

MAINE STATE LEGISLATURE

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EIGHTY-THIRD LEGISLATURE

House Document

No. 62

H. P. 253

House of Representatives, Feb. 3, 1927.

Referred to committee on banks and banking and 1,000 copies ordered printed. Sent up for concurrence.

CLYDE R. CHAPMAN, Clerk.

Presented by Mr. Bartlett of Bangor.

STATE OF MAINE

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

AN ACT Relating to Savings Deposits in Trust Companies.

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

Section eighty-nine of chapter one hundred and forty-four
2 of the public laws of nineteen hundred and twenty-three is
3 hereby amended by striking out all of said section and in-
4 serting in place thereof the following, so that said section,
5 as amended, shall read as follows:

'Sect. 89. Every trust company soliciting or receiving
2 savings deposits which may be withdrawn only on presenta-
3 tion of the pass book or other similar form of receipt which
4 permits successive deposits or withdrawals to be entered
5 thereon; or which at the option of the trust company may
6 be withdrawn only at the expiration of a stated period after

7 notice of intention to withdraw has been given; or in any
8 other way which might lead the public to believe that such
9 deposits are received or invested in the same manner as
10 deposits in savings banks; or which advertises or holds
11 itself out as maintaining a savings department, or uses the
12 term "savings" in connection with any part of its business,
13 shall invest all of such deposits in accordance with the laws
14 governing the investment of deposits in mutual savings banks
15 and shall segregate and set apart and at all times keep on
16 hand so segregated and set apart all of said investments. In
17 the case of any trust company which also acts as surety
18 upon any bonds or other obligations the amount of assets
19 segregated and set apart shall be at least fifteen per cent.
20 in excess of the amount of such deposits. The bank com-
21 missioner may require all such assets as appear to him to
22 be carried in excess of their true value to be charged down
23 to such value.

This act shall not take effect until the first day of May,
2 nineteen hundred and twenty-eight.

All savings deposits which are not now invested in accord-
2 ance with the provisions of this act may remain as now in-
3 vested; but, beginning May first, nineteen hundred and
4 twenty-eight, any reinvestment of the same shall be made
5 in accordance with the provisions of this act.'

STATEMENT OF FACTS

This act is for the purpose of placing equal protection around savings deposits, defined by the courts to be "trust funds," whether deposited in the Mutual Savings Bank or Savings Department of a Trust Company. Such a law now safeguards all savings depositors in Connecticut, Massachusetts, New Hampshire, Rhode Island and Vermont. If such a law has been found necessary in all these New England states, then the two hundred thousand savings deposits affected by this act in Maine should be given similar protection.