

MAINE STATE LEGISLATURE

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SEVENTY-FIFTH LEGISLATURE

HOUSE

NO. 733

House of Representatives, March 22, 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 48 of the Revised Statutes, there shall be made annually a thorough audit of the assets and liabilities of said institutions, embracing such details as the bank commissioner may require. Such audit shall not include an appraisal of securities 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 an expert accountant designated by
11 the bank commissioner, in no way connected with the bank
12 or trust company. Said accountant shall make full reports
13 of his audits to the bank commissioner, in duplicate, one
14 copy of which shall be kept on file in the bank commission-
15 er's office and the other shall be forwarded by the bank
16 commissioner to the savings bank or trust company to which
17 it pertains. He shall have full access to every part of the
18 bank or trust company under examination, and to all books,
19 papers, vouchers, resources and other things belonging to
20 said bank or trust company, whether in its immediate pos-
21 session or otherwise, for the purpose of facilitating such
22 audits. The compensation of such accountant shall be fixed
23 by the governor and council and, with his necessary ex-
24 penses incurred in making such audit, shall be paid by the
25 state from taxes paid by savings banks and trust companies
26 not appropriated to the use of schools, and so much thereof
27 as may be necessary is hereby appropriated for the purposes
28 of this act. Examinations made hereunder shall be made
29 annually, beginning with the year 1912, at such times as the
30 bank commissioner may direct. If any person designated
31 by the bank commissioner to make an examination as herein
32 specified, shall communicate or impart to any person or per-
33 sons, except to said bank commissioner or the deputy bank
34 commissioner, or as a witness in court, any information ob-
35 tained by such examination, he shall be punished by impris-

36 onment not exceeding one year or by fine not exceeding one
37 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
10 that part of the year 1911 before this act shall take effect,
11 has verified said books of deposit shall not be required to
12 cause said books to be verified until the year 1914. The
13 treasurer of every bank or institution for savings and trust
14 and banking company making such verification shall submit
15 proof of the expense thereof to the state auditor and such
16 expense shall be paid by the state from taxes paid by sav-
17 ings banks and trust companies not appropriated for the use
18 of schools, and so much thereof as may be necessary is here-
19 by appropriated for the purposes 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
6 oath to the bank examiner the standing of the corporation,

7 the situation of its funds, and all other matters which the
8 examiner 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
3 line the following: 'He may prescribe the manner and form
4 of keeping the books and accounts of said corporations,
5 which, however, need not be uniform,' so that said section
6 as 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,
13 and thoroughly inspect and examine all the affairs of each
14 of said corporations, and make such inquiries as are neces-
15 sary to ascertain its condition and ability to fulfil all its
16 engagements, and whether it has complied with the law, and
17 its officers shall, whenever required to do so by the bank
18 examiner, 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 man-
21 agement. He may prescribe the manner and form of keep-
22 ing the books and accounts of said corporations, which, how-

23 ever, need not be uniform. He shall preserve in a perma-
24 nent form, a full record of his proceedings, including a state-
25 ment of the condition of each of said corporations, a copy
26 of which statement shall be published by such corporation
27 immediately after the examination of the same, in a news-
28 paper in the place where it is established, if any, otherwise
29 in a newspaper published in the nearest place thereto.'