

MAINE STATE LEGISLATURE

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EIGHTIETH LEGISLATURE

SENATE

NO. 38

In Senate, Feb. 8, 1921.

Referred to Committee on Banks and Banking and 500 copies ordered printed. Sent down for concurrence.

L. ERNEST THORNTON, Secretary.

Presented by Senator Sprague of Piscataquis.

STATE OF MAINE

IN THE YEAR OF OUR LORD ONE THOUSAND
NINE HUNDRED AND TWENTY-ONE

AN ACT to Enable Mutual Savings Banks to Make a More
Equitable Distribution of Their Earnings.

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

Amend section thirty-six of chapter fifty-two, revised statutes of Maine nineteen hundred sixteen, by adding after the word "day" in the ninth line of said section, the following words, 'but if the by-laws so provide, ordinary dividends may be declared and paid to all depositors of record on dividend day upon deposits which have been on deposit for one continuous month or any multiple of one month, at any time during said dividend period', so that said section thirty-

9 six of said chapter fifty-two when amended shall read as
10 follows:

Dividends from earnings; maintenance of reserve fund;
2 excess, when to be divided. Dividends, declared only by
3 vote of trustees; not to exceed earnings of bank. R. S.
4 c. 48, sec. 28. 1907, c. 69, sec. 10. The trustees, after
5 passing to the reserve fund one-quarter of one per cent of
6 the average amount of deposits for the six months previous
7 to declaring a dividend, not subject to be divided, shall
8 declare dividends, not exceeding two and a half per cent
9 semi-annually, except as hereinafter provided, at such times
10 as are required by their by-laws, among depositors of three
11 months standing at least before dividend day; but if the
12 by-laws so provide, ordinary dividends may be declared and
13 paid to all depositors of record on dividend day upon de-
14 posits which have been on deposit for one continuous month
15 or any multiple of one month, at any time during said divi-
16 dend period. The corporation may by its by-laws include
17 deposits of less standing. The reserve fund shall be kept
18 constantly on hand, to secure against losses and contin-
19 gencies, until it amounts to five per cent of the deposits.
20 All losses shall be passed to the debit of said account. And
21 when said reserve fund amounts to ten per cent of the aver-
22 age amount of deposits for the six months previous to de-
23 claring a dividend, all net profits not otherwise divided,
24 thereafter made by said banks, shall be divided every three
25 years ratably among the depositors of one, two and three

26 full years' standing, as extra dividends. No dividends or
27 interest shall be declared, credited or paid, except by a vote
28 of the board of trustees, entered upon their records, where-
29 on shall be recorded the yeas and nays upon such vote.
30 Trustees of savings banks and savings institutions are for-
31 bidden to make any semi-annual dividend of a rate per cent
32 which will make the aggregate amount of said dividend
33 greater than the actual earnings of the bank or institution,
34 actually collected.'