

MAINE STATE LEGISLATURE

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ACTS AND RESOLVES

OF THE

SIXTY-THIRD LEGISLATURE

OF THE

STATE OF MAINE.

1887.

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PUBLIC LAWS
OF THE
STATE OF MAINE.

1887.

Chapter 60.

An Act to create a lien on Last Blocks.

Be it enacted by the Senate and House of Representatives in Legislature assembled, as follows :

SECT. 1. Whoever labors in the manufacturing of last blocks, or cuts or furnishes wood for the manufacture of the same, or is engaged in cooking for persons engaged in such labor, or furnishes a team for the hauling of said last blocks or the lumber from which they are manufactured, has a lien on said last blocks for the amount due him for his personal labor thereon, or that of his team, and for the amount due for wood so cut or furnished, which takes precedence of all other claims, except liens reserved to the state ; said lien shall continue for thirty days after the said last blocks are stored or housed for drying purposes, and shall be enforced by attachment.

Lien on last blocks, created.

SECT. 2. Section forty-two of chapter ninety-one of the revised statutes, is hereby made applicable to suits brought to enforce the foregoing liens.

—how enforced.

Approved March 3, 1887.

Chapter 61.

An Act to amend chapter forty-seven of the Revised Statutes, relating to Loan and Building Associations.

Be it enacted by the Senate and House of Representatives in Legislature assembled, as follows :

Chapter forty-seven of the revised statutes is hereby amended by striking out sections one hundred and thirty-four, one hundred and thirty-five, one hundred and thirty-six, one hundred and thirty-seven and one hundred and thirty-eight of said chapter forty-seven, and inserting instead thereof the following :

Ch. 47, R. S., amended.

SECT. 134. The capital to be accumulated shall not exceed one million dollars, and shall be divided into shares of the ultimate value of two hundred dollars each. The shares may be issued in quarterly, half-yearly or yearly series, in such amounts and at such times as the members may determine. No person shall hold more than twenty-five shares in the capital of any one such association. No shares of a prior series shall be issued after the issue of a new series.

Capital stock.

—ultimate value of, shares.

—shares may be issued in series.

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Officers, election of and meetings, shall be determined by the by-laws.

—tenure of officers.

Meetings shall be held monthly.

—monthly payments on shares.

Shares may be withdrawn.

—shareholders' accounts, how settled.

Unpledged shares of any series, may be retired.

—proviso.

When shares reach maturity, holders shall be paid value thereof.

'SECT. 135. The number, title, duties and compensation of the officers of the association, their terms of office, the time of their election, as well as the qualifications of electors, and time of each periodical meeting of the officers and members shall be determined by the by-laws, but no member shall be entitled to more than one vote. All officers shall continue in office until their successors are duly elected, and no association shall expire from neglect on its part to elect officers at the time prescribed by the by-laws.

'SECT. 136. The officers shall hold stated monthly meetings. At or before each of these meetings, every member shall pay to the association, as a contribution to its capital, one dollar, as dues upon each share held by him, until the share reaches the ultimate value of two hundred dollars, or is withdrawn, canceled or forfeited. Payment of dues on each series shall commence from its issue.

'SECT. 137. Shares may be withdrawn after one month's notice of such intention, written in a book held and provided by the association for the purpose. Upon such withdrawal, the shareholder's account shall be settled as follows; from the amount then standing to the credit of the shares to be withdrawn, there shall be deducted all fines, a proportionate part of any unadjusted loss, together with such proportion of the profits previously credited to the shares as the by-laws may provide, and such shareholder shall be paid the balance; provided, that at no time shall more than one-half of the funds in the treasury be applicable to the demands of withdrawing members, without the consent of the directors. The directors may, at their discretion, under rules made by them, retire the unpledged shares of any series at any time after four years from the date of their issue, by enforcing the withdrawal of the same; provided, that the shareholders whose shares are to be retired shall be determined by lot, and that they shall be paid the full value of their shares, less all fines and a proportionate part of any unadjusted loss.

'SECT. 138. When each unpledged share of a given series reaches the value of two hundred dollars, all payments of dues thereon shall cease, and the holder thereof shall be paid out of the funds of the association, two hundred dollars therefor, with interest at the rate of six per cent a year, from the

time of such maturity to the time of payment ; provided, that at no time shall more than one-half of the funds in the treasury be applicable to the payment of such matured shares, without the consent of the directors, and that before paying matured shares, all arrears and fines shall be deducted. Every share shall be subject to a lien for the payment of any unpaid dues, fines, interest, premiums and other charges received thereon, which may be enforced in the manner hereinafter provided.

—shares subject to lien for unpaid dues.

‘SECT. 139. The moneys accumulated, after due allowance made for all necessary and proper expenses and for the withdrawal of shares, shall, at each stated monthly meeting, be offered to the members according to the premiums bid by them for priority of right to a loan. Each member whose bid is accepted, shall be entitled, upon giving proper security, to receive a loan of two hundred dollars for each share held by him, or such fractional part of two hundred dollars as the by-laws may allow. If a balance of money remains unsold after a monthly sale, the directors may invest the same in any of the securities named in section one hundred of chapter forty-seven, revised statutes, providing for investments of deposits of savings banks. Any association organized as aforesaid, may provide in its by-laws that the bid for loans, at its stated monthly meetings shall, instead of a premium, be a rate of annual interest upon the sum desired payable in monthly installments. Such bids shall include the whole interest to be paid, and may be at any rate not less than five per cent per annum.

Loans to members, how effected.

Money remaining unsold, how invested.

—bids for loans may be a rate of interest instead of a premium.

‘SECT. 140. Premiums for loans shall consist of a percentage charged on the amount lent in addition to interest, and shall be deemed to be a consideration paid by the borrower for the present use and possession of the future or ultimate value of his shares, and shall, together with interest and fines, be received by the association as a profit on the capital invested in the loan, and shall be distributed to the various shares and series of said capital as hereinafter provided.

Premiums to be received as profits, and distributed to shareholders.

‘SECT. 141. A borrowing member, for each share borrowed upon, shall, in addition to his dues and monthly premium, pay monthly interest on his loan at the rate of six per cent per annum until his shares reach the ultimate value of two hundred dollars each, or the loan has been repaid ; and when said ultimate value is reached, said shares and loan shall

Monthly interest shall be paid on loans until ultimate value of share is reached, when such share shall be canceled.

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be declared canceled and satisfied, and the balance, if any, due upon the shares shall be paid to the member.

Loans shall be secured by mortgage on real estate and pledge of shares.

'SECT. 142. For every loan made, a note secured by first mortgage of real estate shall be given, accompanied by a transfer and pledge of the shares of the borrower. The share so pledged shall be held by the association as collateral security for the performance of the conditions of the note and mortgage. Said note and mortgage shall recite the number of shares pledged, and the amount of money advanced thereon, and shall be conditioned for the payment, at the stated meetings of the corporation, of the monthly dues on said shares, and the interest and premium upon the loan, together with all fines on payments in arrears, until said shares reach the ultimate value of two hundred dollars each, or said loan is otherwise canceled or discharged; provided, that the shares, without other security, may, in the discretion of the directors, be pledged as security for loans, to an amount not exceeding their value as adjusted at the last adjustment and valuation of shares before the time of the loan. If the borrower neglects to offer security, satisfactory to the directors, within the time prescribed by the by-laws, his right to the loan shall be forfeited, and he shall be charged with one month's interest and one month's premium at the rate bid by him, together with all expenses, if any, incurred, and the money appropriated for such loan may be re-loaned at the next or any subsequent meeting.

—conditions of note and mortgage.

—shares alone may be pledged as security for loans.

—if borrower fails to offer security, loan shall be forfeited.

Borrower may repay loan at any time.

'SECT. 143. A borrower may repay a loan at any time, upon application to the association, whereupon, on settlement of his account, he shall be charged with the full amount of the original loan, together with all monthly installments of interest, premium, and fines in arrears, and shall be given credit for the withdrawing value of his shares pledged and transferred as security, and the balance shall be received by the association in full satisfaction and discharge of said loan; provided, that all settlements made at periods intervening between stated meetings of the directors, shall be made as of the date of the stated meeting next succeeding such settlement; and provided, that a borrower desiring to retain his shares and membership may, at his option, repay his loan without claiming credit for his shares, whereupon said shares shall be re-transferred to him and shall be free from any claim by reason of said canceled loan.

—settlement of accounts, how made.

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SECT. 144. Members who make default in the payment of their monthly dues, interest and premiums, shall be charged a fine not exceeding two per cent a month on each dollar in arrears. No fines shall be charged after the expiration of six months from the first lapse in any such payment, nor upon a fine in arrears. The shares of a member who continues in arrears more than six months shall, at the option of the directors, if the member fails to pay the arrears within thirty days after notice, be declared forfeited, and the withdrawing value of the shares at the time of the first default shall be ascertained, and after deducting all fines and other legal charges, the balance remaining shall be transferred to an account to be designated the forfeited share account, to the credit of the defaulting member. Said member, if not a borrower, shall be entitled, upon thirty days' notice, to receive the balance so transferred, without interest from the time of the transfer, in the order of his turn, out of the funds appropriated to the payment of withdrawals. All shares so forfeited or transferred shall cease to participate in any profits of the association accruing after the last adjustment and valuation of shares before said default.

Members failing to pay dues, etc., shall be fined.

—shares in arrears more than six months, shall be forfeited.

SECT. 145. If a borrowing member is in arrears for dues, interest, premiums or fines for more than six months, the directors may, at their discretion, declare the shares forfeited after one month's notice, if the arrears continue unpaid. The account of such borrowing member shall then be debited, with the arrears of interest, premiums and fines to date of forfeiture, and the shares shall be credited upon the loan at their withdrawing value. The balance of the account may, and after six months shall be enforced against the security by any legal method, or by proceedings in equity, for sale and foreclosure, jurisdiction therefor being hereby specially given to the supreme and superior courts, to be exercised upon bill or petition in a summary manner. The shares, the value whereof has been so applied in payment shall revert to the corporation, and be held by it free from all interest, claim, or demand on the part of the borrower, or any person claiming from or under him.

Directors, may at their discretion, after one month's notice, declare shares of borrowing members, forfeited.

—account of borrowing member, how adjusted.

—balance of account shall, after six months, be enforced against security.

—shares shall revert to company.

SECT. 146. Upon the death of a shareholder, his legal representatives shall be entitled to receive the amount of unpledged shares of the deceased, to be ascertained as pro-

Unpledged shares of deceased shareholder shall revert to his legal representative.

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—shares of, and money received for shares of deceased shareholder, how distributed.

Accounts, how kept, and business, how transacted.

Duties of treasurer.

vided in section one hundred and thirty-seven for withdrawal of shares. No fines shall be charged, or profits credited to a deceased member's account from and after his decease, unless his legal representatives assume the future payments on such shares, which they may assume under the same rights and liabilities of the deceased. Moneys received for the shares of a deceased shareholder, or the shares themselves, as the case may be, shall descend to the same persons and be distributed in the same manner that money received from a policy of life insurance on the life of a deceased person now does by law.

'SECT. 147. The general accounts of every such association shall be kept by double entry. All moneys received by the association from each member, shall be receipted for by persons designated by the directors in a pass-book provided by the association for the use of, and to be held by the member, and said pass-book shall be plainly marked with the name and residence of the holder thereof, the number of shares held by him, and the number or designation of the series or issue to which said shares respectively belong, and the date of the issue of such series. All moneys so received shall be originally entered by the proper officer in a book to be called the cash book, to be provided by the association for the purpose, and the entries therein shall be so made as to show the name of the payer, the number of the shares, the number or designation of the series, or issues of the particular share or shares so entered, together with the amount of dues, interest, premiums and fines paid thereon, as the case may be. Each payment shall be classified and entered in a column devoted to its kind. Said cash book shall be closed on the last day of the month in which each stated meeting is held, and shall be an exhibit of the receipt of all moneys paid by shareholders during said month. All payments made by the association for any purpose whatsoever, shall be by order, check or draft upon the treasurer, signed by the president and secretary, and indorsed by the persons in whose favor the same are drawn. The name of the payee, the amount paid, and the purpose, object or thing for which the payment is made, together with its date, shall be entered on the margin of said order, check or draft. The treasurer shall dispose of and secure the safe keeping of all moneys,

securities and property of the corporation, in the manner designated by the by-laws, and the treasurer and secretary shall give such security for the faithful performance of their respective duties as the by-laws may direct.

—treasurer and secretary, shall give bonds.

‘SECT. 148. The profits and losses may be distributed annually, semi-annually or quarterly, to the shares then existing, but shall be distributed at least once in each year, and whenever a new series of shares is to be issued. Profits and losses shall be distributed to the various shares existing at the time of such distribution, in proportion to their value at that time, and shall be computed upon the basis of a single share, fully paid to the date of distribution. Losses shall be apportioned immediately after their occurrence. At each periodical distribution of profits, the directors shall reserve as a guaranty fund a sum not less than one nor more than five per cent of the net profits accruing since the next preceding adjustment, until such fund amounts to five per cent of the dues capital, which fund shall thereafter be maintained and held, and said fund shall be, at all times available to meet losses in the business of the association from depreciation in its securities or otherwise.

Profit and losses, when and how distributed.

—guaranty fund.

‘SECT. 149. Any association may purchase, at any sale, public or private, any real estate upon which it may have a mortgage, judgment, lien or other incumbrance, or in which it may have an interest, and may sell, convey, lease or mortgage at pleasure, the real estate so purchased, to any person or persons whatsoever. All real estate so acquired shall be sold within five years from the acquisition of title thereto.

May purchase real estate upon which it has lien.

—sell or mortgage the same.

‘SECT. 150. Minors may hold shares by trustees, and the shares of each shareholder, not exceeding two, shall be exempt from attachment and execution.

Minors may hold shares.

‘SECT. 151. The bank examiner shall perform, in reference to all loan and building associations, the same duties, and shall have the same powers as are required of, or given to him in reference to savings banks; and shall annually make report to the legislature, of such facts and statements respecting such associations, and in such form as he deems that the public interest requires. The officers of such associations shall answer truly all inquiries made, and shall make all returns required by the bank examiner.’

Shall be subject to examination by bank examiner.