

SENATE No. 117

To accompany the petition of Arthur B. Chapin that trust companies be authorized to issue stock dividends which shall be exempt from taxation as income. [Taken from the files of last year.] Banks and Banking.

The Commonwealth of Massachusetts.

In the Year One Thousand Nine Hundred and Twenty-Two.

AN ACT

To permit Trust Companies to Issue Stock Dividends.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 Section eighteen of chapter one hundred and
2 seventy-two of the General Laws is hereby
3 amended by inserting after the word "cash", in
4 line fifteen, the words: — or unless said par value
5 is in its possession as surplus, — so as to read as
6 follows: — *Section 18.* The capital stock of such
7 corporation shall be not less than two hundred
8 thousand dollars, except that in a city or town
9 whose population numbers not more than one
10 hundred thousand the capital stock may be not
11 less than one hundred thousand dollars, divided

12 into shares of the par value of one hundred dol-
13 lars each; and except also that in towns whose
14 population is not more than ten thousand the
15 capital stock may be not less than fifty thousand
16 dollars, divided into shares of the par value of one
17 hundred dollars each; and no business shall be
18 transacted by the corporation until the whole
19 amount of its capital stock is subscribed for and
20 actually paid in. Any such corporation may,
21 subject to the approval of the commissioner, in-
22 crease its capital stock in the manner provided by
23 sections forty-one and forty-four of chapter one
24 hundred and fifty-six. No stock shall be issued
25 by any such corporation until the par value thereof
26 shall be fully paid in in cash, or unless said par
27 value is in its possession as surplus. Any such
28 corporation may, subject to the approval of the
29 commissioner, decrease its capital stock in the
30 manner provided by said section forty-one and the
31 first sentence of section forty-five of said chapter;
32 provided, that the capital stock as so reduced
33 shall not be less than the amount required by this
34 section.