

MAINE STATE LEGISLATURE

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NEW DRAFT.

SEVENTY-FOURTH LEGISLATURE

HOUSE.

No. 692

STATE OF MAINE.

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

AN ACT to amend chapter forty-eight, section twenty-three of
the Revised Statutes, relating to investments of savings
banks.

Be it enacted by the People of the State of Maine, as follows:

Section 1. Chapter forty-eight, section twenty-three sub-
2 division third, clause (f) of the Revised Stautes, as amend-
3 ed by section four, chapter sixty-nine of the Public Laws of
4 1907, is hereby amended so as to read as follows:

'f: In the bonds of street railroads constructed in this
6 State prior to April twenty-seven, eighteen hundred and
7 ninety-five, and in bonds of street railroads in this State con-
8 structed after said date, and in the first mortgage bonds of

9 any completed street railroad in the states of New Hamp-
10 shire, Vermont, Massachusetts, Rhode Island, Connecticut,
11 New York, New Jersey, Pennsylvania, Maryland, Ohio, In-
12 diana, Kentucky, Michigan, Wisconsin, Minnesota, Iowa, Il-
13 linois, Missouri, Kansas and Nebraska ; provided that in the
14 case of street railroads constructed in this State after April
15 twenty-seven eighteen hundred and ninety-five, and in the
16 case of street railroads in the states above named, an amount
17 of capital stock equal to thirty-three and one-third per cent of
18 the mortgaged debt shall have been paid in, in cash, and ex-
19 pended upon the road evidenced by a certificate of the rail-
20 road commissioners of the State where the road is located, if
21 they have jurisdiction over such railroads, or of the bank ex-
22 aminer of this State, filed in the office of the secretary of State
23 of this State, that said percentage has been so paid in and
24 expended in addition to the amount of the bonded debt ; pro-
25 vided, further, that in lieu of the foregoing certificate such
26 bonds may be certified as legal for the purpose hereof, on
27 satisfactory proof to the bank examiner that annual divi-
28 dends in amount equal to five per centum per annum on an
29 amount of capital stock equal to one-third of the bonded debt
30 has been earned and paid for a period of five years next
31 prior thereto ; and the person making such investigation and
32 report may charge and collect in addition to any com-
33 pensation now provided by law for their regular official du-
34 ties, a reasonable compensation for such service and all ex-

35 penses attendant thereon, including the employment of ex-
36 perts, the same to be paid by the railroad company seeking to
37 make its bonds a legal investment under this section, wheth-
38 er the same are admitted or not. No bonds secured by an
39 open mortgage shall be legal under this section unless the
40 mortgage provides that the total amount of bonds certified
41 and outstanding under it shall at no time exceed seventy-
42 five per cent of the amount of cash expended upon the road.'

Sect. 2. Said section twenty-three of the Revised Statutes
2 is further amended by striking out all of sub-division ninth
3 and substituting therefor the following: 'Ninth: All in-
4 vestments having a fixed maturity shall be charged and en-
5 tered on the books of the bank at their cost to the bank, or at
6 par when a premium is paid. The bank examiner may re-
7 quire any investment to be charged down to such sum as in
8 his judgment represents its fair value. He may at any time
9 call for a report of the financial condition of any corpora-
10 tion offering, or likely to offer, its bonds, stocks or notes to
11 any savings bank in the State, or whose notes are held by
12 any such savings bank, as much in detail as he may require,
13 verified by the oath of such officers of said corporation as he
14 may specify. He may communicate any such report, or an
15 abstract thereof, to the officers of any of said savings banks.
16 If such report is not furnished the bank examiner within the
17 time specified in his call therefor, or within such extension of
18 time as he may grant, the bonds, stocks and notes of such

19 corporation shall thereupon cease to be a legal investment
20 for savings banks under this section, and shall not again be-
21 come a legal investment until a report in all respects satis-
22 factory to the bank examiner is furnished. Any officer of
23 a corporation who wilfully makes a false report hereunder,
24 and any officer, trustee, director, clerk or employee of a
25 savings bank, trust company or loan and building associa-
26 tion who wilfully and knowingly undertakes in any manner
27 to deceive or mislead the bank examiner, or any officer or
28 representative of the State banking department, as to the
29 true condition or value of any of the investments of such sav-
30 ings bank, trust company or loan and building association,
31 or wilfully conceals any material fact connected therewith
32 shall be punished by a fine not exceeding five hundred dol-
33 lars or imprisonment not exceeding two years, or by both such
34 fine and imprisonment.'

STATE OF MAINE.

HOUSE OF REPRESENTATIVES,

Augusta, March 18, 1909.

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

E. M. THOMPSON, *Clerk.*