cities and districts in the states of
8 New York, Pennsylvania, Maryland, Ohio, Indiana, Ken-
9 tucky, Michigan, Wisconsin, Minnesota, Iowa, Illinois, Mis-
10 souri, Kansas, Nebraska, California, Oregon and Washing-
11 ton, having a population of seventy-five thousand or more,
12 when issued for municipal purposes and which are a direct
13 obligation on all the taxable property therein.

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

'd: In the bonds of any city of ten thousand inhabitants
25 or more in the states of New York, Pennsylvania, Maryland,

26 Ohio, Indiana, Kentucky, Michigan, Wisconsin, Minnesota,
27 Iowa, Illinois, Missouri, Kansas, Nebraska, California, Ore-
28 gon and Washington, when issued for municipal purposes
29 and which are a direct obligation on all the taxable property
30 therein, except when issued in aid of railroads, *provided*,
31 that the net municipal indebtedness of such city does not
32 exceed five per cent of the last preceding valuation of the
33 property therein for the assessment of taxes.'

Sect. 4. Clause "f," subdivision "third," section twenty-
2 three of said chapter, is hereby amended by inserting after
3 the words "secretary of state," in the nineteenth line thereof,
4 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
8 in, in cash, in lieu thereof such bonds may certified as legal
9 for the purpose hereof on satisfactory proof to the bank
10 examiner that annual dividends in amount equivalent to five
11 per centum per annum on an amount of capital stock equal
12 to one-third of the bonded debt has been earned and paid
13 for a period of five years next prior thereto,' and by adding
14 to said section the words, 'No bonds secured by an open
15 mortgage shall be legal under this section unless the mort-
16 gage provides that the total amount of bonds certified and
17 outstanding under it shall at no time exceed seventy-five
18 per cent. of the amount of cash expended upon the road,'
19 so that said clause as amended shall read as follows:

“f.” In the bonds of street railroads constructed in this
21 state prior to April twenty-seven, eighteen hundred and
22 ninety-five, and in bonds of street railroads in this state
23 constructed after said date, and in the first mortgage bonds
24 of any completed street railroad in the states of New Hamp-
25 shire, Vermont, Massachusetts, Rhode Island, Connecticut,
26 New York, New Jersey, Pennsylvania, Maryland, Ohio,
27 Indiana, Kentucky, Michigan, Wisconsin, Minnesota, Iowa,
28 Illinois, Missouri, Kansas and Nebraska; provided, that in
29 the case of street railroads constructed in this state after
30 April twenty-seven, eighteen hundred and ninety-five, and
31 in the case of street railroads in the states above named, an
32 amount of capital stock equal to thirty-three and one-third
33 per cent of the mortgaged debt shall have been paid in, in
34 cash, and expended upon the road evidenced by a certificate
35 of the railroad commissioners of the state where the road
36 is located, filed in the office of the secretary of state of this
37 state, that said percentage has been so paid in and expended
38 in addition to the amount of the bonded debt; provided,
39 further, that in such of the above states as have no railroad
40 commissioners having supervision of street railroads the
41 bank examiner of this state may ascertain the facts and if
42 they meet the foregoing requirement may file certificate
43 thereof with the secretary of state; provided, further, that
44 when for any reason it is impossible to obtain a certificate
45 that an amount of capital stock equal to one-third of the
46 bonded debt has been paid in, in cash, in lieu thereof such

47 bonds may be certified as legal for the purpose hereof, on
48 satisfactory proof to the bank examiner that annual divi-
49 dends in amount equal to five per centum per annum on an
50 amount of capital stock equal to one-third of the bonded debt
51 has been earned and paid for a period of five years next prior
52 thereto; and all the expenses and compensation of the bank
53 examiner for such service shall be paid by the railroad com-
54 pany seeking to make its bonds a legal investment under this
55 section, whether the same are admitted or not. No bonds
56 secured by an open mortgage shall be legal under this sec-
57 tion unless the mortgage provides that the total amount of
58 bonds certified and outstanding under it shall at no time
59 exceed seventy-five per cent. of the amount of cash expended
60 upon the road.'

Sect. 5. Subdivison "third" of section twenty-three of said
2 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 an
5 issue to retire the entire funded debt under the conditions
6 as applied to first mortgage bonds in clauses b, c, and f, of
7 this subdivision, and which are secured by a first mortgage
8 on the whole or any part of the system.'

Sect. 6. 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
5 New England, which has earned and paid an annual divi-

6 dend equivalent to five per cent. on a capital stock equal to
7 one-third of its funded debt for a period of ten years next
8 prior thereto, and in the stock or notes of the New York
9 Central and Hudson River, the Illinois Central, the Lake
10 Shore and Michigan Southern, and the Pennsylvania Rail-
11 road Companies.'

Sect. 7. Clause "b," subdivision "seventh," section twenty-
2 three of said chapter is hereby amended so as to read as
3 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, provided the
7 market value of said collateral is equal to the amount of the
8 loan.'

Sect. 8. Clause "d," subdivision "seventh," section twenty-
2 three of said chapter, is hereby amended so as to read as
3 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. 9. Section twenty-five of said chapter is hereby
2 amended by adding thereto the words, 'This section does not
3 apply to bonds enumerated in the first five subdivisions of
4 section twenty-three of this chapter,' so that said section as
5 amended shal read as follows:

'Sect. 25. No such bank or institution shall hold by way
7 of investment, or as security for loans, or both, more than
8 one-fifth of the capital stock of any corporation, nor invest
9 more than ten per cent. of its deposits, not exceeding sixty
10 thousand dollars, in the capital stock, or notes of any cor-
11 poration, nor have more than fifty per cent. of its deposits
12 in mortgages of real estate. This section and the two pre-
13 ceding do not apply to real estate, or other assets, acquired
14 by the foreclosure of a mortgage thereon, or upon judgment
15 for debts, or in settlements to secure debts. This section
16 does not apply to bonds enumerated in the first five sub-
17 divisions of section twenty-three of this chapter.'

Sect. 10. 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
7 deposits for the six months previous to declaring a divi-
8 dend, not subject to be divided, shall declare dividends,
9 not exceeding two and a half per cent. semi-annually, except
10 as hereinafter provided, at such times as are required by
11 their by-laws, among depositors of three months standing
12 at least before dividend day. The corporation may by its
13 by-laws include deposits of less standing. The reserve fund
14 shall be kept constantly on hand, to secure against losses
15 and contingencies, until it amounts to five per cent. of the

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

Sect. 11. This act shall take effect when approved.

STATE OF MAINE.

HOUSE OF REPRESENTATIVES,

Augusta, March 7, '90 .

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

E. M. THOMPSON, *Clerk*.