

MAINE STATE LEGISLATURE

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CHAPTER 11

MISCELLANEOUS PROVISIONS

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§ 221. Declaration of policy

It is declared to be the policy of the State that the business of all financial institutions shall be supervised by the Department of Banks and Banking in a manner to maintain and promote safe and sound financial practices; the strength, stability and efficiency of financial institutions; the security of deposit and share funds; reasonable and orderly competition; and the development and expansion of financial services advantageous to the public welfare.

1961, c. 385, § 1.

§ 222. Definitions

The following words and phrases used in this Title, unless a different meaning is plainly required by the context, shall have the following meanings:

1. Banking business. "Banking business" means

A. The soliciting, receiving or accepting of money or its equivalent on deposit as a regular business by any person, copartnership, association or corporation whether such deposit is made subject to check or is evidenced by a certificate of deposit, a passbook, a note, a receipt or other writing; provided that nothing herein shall apply to or include money left with an agent, pending investment in real estate or securities for or on account of his principal; or

B. The loan of money for profit by a corporation except as a reasonable incident to the transaction of other corporate business or when necessary to prevent corporate funds from being unproductive.

2. Commissioner. "Commissioner" means the Bank Commissioner.

3. Department. "Department" or "Banking Department" means the Department of Banks and Banking.

4. Financial institution. "Financial institution" means a trust company, savings bank, trust and banking company, institution for savings, loan and building association, savings and loan association or industrial bank organized under the laws of this State.

5. Industrial bank. "Industrial bank" means a company organized under section 2341 or having the general powers possessed by companies so organized.

6. Person. "Person" means an individual, corporation, partnership, joint venture, trust, estate or unincorporated association.

7. Public convenience and advantage. "Public convenience and advantage" means those factors which bear on the public interest in financial institutions which include the financial history and condition of the financial institution, the adequacy of its capital structure, its future earnings prospects, the general character of its management, the convenience and needs of the community it serves or proposes to serve and the effect of the proposed transaction on competition.

8. Savings and loan association. "Savings and loan association" or "loan and building association" means a company organized under section 1591 or having the general powers possessed by companies so organized.

1961, c. 417, § 149.

9. Savings bank. "Savings bank" or "savings institution" means a company organized under section 441 or having the general powers possessed by companies so organized.

10. Trust company. "Trust company" or "trust and banking company" means a company organized under section 991 or having the general powers possessed by companies so organized.

11. Unsafe and unsound practices. "Unsafe and unsound practices" means those policies, practices, acts or omissions which expose, or tend to expose, the strength and stability of financial institutions or the security of deposit or share funds to substantial injury.

1961, c. 385, § 1; c. 417, § 149.

§ 223. Banking emergencies

Whenever it shall appear to the Governor that the welfare of the State or any section thereof, or the welfare and security of financial institutions under the supervision of the commissioner or their depositors or shareholders require, the Governor may proclaim that a banking emergency exists and that any such financial institution shall be subject to special regulation as provided until the Governor, by like proclamation, declares the period of such emergency to have terminated. The Governor may declare such emergency banking holidays as in his judgment may be required.

During the period of any banking emergency declared, the commissioner, in addition to all other powers conferred upon him, shall have authority to order one or more financial institutions to restrict all or any part of their business and to limit or postpone for any length of time the payment of any amount or proportion of deposits or shares in any of the departments thereof as he may deem necessary or expedient and may regulate further payments therefrom as to time and amount as the interest of the public or of such financial institutions or depositors or shareholders thereof may require, and any order or orders made by him may be amended, changed, extended or revoked, in whole or in part, whenever in his judgment circumstances warrant or require. After the termination of any such banking emergency, any such order may be continued in effect as to any particular financial institution if in the judgment of the commissioner circumstances warrant or require and the Governor approves.

The commissioner may by order authorize financial institutions during such emergency and thereafter to receive new deposits or share funds, as the case may be, and such new funds shall be special deposits or shares, as the case may be, and so designated and segregated from all other such deposits or shares and may be invested only in assets approved by the commissioner as being sufficiently liquid to be available when needed to meet withdrawals on new deposits or shares, as the case may be. Such assets shall not be merged with other assets but shall be held in trust for the security and payment of new funds except that income from such assets may to the extent authorized by the commissioner be used for other purposes of the institution. Withdrawal of such new deposits or shares shall not be subject in any respect to restrictions or limitations made applicable to previously existing accounts under this section.

In determining the action to be taken under this section, the commissioner may place such fair value on the assets of any financial institution as in his discretion seems proper under the conditions prevailing and circumstances relating thereto.

1961, c. 385, § 1.

§ 224. Deposits and shares exempt from taxation

All interest-bearing deposits in savings banks, institutions for savings, trust companies and all capital dues of loan and building associations in the State are exempt from municipal taxation to said institutions and to the depositors of said institutions and to the shareholders of said loan and building association.

1961, c. 385, § 1.

§ 225. Sale of negotiable checks and money orders

Financial institutions as defined by section 222, subsection 4, and national banking associations may engage directly in the business of selling, issuing or registering checks or money orders. No person other than the foregoing shall engage in such business directly or indirectly unless he files with the commissioner on or before January 15th in each year a sworn statement setting forth his name and address, the names and business addresses of his agents, other than a financial institution or national banking association, authorized to receive money and transact such business on his behalf, and shall deposit and maintain with the Treasurer of State a surety bond with such sureties as the commissioner shall approve or cash or securities, in a sum of not less than \$25,000 nor more than \$100,000 as the commissioner shall deem to be necessary for the protection of the public. Any such bond or deposit shall be held as security for the payment of checks or money orders sold by such person or his agents, and the commissioner may make such rules and regulations as may be necessary for the enforcement of this section, including an investigation relative to reputation and integrity, the cost of which investigation shall be chargeable to such person.

Each person to whom a certificate to engage in such business has been issued shall on or before the 15th day of April, July and October of each year notify the commissioner of any change in the list of agents contained in the annual statement, and shall file with him the name of any additional agent appointed or of any agent whose authority has been revoked.

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There shall be a fee of \$100 for the filing of such annual statement payable to the commissioner and \$3 for each agent listed in the annual statement or in any addition thereto, provided that the total annual fee shall not exceed \$300 and such fees shall be credited and used as provided in section 2.

The commissioner may issue a certificate to engage in such business to any person who in his judgment has complied with this section, but he may at any time revoke such certificate for failure to comply with this section, or of any rule or regulation promulgated by him, or for failure to pay any check or money order upon presentation for payment.

Whoever violates any provision of this section or any rule or regulation established hereunder shall be punished by a fine of not more than \$100 for each day during which such violation continues.

1963, c. 176.

§ 226. Inactive accounts in national banks paid to State

All moneys in savings and demand accounts in national banks, to which no deposit has been made and from which no part of the deposit or dividends has been withdrawn for a period of more than 22 years shall be deemed presumptively abandoned and shall be paid into the State Treasury, and credited to the General Fund for the use of the State. Thereafter no action shall be maintained in any court in this State by any depositor or his heirs, successors or assigns for any deposit so paid against any bank making such payments. Thereafter any lawful claimant may petition the Governor and Council for payment of such moneys to the claimant. In his petition the claimant shall state fully the facts showing the basis of his right, title and interest in such deposit. The Governor and Council, after a hearing, shall determine who are lawful claimants and shall authorize payment by the Treasurer of State from the General Fund to such claimants.

This section shall not apply to the deposits of persons known to the cashiers of national banks to be living, or to a deposit the deposit book of which has during the 22-year period been brought into the bank to be compared or to have the dividends added.

1961, c. 385, § 1.

§ 227. Investment in, and use of, service facilities

Any financial institution may purchase the capital stock or obligations or otherwise invest or participate in or utilize the service of any organization performing necessary clearing, book-keeping, statistical and related services for the institution or other financial institutions, which services would otherwise necessarily be provided on an individual institution basis. Such investments, together with investments in real estate held for banking purposes, shall not exceed limitations prescribed for real estate held for banking purposes.

Any information derived from banking records or sources by personnel of such service organizations shall not be disclosed except in the regular course of business. Whoever violates this paragraph shall be punished by a fine of not more than \$1,000 or by imprisonment for not more than 6 months, or by both.

1961, c. 385, § 1; 1963, c. 15.

§ 228. Legal interest rate

In the absence of an agreement in writing, the legal rate of interest is 6% a year.

R.S.1954, c. 59, § 209.