

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. 96

S. P. 22

In Senate, Dec. 6, 1933.

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

ROYDEN V. BROWN, Secretary.

Presented by Senator Robie of Cumberland.

STATE OF MAINE

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

AN ACT Restricting the Ownership of Realty by Trust Companies

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 adding thereto the following new sections to be numbered 61-B and 61-C and to read as follows:

'Sec. 61-B. Restriction on ownership of real property. Except as otherwise provided in this and the following section, a trust company shall not purchase, own, or hold any real property, except as follows:

a. Such real property as it occupies, or intends to occupy pursuant to the provisions of this and the following section for business accommodation in the transaction of its business, or such real property which it partly so occupies and partly leases.

b. Such as it shall purchase at sales under judgments, decrees, or mortgages held by it, or as it shall otherwise acquire in good faith in satisfaction of debts previously contracted by it, or in order to protect an interest it may otherwise have lawfully acquired in such property.

c. Such trust company shall not own or hold any real property other than such prescribed in sub-paragraph a of this section, for a period longer than 5 years after acquisition of such real property, or 5 years

after the date this section becomes effective, but the bank commissioner may upon application of a trust company grant to it is writing the power to hold such real property for a longer period if the interest of depositors will be protected and served by such extension. This section shall not be construed to prevent any trust company from making improvements to properties owned and not occupied by said trust company for the purposes of sale or lease.

Sec. 61-C. Limitation on bank buildings owned or leased and the furniture and fixtures therein. The cost of the real property, including the building or buildings thereon, which a trust company occupies or intends to occupy for the transaction of its business, or partly so occupies and partly leases to others, together with the cost of furniture and fixtures therein which are owned by such institution, shall not at any time exceed in the aggregate 25% of its capital and unimpaired surplus, except upon the written approval of the bank commissioner. Before the erection of a building or buildings is commenced the estimate of the costs thereof shall be submitted to the bank commissioner for approval. A trust company shall not expend for the alteration or improvement of premises occupied, but not owned by it, an amount which together with the cost of any real property, building or buildings, and furniture and fixtures which it owns, exceeds 25% of its capital, and unimpaired surplus, excepting with the written approval of the bank commissioner. The cost of such alterations or improvements shall be amortized during the term of such lease, or occupancy, and before such alterations or improvements are made an estimate of the cost thereof shall be submitted to the bank commissioner for his approval. The foregoing provisions of this section shall not affect any real property and building or buildings occupied, or furniture and fixtures owned and used by the trust company upon the effective date of this act for the transaction of its business, but such trust company shall not, except with the approval of the bank commissioner, add to such real property, building or buildings, furniture and fixtures, and shall not alter or improve such premises if the cost of such additions, alterations or improvements shall, together with other real property and building or buildings occupied, or furniture and fixtures owned and used by said trust company, aggregate 25% of its capital, and unimpaired surplus. This section shall not be construed to prohibit a trust company from making ordinary repairs on such real property. Except as otherwise provided by law a trust company may lease to any other corporation or person for offices, or for any other legitimate purposes, any part of the premises which it owns or occupies for the transaction of its business but which is not necessary for the transaction of such business.'