

MAINE STATE LEGISLATURE

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NEW DRAFT.

SEVENTY-FIFTH LEGISLATURE

HOUSE

NO. 395

House of Representatives, Mar. 2, 1911.

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

C. C. HARVEY, Clerk.

STATE OF MAINE

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

AN ACT amendatory of and additional to chapter forty-eight of the Revised Statutes relating to annual examinations of Savings Banks and Trust Companies and verification of savings deposits.

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

Section 1. In addition to the annual visitation and examination by the bank commissioner of savings banks under section 42, and of trust companies under section 79, of chapter forty-eight of the Revised Statutes, there shall be made annually an audit of all of said institutions, embracing such details as said bank commissioner may from time to time require. Such audit shall not include an appraisal of securi-

8 ties and shall, in the case of trust companies, apply only to
9 savings deposits and the accounts relating thereto. These
10 audits shall be made by disinterested, experienced account-
11 ants designated by and under the direction of the bank com-
12 missioner, and they shall make full reports thereof to the
13 bank commissioner, in duplicate, one copy of which shall be
14 kept on file in the bank commissioner's office and the other
15 shall be forwarded by the bank commissioner to the sav-
16 ings bank or trust company to which it pertains. The per-
17 son designated to make such audit shall have full access to
18 every part of the bank or trust company under examina-
19 tion and to all books, papers, vouchers, resources and other
20 things belonging to said bank or trust company, whether in
21 its immediate possession or otherwise, for the purpose of
22 facilitating such audit. The bank commissioner may em-
23 ploy a suitable number of persons to perform the work here-
24 in specified and shall fix their compensation subject to the
25 approval of the Governor and Council. Such compensa-
26 tion, including necessary expenses, shall be paid by the state
27 from taxes paid by savings banks and trust companies not
28 appropriated to the use of schools, and so much thereof as
29 may be necessary is hereby appropriated for the purpose of
30 this act. Examinations made hereunder shall first be made
31 during the year beginning December 1, 1911. If any per-
32 son designated by the bank commissioner to make an exam-
33 ination as herein specified shall communicate or impart to
34 any person or persons, except to said bank commissioner

35 or his deputy or as a witness in court, any information ob-
36 tained by such examination, he shall be punished by impris-
37 onment not exceeding one year or by fine not exceeding one
38 thousand dollars or both.

Sect. 2. During the year 1911 and during each third year
2 thereafter every savings bank or institution for savings and
3 every trust and banking company, incorporated under the
4 laws of this state, maintaining a savings department or so-
5 liciting or receiving savings deposits, shall cause the books
6 of the savings depositors to be verified by such method and
7 under such rules as the bank commissioner may prescribe.
8 But any bank or institution for savings and any trust or
9 banking company which, during the year 1910 or during that
10 part of the year 1911 before this act shall take effect, has
11 verified said books of deposit shall not be required to cause
12 said books to be verified until the year 1914. The treasurer
13 of every bank or institution for savings and trust and bank-
14 ing company making such verification shall submit proof
15 of the expense thereof to the state auditor and such expense
16 shall be paid by the state from taxes paid by savings banks
17 and trust companies not appropriated for the use of schools,
18 and so much thereof as may be necessary is hereby appro-
19 priated for the purpose of this act.

Sect. 3. Section 39 of said chapter 48 is hereby amended
2 by striking out the words, "settle the treasurer's account,"
3 so that said section as amended shall read as follows: "Two
4 of the trustees, at least, shall once in each year, thoroughly

5 examine the affairs of the corporation and report under oath
6 to the bank examiner the standing of the corporation, the
7 situation of its funds, and all other matters which the ex-
8 aminer requires, in the manner and according to the form
9 that he prescribes. And the examiner shall seasonably give
10 notice of the time and furnish blanks for said examination
11 and return.”

Sect. 4. Section 42 of said chapter 48 is hereby amended
2 by inserting after the word “management” in the twelfth line
3 the following: ‘He may prescribe the manner and form of
4 keeping the books and accounts of said corporations, which
5 however, need not be uniform.’ so that said section as
6 amended shall read as follows:

‘Sect. 42. Such banks and institutions are under the charge
8 of the bank examiner for the purposes of examination. He
9 shall visit every savings bank and institution for savings,
10 incorporated by authority of the state, once in every year,
11 and as much oftener as he deems expedient. At such visits
12 he shall have free access to the vaults, books and papers, and
13 thoroughly inspect and examine all the affairs of each of
14 said corporations, and make such inquiries as are necessary
15 to ascertain its condition and ability to fulfil all its engage-
16 ments, and whether it has complied with the law, and its
17 officers shall, whenever required to do so by the bank ex-
18 aminer, furnish him with statements and full information
19 relating to the condition and standing of their institution,
20 and of all matters pertaining to its business affairs and

21 management. He may prescribe the manner and form of
22 keeping the books and accounts of said corporations, which,
23 however, need not be uniform. He shall preserve in a per-
24 manent form, a full record of his proceedings, including a
25 statement of the condition of each of said corporations, a
26 copy of which statement shall be published by such corpo-
27 ration immediately after the examination of the same, in
28 a newspaper in the place where it is established, if any,
29 otherwise in a newspaper published in the nearest place
30 thereto.'