

MAINE STATE LEGISLATURE

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DECEMBER SPECIAL SESSION

E I G H T Y - S I X T H L E G I S L A T U R E

Legislative Document

No. 67

H. P. 55

House of Representatives, Dec. 5, 1933.

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

HARVEY R. PEASE, Clerk.

Presented by Marion E. Martin of Bangor.

S T A T E O F M A I N E

IN THE YEAR OF OUR LORD NINETEEN HUNDRED AND
THIRTY-THREE

AN ACT Regulating Pledge of Assets by Trust Companies.

Emergency Preamble. Whereas, national banks now have the power to pledge their assets as security for deposits made therein; and

Whereas, state banks do not have this power; and

Whereas, it is necessary that the funds of the state on deposit in state banks be secured so that the functions of the state will not be interrupted for lack of funds; and

Whereas, in the judgment of the legislature these facts create an emergency within the meaning of section 16 of Article XXXI of the constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety, now, therefore

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

R. S., c. 57, amended. Chapter 57 of the revised statutes is hereby amended by inserting therein a new section to be numbered 61-F and to read as follows:

‘Sec. 61-F. Pledge of assets for deposits. A bank or trust company shall not have the power to pledge or hypothecate any of its assets as security for deposits made with it, except for the following:

(1) Federal, state, county, municipal, United States postmaster funds, postal savings funds, or other public funds.

(2) Funds deposited by the bank commissioner as receiver of an institution of which he has, pursuant to the provisions of law, taken possession.

(3) Funds deposited by a trust company, in its own commercial department, which funds are being held by such bank and trust company in a fiduciary capacity, and are being deposited by it pending investment or distribution.'

Emergency Clause. In view of the emergency created as recited in the preamble this act shall take effect when approved.