

MAINE STATE LEGISLATURE

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EIGHTY-FOURTH LEGISLATURE

House Document

No. 421

H. P. 1244

House of Representatives, Feb. 20, 1929.

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

CLYDE R. CHAPMAN, Clerk.

Presented by Mr. Harrington of Patten.

STATE OF MAINE

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

AN ACT Relating to Dividends; Maintenance of Reserve
Fund; Declaration of Dividends in Mutual Savings Banks.

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

Section thirty-four of chapter one hundred forty-four of
2 the public laws of nineteen hundred and twenty-three is
3 hereby amended by striking out all of said section, and sub-
4 stituting therefor the following section; so that said section
5 as amended shall read as follows:

'Sect. 34. Every savings bank and savings institution shall
2 establish a reserve fund by setting aside from its net in-
3 come, and before the declaration of each dividend, an
4 amount which, together with other amounts so set aside

5 for this purpose during the year, shall be equal to one-half
6 of one per centum, at least, of its deposits; and such reser-
7 vations shall be continued until the fund shall be equal to
8 five per centum, at least, of its deposits. The fund shall
9 be kept constantly on hand as a security against losses and
10 contingencies, and all losses shall be charged to it. If, and
11 whenever, the fund shall become impaired below five per
12 centum of the deposits, it shall be restored in the manner
13 provided for its accumulation.

After passing to the reserve fund that part of the income
2 required to be set aside by the provisions of the previous
3 paragraph, the trustees may declare such dividends as are
4 permitted or required by their by-laws; provided that the
5 rate of the dividends shall not be more than five per centum
6 per annum; and provided, also, that the trustees are for-
7 bidden to declare any dividends of a rate per centum that
8 will make its aggregate amount greater than the income
9 actually collected in the period covered by it, except that
10 for the purpose of maintaining the rate of the dividends.
11 the trustees may deduct from the earnings and carry as a
12 special fund such sums as they may deem wise.

The dividends or interest shall be declared, and credited
2 and paid to depositors, only as authorized by a vote of the
3 board of trustees, entered upon their records, whereon shall
4 be recorded the yeas and nays upon such vote.'