

# MAINE STATE LEGISLATURE

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**EIGHTY-FIRST LEGISLATURE**

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**HOUSE**

**NO. 150**

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House of Representatives, Feb. 22, 1923.

Referred to Committee on Banks and Banking and five hundred copies ordered printed. Sent up for concurrence.

CLYDE R. CHAPMAN, Clerk.

Presented by Mr. Holmes of Lewiston.

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**STATE OF MAINE**

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

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AN ACT to Permit Savings Banks to Pay Dividends Quarterly as Well as Semi-annually if They Desire.

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

Section 1. Section thirty-six, chapter fifty-two revised statutes 1916 is hereby amended by inserting in line five after the word "dividend" the following: 'if the dividend is semi-annual or for the three months previous to declaring a dividend if the dividend is quarterly'; and in line seven by inserting after the word "semi-annually" the following: 'if the dividends are semi-annual or one and one quarter per cent quarterly if the dividends are quarterly;' and in line twenty-one by inserting after the word "semi-annual"

10 the following: 'or quarterly;' so that said section as amend-  
11 ed shall read as follows:

'Sect. 36. Dividend from earnings; maintenance of re-  
2 serve fund; excess, when to be divided. Dividends, de-  
3 clared only by vote of trustees; not to exceed earnings  
4 of bank. The trustees, after passing to the reserve  
5 fund one-quarter of one per cent of the average amount  
6 of deposits for the six months previous to declaring a  
7 dividend if the dividend is semi-annual or for the three  
8 months previous to declaring a dividend if the dividend  
9 is quarterly, not subject to be divided, shall declare  
10 dividends, not exceeding two and a half per cent semi-  
11 annually if the dividends are semi-annual or one and one  
12 quarter per cent quarterly if the dividends are quarterly,  
13 except as hereinafter provided, at such times as are re-  
14 quired by their by-laws, among depositors of three months  
15 standing at least before dividend day. The corporation  
16 may by its by-laws include deposits of less standing.  
17 The reserve fund shall be kept constantly on hand, to se-  
18 cure against losses and contingencies, until it amounts  
19 to five per cent of the deposits. All losses shall be  
20 passed to the debit of said account. And when said  
21 reserve fund amounts to ten per cent of the average amount  
22 of deposits for the six months previous to declaring a  
23 dividend, all net profits not otherwise divided, there-  
24 after made by said banks, shall be divided every three  
25 years ratably among the depositors of one, two and three

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

Sect. 2. Section thirty-eight, chapter fifty-two revised  
2 statutes 1916 is hereby amended by inserting in line three  
3 after the word "semi-annual" the following: 'or quarterly  
4 dividend' so that said section as amended shall read as  
5 follows:

'Sect. 38. Interest on deposits, prohibited. No deposit  
2 shall be received under an agreement to pay any specified  
3 sum of interest for its use, other than regular semi-annual  
4 or quarterly dividend and extra dividends.'