

MAINE STATE LEGISLATURE

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SEVENTY-FIFTH LEGISLATURE

SENATE

NO. 65

In Senate, Feb. 2, 1911.

*Laid on table for printing on motion of Mr. Farrington of
Kennebec, pending reference to a committee.*

W. C. HANSON, Secretary.

STATE OF MAINE

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

AN ACT amendatory of and additional to Chapter 48 of the
Revised Statutes relating to annual examinations of savings
banks and trust companies and verification of saving deposits.

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

Section 1. In addition to the annual visitation and exam-
ination by the bank commissioner of savings banks under
section 42, and of trust companies under section 79, of chap-
ter 48 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 securities and
shall, in the case of trust companies, apply only to savings
deposits and the accounts relating thereto. These audits

10 shall be made by disinterested, experienced accountants des-
11 igned by and under the direction of the bank commis-
12 sioner, and they shall make full reports thereof to the bank
13 commissioner, in duplicate, one copy of which shall be kept
14 on file in the bank commissioner's office and the other shall
15 be forwarded by the bank commissioner to the savings bank
16 or trust company to which it pertains. The person desig-
17 nated to make such audit shall have full access to every
18 part of the bank or trust company under examination and
19 to all books, papers, vouchers, resources and other things
20 belonging to said bank or trust company, whether in its
21 immediate possession or otherwise, for the purpose of facili-
22 tating such audit. The bank commissioner may employ a
23 suitable number of persons to perform the work herein
24 specified and shall fix their compensation subject to the
25 approval of the governor and council. Such compensation,
26 including necessary expenses, shall be paid by the state from
27 taxes paid by savings banks and trust companies not appro-
28 priated to the use of schools. Examinations made hereun-
29 der shall first be made during the year beginning December
30 1, 1911. If any person designated by the bank commis-
31 sioner to make an examination as herein specified shall com-
32 municate or impart to any person or persons, except to said
33 bank commissioner or the deputy bank commissioner or as a
34 witness in court, any information obtained by such examina-
35 tion, he shall be punished by imprisonment not exceeding

36 one year or by fine not exceeding one thousand dollars or
37 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
5 soliciting or receiving savings deposits, shall cause the books
6 of its 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 deposits, 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 or banking
14 company making such verification shall submit proof of the
15 expense thereof to the state auditor and such expense shall
16 be paid by the state from taxes paid by savings banks and
17 trust companies not appropriated for the use of schools.

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
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,
17 and its officers shall, whenever required to do so by the
18 bank examiner, furnish him with statements and full infor-
19 mation relating to the condition and standing of their insti-
20 tution, and of all matters pertaining to its business affairs
21 and management. He may prescribe the manner and form
22 of keeping the books and accounts of said corporations,
23 which however need not be uniform. He shall preserve in
24 a permanent form, a full record of his proceedings, includ-

25 ing a statement of the condition of each of said corpora-
26 tions, a copy of which statement shall be published by such
27 corporation immediately after the examination of the same,
28 in a newspaper in the place where it is established, if any,
29 otherwise in a newspaper published in the nearest place
30 thereto.'