

MAINE STATE LEGISLATURE

The following document is provided by the
LAW AND LEGISLATIVE DIGITAL LIBRARY
at the Maine State Law and Legislative Reference Library
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied
(searchable text may contain some errors and/or omissions)

TRANSMITTED BY REVISOR OF STATUTES PURSUANT TO
JOINT ORDER

N I N E T Y - F I R S T L E G I S L A T U R E

Legislative Document

No. 731

H. P. 1231

House of Representatives, February 25, 1943.

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

HARVEY R. PEASE, Clerk.

Presented by Mr. Flagg of Portland.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
FORTY-THREE

AN ACT Relating to Investment of Deposits in Mutual Savings Banks.

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

Sec. 1. R. S., c. 57, § 27, sub-§ VI, subdivision b, amended. Subdivision b of subsection VI of section 27 of chapter 57 of the revised statutes, as amended, is hereby further amended by adding thereto a new paragraph to be numbered 5 and to read as follows:

‘5. No obligation described in paragraphs 1 to 4, inclusive, of this subdivision shall hereafter be legal for savings bank investment, except such as the bank commissioner, upon written recommendation of a special committee of The Savings Banks Association of Maine, appointed or elected for the purpose, may deem suitable for savings bank investment. The bank commissioner, in his discretion and upon the written recommendation of such special committee, may remove at any time from the list of obligations, now or hereafter certified by him as legal for savings bank investment under the provisions of subsection XI, any obligations described in paragraphs 1 to 4, inclusive, of this subdivision, which he deems to have become unsuitable for savings bank investment.’

Sec. 2. R. S., c. 57, § 27, sub-§ VI, subdivision c, ¶ 1, amended. Paragraph 1 of subdivision c of subsection VI of section 27 of chapter 57 of the revised statutes, as amended by section 2 of chapter 252 of the public laws of 1937, is hereby further amended to read as follows:

'c—1. In equipment bonds or notes issued under the Philadelphia plan, so-called, and secured by standard equipment leased to any steam railroad corporation in the United States ~~any of whose mortgage bonds are eligible under the previous provisions of this section~~; provided, however, that the amount of such securities outstanding shall at no time exceed 80% of the cost of the equipment by which they are secured.'

Sec. 3. R. S., c. 57, § 27, sub-§ VI, subdivision c, ¶ 2, amended. Paragraph 2 of subdivision c of subsection VI of section 27 of chapter 57 of the revised statutes, as amended by section 3 of chapter 104 of the public laws of 1937, is hereby further amended to read as follows:

'2. In such other obligations issued or assumed by any steam railroad corporation organized under the laws of any state in the United States, secured by first mortgage, or trust indenture which is in effect a first mortgage, on standard guage railroad operated by such corporation or a lessee corporation as the bank commissioner, upon the written recommendation of a special committee of The Savings Banks Association of Maine, appointed or elected for such purpose, may deem suitable for savings bank investment, having regard primarily to the strategic importance of such mileage, or its density or revenue producing characteristics per dollar of debt secured thereby, **and upon the written recommendation of such special committee, may remove at any time from the list of obligations certified by him as legal for savings bank investment under the provision of subsection XI, any obligations in this paragraph described which he deems to have become unsuitable for savings bank investment.**'

Sec. 4. R. S., c. 57, § 27, sub-§ XI, amended. The 1st paragraph of subsection XI of section 27 of chapter 57 of the revised statutes, as amended by section 10 of chapter 104 of the public laws of 1937, is hereby further amended to read as follows:

'The bank commissioner shall ascertain what bonds and other interest-bearing obligations are legal investments under the provisions of subsections I to X, inclusive, of this section, and within the 1st 10 days of May and November of each year shall send to each savings bank a certificate stating, over his signature, that upon investigation, he finds the obligations specified in said certificate are legal investments under the provisions

of this section. Such findings may be based upon information derived from any source which, in the judgment of the bank commissioner, is reliable, and need not include information furnished directly by the officers of the company issuing or assuming the obligations. Said certificate shall be prima facie evidence of the correctness of the findings of said commissioner and shall so continue until the issuance of the next certificate of said commissioner, or of an intermediate certificate correcting and changing the list of legal investments in the certificate last issued. Nothing herein contained shall be construed to require any action by the bank commissioner as a condition precedent to the right of any savings bank to purchase any security conforming to the requirements of the provisions of this section at the time of investment, **except as such action may be required under the provisions of subsection VI of this section.**