

MAINE STATE LEGISLATURE

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ACTS AND RESOLVES

AS PASSED BY THE

Eighty-fifth Legislature

OF THE

STATE OF MAINE

1931

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PUBLIC LAWS
OF THE
STATE OF MAINE

As Passed by the Eighty-fifth Legislature

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manner pure endowment insurance payable at the end of the endowment term named in the policy on the conditions on which the original policy was issued, and provided further that any attempted waiver of the provisions of this paragraph in any application, policy or otherwise, shall be void, and provided further that any value allowed in lieu thereof shall at least equal the net value of the temporary insurance or of the temporary and pure endowment insurance herein provided for. Anything herein to the contrary notwithstanding the net single premium rate employed in computing the term of temporary insurance or the amount of pure endowment insurance granted as a nonforfeiture value under any life insurance policy may at the option of the company be based upon a table of mortality showing rates of mortality not greater than one hundred and thirty per cent of those shown by the American men ultimate table of mortality instead of the table used in computing the reserve on the policy, or in case of substandard policies not greater than one hundred thirty per cent of the rates of mortality shown by the table of mortality approved by the insurance commissioner for computing the reserve on the policy. The term of temporary insurance herein provided for shall include the period of grace, if any. But any such life insurance company may issue to a resident of any other state or country a policy conforming to the laws of such state or country and not subject to this section.'

Approved April 1, 1931.

Chapter 138.

AN ACT Relating to Regulation of Loans by Trust Companies.

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

Sec. 1. R. S., c. 57, sec. 77; relating to regulation of loans, amended. Section seventy-seven of chapter fifty-seven of the revised statutes is hereby amended by striking out all of said section and inserting in lieu thereof the following:

'Sec. 77. Regulation of loans. No trust company shall loan to any person, firm, business syndicate, or corporation, an amount or amounts, at any time outstanding in excess of ten per cent of its total capital, unimpaired surplus and net undivided profits, except on the approval of a majority of its entire board of directors or executive committee, unless secured by collateral which shall be of value equal to the excess of said loans above said ten per cent, and the total amount of loans to any person, firm, business syndicate, or corporation shall at no time exceed twenty per

cent of said total capital, unimpaired surplus and net undivided profits; provided, that in determining said amount, every person, firm, syndicate, or corporation appearing on any loan as endorser, guarantor, or surety, shall be regarded as an original promissor. But the discount of bills of exchange drawn in good faith against actually existing values, and the discount of commercial or business paper actually owned by the person negotiating the same, and the renewal or renewals in whole or in part of such commercial or business paper so discounted for periods not exceeding in all three years for any such paper, shall not be considered as money borrowed. Loans to municipal corporations located within the state upon their bonds or notes shall not be affected by the provisions hereof. In all cases where loans in excess of said ten per cent are granted, without collateral, the records of the company shall show who voted in favor thereof, and said records and those required by section seventy-eight shall constitute prima facie evidence of the truth of all facts stated therein in prosecutions and suits to enforce the several provisions and penalties enumerated in section seventy-nine.'

Sec. 2. R. S., c. 57, sec. 78; relating to loans of officers; approval of loans to be recorded; records to show vote of directors, etc., amended. Section seventy-eight, chapter fifty-seven of the revised statutes is hereby amended by striking out the word "twenty-five" in the twenty-first line of said section and inserting in lieu thereof the word 'fifteen' so that said section as amended shall read as follows:

'Sec. 78. Credit not exceeding 20 per cent of its total capital. No trust company shall make any loan to any of its directors, officers, agents, or to any other person in its employ, or on which any such director, officer, agent, or employee is an endorser, guarantor, or surety, or to any firm or business syndicate of which such director, officer, agent, or employee is a member, or to any person or on the endorsement or guaranty of any person who is a partner of, or member of a business syndicate with, such director, officer, agent, or employee, or to any corporation of which any such director, officer, agent, or employee is a director, officer, superintendent, or manager, until the proposition to make such loan shall have been submitted by the person desiring the same to the board of directors of such company, or to the executive committee thereof, if any, and accepted and approved by a majority of the entire membership of such board or committee; provided, however, that no director of such company who is interested in said loan in any of the above capacities, or who is connected or associated with the borrower in any of the above ways, shall be regarded as voting in the affirmative on such loan. For the purposes of this section each renewal shall be considered as an original loan. Such

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approval, if the loan is made, shall be spread upon the records of the company; and this record shall, in every instance, give the names of the directors authorizing the loan. Nothing in this section or section seventy-seven shall make it unlawful for a trust company to give any person, firm, syndicate, or corporation a line of credit to an amount not exceeding twenty per cent of its total capital, unimpaired surplus and net undivided profits, subject to the several restrictions as to percentage of entire board and right of interested persons to vote on same contained in said sections. The records of the company shall show how every director voted on the same, and when such line of credit is given, the treasurer or other authorized officer may pay out loans in accordance therewith without further approval. A line of credit so given shall expire in six months unless renewed in the same manner in which it is originally given. No loan shall hereafter be made to the treasurer, assistant treasurer, or any employee of the company upon the security of corporation stocks as collateral; provided, however, that this provision shall not apply to the renewal of existing loans.'

Approved April 1, 1931.

Chapter 139.

AN ACT Relating to Time Limit on Notices in re Hearings on Licenses for Wharves and Fish Weirs.

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

R. S., c. 5, sec. 176; relating to application for license to build or extend wharves and fish weirs, amended. Section one hundred seventy-six of chapter five of the revised statutes is hereby amended by striking out in the nineteenth and thirty-eighth lines of said section the word "three" and substituting in place thereof the word 'ten', so that said section as amended shall read as follows:

'Sec. 176. Time limit on decisions extended. Any person intending to build or extend any wharf or fish weir or trap in tide-waters, within the limits of any city or town, may apply in writing to the municipal officers thereof, stating the location, limits, and boundaries, as nearly as may be, of such intended erection or extension, and asking license therefor. Upon receiving such application, said officers shall give at least three days' public notice thereof in a newspaper, published in the municipality, or, if there be no newspaper published in the municipality, in a newspaper published within the county, and shall therein designate a day on which they shall meet on or near the premises described, and examine the same. If