

MAINE STATE LEGISLATURE

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DOCUMENTS

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THE LEGISLATURE

OF THE

STATE OF MAINE.

1865.

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1865.

FORTY-FOURTH LEGISLATURE.

SENATE.

No. 5.

STATE OF MAINE.

IN THE YEAR OF OUR LORD ONE THOUSAND EIGHT HUNDRED AND SIXTY-FIVE.

AN ACT to enable the banks of this state to become banking associations under the laws of the United States.

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

SECTION 1. Any bank incorporated by the laws of
2 this state may become a banking association under the
3 laws of the United States. And when two-thirds in
4 interest of its stockholders shall have given their
5 assent to the change and conversion of a bank into
6 such banking association, and the requisite forms have
7 been complied with, such bank shall be deemed to have
8 surrendered its state charter ; subject, however, to all

9 the provisions of law made and provided for banks
10 which have surrendered their charters, in regard to
11 their liabilities, the collection of debts and closing
12 of their concerns. But said bank shall be held liable
13 for the redemption of its bills for three years after the
14 surrender of its charter.

SECT. 2. When a bank, at a legal meeting of its
2 stockholders, has voted to become a national associa-
3 tion, and two-thirds of its stockholders in interest have
4 authorized the directors to make the certificate and
5 execute the papers required by the laws of the United
6 States, the cashier shall publish notice thereof for
7 thirty days in a newspaper printed in the county in
8 which such bank is established, and if there be no
9 newspaper printed in the county, then in one published
10 in an adjoining county.

SECT. 3. At a meeting of the stockholders of any
2 such bank as aforesaid, each stockholder shall be
3 allowed to cast one vote for every share in the capital
4 stock owned by him or her on the question of convert-
5 ing said bank into a national banking association
6 aforesaid; and every stockholder who is absent may
7 vote by proxy, or may give his or her assent in writing
8 to such surrender and conversion, which shall be
9 equally valid.

SECT. 4. Any stockholder who has not assented to 2 or joined in authorizing such conversion, and shall, 3 within thirty days from the expiration of the notice 4 thereof herein provided to be given by the cashier, 5 notify said bank of his desire to surrender his shares 6 therein, shall be entitled to receive the fair market 7 value of said shares at the time of declaring the last 8 dividend, with interest thereon, upon his surrendering 9 his certificate of stock. And the said bank shall pay 10 the said fair market value, with interest as aforesaid, 11 within thirty days after such notice. And if there be 12 any fractional shares or parts of shares of such surren- 13 dering bank, their value shall be in the same ratable 14 proportion, and the holders of such shares or portions 15 of shares shall be paid the same proportion as above 16 determined on surrendering the certificate of the same 17 to said bank. And if the parties cannot agree upon 18 the value of the shares at the time above mentioned, 19 the fair market value shall be appraised and determined 20 by the bank commissioners, who shall be summoned 21 for that purpose, whose decision shall be final. And 22 the bank so surrendering its charter may reduce its 23 capital stock to the extent of the par value of the 24 shares so surrendered, or may dispose of such surren-

25 dered shares or fractional parts of shares to any person
26 or persons without any reduction of capital.

SECT. 5. Any bank established by authority of this
2 state, which shall avail itself of the provisions of this
3 act, to become a banking association under the laws of
4 the United States, shall, before surrendering its char-
5 ter, give security to the state, to the satisfaction and
6 acceptance of the bank commissioners, either by fur-
7 nishing to the state a sufficient bond or by depositing
8 stocks or other securities with the state treasurer, or
9 by both; that all bills of said bank, issued before or
10 after becoming such association, and actually in circu-
11 lation, shall be fully and promptly redeemed on
12 demand by such association, and when so redeemed
13 shall not be re-issued or again put into circulation, but
14 shall be destroyed; *provided, however*, if at the time
15 of its being authorized to act as a national banking
16 association it shall be made to appear to the bank com-
17 missioners that such association cannot immediately
18 procure from the comptroller of the currency of the
19 United States circulating notes to use as currency in
20 place of the bills so required to be redeemed and
21 destroyed, they may authorize such association to
22 re-issue and continue in circulation such bills for a
23 period, to be fixed by such commissioners, not ex-

24 ceeding twelve months after being authorized to act as
25 a national banking association, and not subsequent to
26 the receipt of such circulating notes of the United
27 States as it shall be entitled to receive by the pro-
28 visions of the act of Congress to provide a national
29 currency. A certificate of the bank commissioners,
30 authorizing the re-issue of such circulating notes, shall
31 be sufficient evidence of the authority so granted.
32 All conversions of state banks into national banking
33 associations under the laws of the United States made
34 before the passage of this act are hereby legalized and
35 made valid. Banks established by authority of this
36 state, which become banking associations under the
37 laws of the United States, shall continue to make
38 returns to the secretary of the state, for publication,
39 of their outstanding circulation, so long as the same is
40 required to be redeemed.

SECT. 6. The bond and securities, as required by
2 section five, to be deposited with the state treasurer,
3 with the approval and by permission of the bank com-
4 missioners, may be changed or reduced, from time to
5 time, as the bills of the bank are redeemed and
6 destroyed, and evidence thereof furnished to said com-
7 missioners. Said bond to be canceled and securities
8 given up at the expiration of three years.

SECT. 7. When a bank has surrendered its charter
2 for the purposes aforesaid, the officers thereof shall
3 furnish to the secretary of state a certificate of their
4 having become a banking association under the laws of
5 the United States, and the secretary shall cause notice
6 to be published in the state paper, and [also in some
7 newspaper printed in] the county, or [one] adjoining
8 to that where such bank is located, and the charter
9 shall be deemed to be surrendered, subject to the
10 provisions of this act.

SECT. 8. When the charter of any bank shall be
2 surrendered to the state, in pursuance of the provisions
3 of this act, all the assets, real and personal of the
4 said bank, shall immediately, by act of law, and with-
5 out any conveyance or transfer, be vested in and
6 become the property of said association for carrying on
7 the business of banking formed as aforesaid.

SECT. 9. Nothing herein contained shall be con-
2 strued as releasing such association from its obligation
3 to pay and discharge all the liabilities incurred by the
4 bank before becoming such association. And the
5 supreme judicial court shall have jurisdiction in equity
6 to restrain and enjoin any person or corporation from
7 circulating the bills of any bank which has closed its
8 business, or become a banking association under the

9 laws of the United States, contrary to the provisions
10 of this act or of the laws of the state.

SECT. 10. This act shall take effect from and after
2 its passage.

STATE OF MAINE.

IN SENATE, February 3, 1865.

Reported by Mr. SANBORN of Kennebec, from the Committee
on Banks and Banking.

THOMAS P. CLEAVES, *Secretary.*