

MAINE STATE LEGISLATURE

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ACTS AND RESOLVES

AS PASSED BY THE

One Hundred and Third Legislature

OF THE

STATE OF MAINE

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PUBLIC LAWS
OF THE
STATE OF MAINE
AS PASSED BY THE
One Hundred and Second Legislature
AT THE
SPECIAL SESSION
January 17 - February 9, 1966

Chapter 466

AN ACT Relating to the Powers of Trust Companies.

Emergency preamble. Whereas, Acts of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

Whereas, section 8 of chapter 323 of the public laws of 1965 was intended solely to define the securities in which trust companies may legally invest; and

Whereas, said section 8, by repealing and replacing subsection 5 of section 991 of Title 9 of the Revised Statutes, inadvertently eliminated from the banking laws the provision granting to trust companies the power to invest in, hold and dispose of real and personal property; and

Whereas, the right in trust companies to invest in, hold and dispose of real and personal property is necessary to enable them to conduct the banking business for which they were organized; and

Whereas, the following legislation is designed to restore this essential provision to the banking laws; and

Whereas, in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine, and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now, therefore,

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

R. S., T. 9, § 991, sub-§ 5, repealed and replaced. Subsection 5 of section 991 of Title 9 of the Revised Statutes, as repealed and replaced by section 8 of chapter 323 of the public laws of 1965, is repealed and the following enacted in place thereof:

'5. Real and personal estate. To hold and enjoy all such estate, real, personal and mixed, as may be obtained by the investment of its capital stock or any other moneys and funds that may come into its possession in the course of its business and dealings, and the same sell, grant and dispose of.'

Emergency clause. In view of the emergency cited in the preamble, this Act shall take effect when approved.

Effective January 28, 1966

Chapter 467

AN ACT Clarifying Merger and Guaranty Capital Voting Rights in Domestic Mutual Companies.

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

Sec. 1. R. S., T. 24, § 504-A, additional. Title 24 of the Revised Statutes is amended by adding a new section 504-A, to read as follows:

§ 504-A. Merger of domestic mutual companies with foreign mutual companies

Any one or more mutual insurance company which has been or may be organized under this Title, or existing under the laws of this State, may absorb by merger or consolidation, or be merged into or consolidate with, any one or more mutual insurance company existing under the laws of any State of the United States and duly authorized to transact business in this State. Nothing in this section shall authorize the merger or consolidation of stock companies with mutual companies.

Such merger or consolidation shall be effectuated in compliance with the following provisions: The plan and agreement for merger or consolidation shall be in writing, signed by the duly authorized officers and under the respective seals of said companies, and assented to by a vote of the majority of the directors of each of the companies and approved by the votes of at least 2/3 of such policyholders as are voting in person or by proxy at a special meeting called for that purpose. Said plan and agreement shall be acknowledged by one of the executing officers of each of the consolidating companies, before an officer authorized by the laws of this State to take acknowledgments of deeds, to be the respective act, deed and agreement of each of said companies. Notice of such special meeting of members shall be given by publishing once weekly in 3 successive weeks in a newspaper circulated in each county of this State in which the domestic company is chartered to operate, the last publication to be at least 7 days prior to such meeting. Notice to members of the foreign mutual company shall be in accordance with the law of said jurisdiction.

Said plan and agreement, together with such other information as the commissioner may require, shall be filed with him and approved in writing by the commissioner.

The commissioner shall give such approval unless he finds such plan or agreement is contrary to law, or is inequitable to the policyholders of any domestic company involved, or would substantially reduce the security of and service to be rendered to policyholders of the domestic company. If the commissioner does not approve the plan and agreement, he shall so notify the companies in writing, specifying his reasons therefor.

Upon approval by the commissioner, the plan and agreement shall be examined by the Attorney General and by him certified to be properly drawn and signed and conformable to the Constitution and laws of this State, and within 60 days from the date of approval by the commissioner, a copy thereof shall be filed in the office of the Secretary of State, who shall enter the date of filing thereon, and on the original agreement, certified as provided, to be kept by the consolidated company, and shall record said copy. From the time of filing the copy of such agreement in the office of the Secretary of State, said agreement shall be taken and deemed to be the agreement and act of consolidation of the said companies and said original consolidation agreement or a certified copy thereof shall be evidence of the existence of such consolidated company and of the observance and performance of all acts and conditions necessary to have been observed and performed precedent to such consolidation.

If the domestic company is merged into or consolidated with a foreign company, such foreign company shall not transact business in this State until it shall have complied with the provisions of this Title relative to the license requirements of a foreign insurance company.

When said agreement is so signed, acknowledged, adopted, approved, filed and recorded, and if the consolidated company shall be a foreign company, when it shall have complied with this Title relative to the license requirements of a foreign insurance company, then the separate existence of all of the constituent companies or all of such constituent companies, except the one into which such constituent companies shall have been consolidated, shall cease. The constituent companies, whether consolidated into a new company or merged into one of such constituent companies, as the case may be, shall become the consolidated company by the name provided in said agreement, possessing all the rights, privileges, powers, franchises and immunities as well of a public as of a private nature, and being subject to all the liabilities, restrictions and duties of each of such companies so consolidated and all and singular the rights, privileges, powers, franchises and immunities of each of said companies and all property, real, personal and mixed, wheresoever located, and all debts due to any of said constituent companies on whatever account, and all other things in action of or belonging to each of said companies shall be vested in the consolidated company. All property, rights, privileges, powers, franchises and immunities and all and every other interest shall be thereafter as effectually the property of the consolidated company as they were of the several and respective constituent companies and the title to any real estate, whether by deed or otherwise, under the laws of this State, vested in any of such constituent companies, shall not revert or be in any way impaired by reason thereof. All rights of creditors and all liens upon the property of any of said constituent companies shall be preserved unimpaired, limited to the property affected by such liens at the time of the consolidation, and all debts, liabilities and duties of the respective constituent companies shall thenceforth attach to said consolidated company and may be enforced against it to the same extent as if said debts, liabilities and duties had been incurred or contracted by it.'

Sec. 2. R. S., T. 24, § 505, amended. Section 505 of Title 24 of the Revised Statutes is amended by inserting before the 4th sentence from the end, the following paragraphs:

'Whenever any such mutual company shall be required by this Title to have a guaranty capital, the holders of certificates of such guaranty capital shall have no voting rights.

Any such mutual insurance company which shall have been doing business for a period of not less than 20 years, and shall maintain a surplus of at least 60% of its unearned premium reserve as appears in its last annual statement filed with the commissioner and shall maintain admitted assets of not less than \$125,000 after deducting therefrom the amount by which the net investment of such company in real estate owned exceeds, if it operates on the prepaid basis, 10% of its premiums in force or, if it operates on the assessment plan, 2% of the balance of its premium notes, both as appear in such statement, may establish a guaranty capital, paid in, in cash, and invested as provided in section 596, divided into shares of \$100 each, and the holders of these certificates of guaranty capital shall have voting rights so long as such mutual insurance company shall continue to maintain a surplus of at least 60% of its unearned premium reserve as above provided and continues to have admitted assets of at least \$125,000 as provided in this section.'

Sec. 3. R. S., T. 24, § 505, amended. The 3rd and 4th sentences from the end of section 505 of Title 24 of the Revised Statutes are amended to read as follows:

'The holders of certificates of ~~such~~ guaranty capital shall not receive dividends in excess of 7% in any one year and in no case unless such dividends are properly earned after providing for all expenses, losses, reserves and liabilities then incurred. ~~The holders of such certificates of guaranty capital shall have no voting rights.'~~

Effective May 11, 1966

Chapter 468

AN ACT Exempting Municipalities from Financial Responsibility for Medical Care in Aid to Dependent Children.

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

R. S., T. 22, § 3750, amended. The first sentence of section 3750 of Title 22 of the Revised Statutes is amended to read as follows:

'The State shall recover from the municipality in which the child so aided has legal settlement 18% of the amount expended for aid to each dependent child, ~~which except for the amount expended for, or the portion of the grant providing for, medical or remedial care or related services. The amounts so recovered shall be credited to the regular legislative appropriation for aid to dependent children.'~~

Effective May 11, 1966

Chapter 469

AN ACT to Correct an Error and Inconsistency in the Maine Housing Authorities Act.

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

Sec. 1. R. S., T. 30, § 4656, amended. Section 4656 of Title 30 of the Revised Statutes is amended to read as follows:

'§ 4656. Eminent domain

An authority shall have the right to acquire by the exercise of the power of eminent domain any real property which it may deem necessary for its purposes under this subchapter after the adoption by it of a resolution declaring that the acquisition of the real property described therein is necessary for such purposes. ~~An authority may exercise the power of eminent domain in the manner provided in Title 35, chapter 263; or it may exercise the power of eminent domain in the manner provided by any other applicable statutory provisions for the exercise of the power of eminent domain.~~ An authority shall exercise the power of eminent domain in the manner provided in Title 30, section 4807, as amended from time to time, but references in section 4807 to an urban renewal project and a renewal project area and the like shall be inapplicable.'