

# MAINE STATE LEGISLATURE

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EIGHTY - SEVENTH LEGISLATURE

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Legislative Document

No. 450

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H. P. 1200

House of Representatives, February 7, 1935.

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

HARVEY R. PEASE, Clerk.

Presented by Mr. Harriman of Gardiner.

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STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED  
THIRTY-FIVE

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**AN ACT Relating to Investments of Savings Banks.**

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

**Sec. 1. R. S., c. 57, § 27, ¶ VII, b, sub-div. 4, amended.** Sub-division 4 of paragraph VII, b of section 27 of chapter 57 of the revised statutes is hereby amended by striking out all of sub-division 4 and inserting in lieu thereof the following:

‘4. Any such corporation whose sole business is furnishing municipal, industrial and domestic users with a water supply and whose entire public service income is derived solely therefrom, shall have received average gross earnings of at least \$250,000 per year in each of its 3 fiscal years, or 3 nearer periods of one year next preceding investment, and any other such corporation shall have received average gross earnings of at least \$500,000 per year in each of its 3 fiscal years, or 3 nearer periods of one year next preceding investment.’

**Sec. 2. R. S., c. 57, § 27, ¶ VII, b, sub-div. 5, amended.** Sub-division 5 of paragraph VII b of section 27 of chapter 57 of the revised statutes is hereby amended by striking out all of sub-division 5 and inserting in lieu thereof the following:

‘5. Such corporation, except corporations whose sole business is furnishing municipal, industrial and domestic users with a water supply and whose

entire public service income is derived solely therefrom, shall have earned and received an average net income, including income from investments, for a period of 3 fiscal years or a nearer period of 3 years next preceding such investment, of not less than twice the annual interest on its debt outstanding during that period and secured by the mortgage under which the bonds in question are issued and all prior liens, and also shall have earned and received for a period of 12 consecutive months within the 15 months next preceding investment a net income of not less than one and one-half times the annual interest on its debt outstanding at the time of investment, secured as aforesaid, and shall not have defaulted on any of its obligations during the same period, and any such corporation whose sole business is furnishing municipal, industrial and domestic users with a water supply and whose entire public service income is derived solely therefrom, shall have earned and received an average net income, including income from investments, for said periods of not less than one and one-half times the annual interest on such debts, and also shall have earned and received for a period of 12 consecutive months within the 15 months next preceding investment a net income of not less than one and one-fourth times the annual interest on its debt outstanding at the time of investment, secured as aforesaid, and shall not have defaulted on any of its obligations during the same period. The net income of any corporation as described in sub-division b of paragraph VII of section 27 shall be determined after deducting all operating expenses, maintenance charges, depreciation, rentals, taxes, and guaranteed interest and dividends paid by or due from it.'

**Sec. 3. R. S., c. 57, § 27, ¶ VII c, amended.** Paragraph VII c of section 27 of chapter 57 of the revised statutes is hereby amended by striking out all of paragraph VII c and inserting in lieu thereof the following:

'VII c. Not more than 10% of the deposits of any one bank shall be invested in the obligations of such of the above specified corporations as are engaged solely in the business of furnishing municipal, industrial and domestic users with a water supply and whose public service income is derived solely therefrom; and not more than 35% of the deposits of any one bank in the obligations of all others of the above specified public utility corporations. Not more than 2% of such deposits shall be invested in the obligations of any one of such corporations, the business of which is transacted principally outside the state of Maine.'