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by the town of Holliston dated December 1, 1999, in the amount of \$28,962,000 pursuant to the votes of the town passed under Article 31 of the warrant for the 1996 annual town meeting and under Article 20 of the warrant for the 1997 annual town meeting for school construction, remodeling and planning purposes, shall not be included in determining the limit of indebtedness of the town under section 10 of chapter 44 of the General Laws.

Approved April 4, 2002.

**Chapter 78. AN ACT RELATIVE TO THE RECREATION REVOLVING FUND
IN THE TOWN OF RUTLAND.**

Be it enacted, etc., as follows:

Notwithstanding section 53E½ of chapter 44 of the General Laws or any other general or special law to the contrary, the town of Rutland may increase the limit of the town's Recreation Revolving Fund to \$75,000.

Approved April 4, 2002.

**Chapter 79. AN ACT RELATIVE TO THE MANAGEMENT OF STATE
CHARTERED BANKS.**

Be it enacted, etc., as follows:

SECTION 1. Section 10 of chapter 168 of the General Laws, as appearing in the 2000 Official Edition, is hereby amended by striking out paragraph (2) and inserting in place thereof the following paragraph:-

2. Qualifications: The business of the corporation shall be managed by a board of trustees, of which not less than a majority shall be citizens of the commonwealth. A trustee at the time of his election or within 30 days thereafter, shall be a depositor of the corporation. At least 2 trustees of the board at the time of their election shall be residents of the city or town where the main office or a branch office of the corporation is located.

SECTION 2. Section 12 of said chapter 168, as so appearing, is hereby amended by striking out the first paragraph and inserting in place thereof the following paragraph:-

The corporation shall have a board of investment of not less than 5 members, who shall be trustees of the corporation. Only 1 person holding the office of president, executive vice-president, senior vice-president or treasurer shall at the same time be a member of the board of investment. The board shall elect a clerk who may, but need not be a member of the board.

SECTION 3. Said chapter 168 is hereby further amended by striking out section 19, as so appearing, and inserting in place thereof the following section:-

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Section 19. No such corporation, except as provided in this section, shall make any loan or extend credit in any manner to any of its officers or to any of its directors or trustees, including a member of its board of investment, and no such officer, director or trustee, except as provided in this section, shall borrow from or otherwise become indebted to the corporation or be surety for loans by it to others or directly or indirectly, whether acting individually or as trustee holding property in trust for another person, be an obligor for money borrowed of the corporation. With the prior approval of a majority of the entire board of investment, excluding any member of that board involved in the loan or extension of credit, the corporation may make a loan or extend credit to the officer in an amount not exceeding \$35,000 on a loan or extension of credit, secured or unsecured, and in an amount not exceeding \$150,000 on a loan or extension of credit intended or secured for educational purposes, and in an amount not exceeding \$500,000 on a loan secured by a mortgage on real estate improved with a 1 to 4 family dwelling or a condominium established in accordance with chapter 183A which is to be occupied, in whole or in part, by the officer. The corporation may make a loan or extension of credit to the director or trustee, who is not an officer of the corporation, subject to the limitations contained in chapter 167E. The corporation shall not give a preferential rate of interest or other preferential terms on any loan or extension of credit to any officer, director or trustee. Any loans or extensions of credit made under this section shall be subject to section 20. For the purposes of this section, the term "officer" shall include a president, executive vice-president, senior vice-president or treasurer, and any other officer who participates in major policy functions of the corporation whether or not: (1) such other officer has an official title; but the term shall not include a person who may have an official title and may exercise a certain measure of discretion in the performance of his duties, including discretion in the making of loans, but who does not participate in the determination of major policies of the corporation and whose decisions are limited by policy standards fixed by the senior management of the corporation; (2) the title designates the officer an assistant; or (3) the officer is serving without salary or compensation.

No officer, whether acting individually or as trustee holding property in trust for another person, shall become the owner of real estate upon which a mortgage is held by the corporation; but this prohibition shall not apply to any officer who becomes the owner of real estate upon which a mortgage is held by the corporation securing a loan in an amount not exceeding \$500,000 on real estate improved with a 1 to 4 family dwelling or a condominium established in accordance with chapter 183A which is to be occupied, in whole or in part, by the officer. This section shall not apply to loans made to any officer on deposit books, or to loans as are guaranteed or insured, in whole or in part, as authorized by chapter 46 of the acts of 1945 or by any regulations thereunder.

SECTION 4. The first paragraph of section 2 of chapter 170 of the General Laws, as so appearing, is hereby amended by striking out clause *First* and inserting in place thereof the following clause:-

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First. - The name by which the corporation shall be known.

SECTION 5. Section 18 of said chapter 170, as so appearing, is hereby amended by striking out the second paragraph and inserting in place thereof the following paragraph:-

Every such corporation shall make available at each of its banking offices a balance sheet which presents fairly, in accordance with generally accepted accounting principles, including required footnote disclosures, its condition as of the last business day of its fiscal year, with comparative figures as to the end of the previous fiscal year. The balance sheet shall be made available not later than 30 days after the end of the corporation's fiscal year and shall remain available to its members upon request.

SECTION 6. Section 19 of said chapter 170, as so appearing, is hereby amended by striking out the first paragraph and inserting in place thereof the following paragraph:-

No officer or director of a bank, except as provided in this section, shall borrow from or otherwise become indebted to the bank of which he is an officer or director and no bank, except as provided in this section, shall make any loan or extend credit in any other manner to any of its officers or directors. With the prior approval of a majority of the entire board of directors, excluding any member of that board involved in the loan or extension of credit, a bank may make a loan or extend credit to the officer and the officer may become indebted to the bank in an amount not exceeding \$35,000 on a loan or extension of credit, secured or unsecured, and in an amount not exceeding \$150,000 on a loan or extension of credit intended or secured for educational purposes, and in an amount not exceeding \$500,000 on a loan secured by a mortgage on real estate improved with a 1 to 4 family dwelling or a condominium established in accordance with chapter 183A which is to be occupied, in whole or in part, by the officer, and in an amount secured by a deposit account of the officer in the bank. A bank may make a loan or extension of credit to the director, who is not an officer of such bank, subject to the limitations contained in chapter 167E. The bank shall not give a preferential rate of interest or other preferential terms on any loan or extension of credit to an officer or director. For the purposes of this section, the term "officer" shall mean a president, executive vice-president, senior vice-president or treasurer, and any other officer who participates in major policy functions of the bank whether or not: (1) the other officer has an official title; but the term shall not include a person who may have an official title and may exercise a certain measure of discretion in the performance of his duties, including discretion in the making of loans, but who does not participate in the determination of major policies of the bank and whose decisions are limited by policy standards fixed by the senior management of the bank; (2) the title designates the officer an assistant; or (3) the officer is serving without salary or compensation.

SECTION 7. The second paragraph of section 14 of chapter 172 of the General Laws, as so appearing, is hereby amended by striking out the second sentence and inserting in place thereof the following 2 sentences:- The directors shall elect the treasurer and any other officers as defined in section 18. The president as may be required or permitted by law or by-law may select other officers.

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SECTION 8. The first paragraph of section 16 of said chapter 172, as so appearing, is hereby amended by striking out the last sentence and inserting in place thereof the following sentence:- The report shall be filed with the records of the meeting and shall be retained for a period of 6 years from the date of the meeting. The report shall provide a summary of the following transactions:

- (1) changes in investments;
- (2) changes in reserve or contingency accounts;
- (3) lists of the following loans, setting forth total liabilities of the borrower to the corporations, both secured and unsecured:-
 - (i) loans in excess of \$50,000 each, overdue for more than 30 days, other than real estate mortgage loans;
 - (ii) real estate mortgage loans on which interest is more than 6 months in arrears;
 - (iii) real estate mortgage loans concerning which any tax upon the underlying security has been paid and not repaid to the corporations;
 - (iv) all loans secured and unsecured, and discounts of any borrower including both direct and indirect liabilities made during which the period which brings aggregate liabilities of such borrower to an amount in excess of \$100,000, with a notation of any line of credit possessed by the borrower, but, for banks with total assets in excess of \$1,000,000,000 as of the most recent call report, the amount of aggregate liabilities outstanding to a single borrower shall be \$250,000.

SECTION 9. Section 18 of said chapter 172, as so appearing, is hereby amended by striking out the first paragraph and inserting in place thereof the following paragraph:-

No officer or director of a trust company, except as provided in this section, shall borrow from or otherwise become indebted to a trust company of which he is an officer or director, and no trust company, except as provided in this section, shall make any loan or extend credit in any other manner to any of its officers or directors. With the prior approval of a majority of the entire board of directors, excluding any member of that board involved in the loan or extension of credit, a trust company may loan or extend credit to an officer and the officer may become indebted to the trust company in an amount not exceeding \$35,000 on a loan or extension of credit, secured or unsecured, and in an amount not exceeding \$150,000 on a loan or extension of credit intended or secured for educational purposes, and in an amount not exceeding \$500,000 on a loan secured by a mortgage on real estate improved with a 1 to 4 family dwelling or a condominium established in accordance with chapter 183A which is to be occupied, in whole or in part, by the officer. A trust company may make a loan or extension of credit to a director, who is not an officer of the trust company, subject to the limitations contained in chapter 167E. The trust company shall not give a preferential rate of interest or other preferential terms on a loan or extension of credit to an officer or to a director. For the purposes of this section, the term "officer" shall mean a president, executive vice-president, senior vice-president or treasurer, and any other officer

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who participates in major policy functions of the trust company whether or not: (1) such other officer has an official title; but the term shall not include a person who may have an official title and may exercise a certain measure of discretion in the performance of his duties, including discretion in the making of loans, but who does not participate in the determination of major policies of the trust company and whose decisions are limited by policy standards fixed by the senior management of the trust company; (2) the title designates the officer an assistant; or (3) the officer is serving without salary or compensation.

Approved April 4, 2002.

Chapter 80. AN ACT ESTABLISHING A SPECIAL POLICE FORCE IN THE CITY KNOWN AS THE TOWN OF AGAWAM.

Be it enacted, etc., as follows:

SECTION 1. The mayor of the city known as the town of Agawam may appoint such special police officers for the city as he deems necessary for the safety and protection of the citizens of the city.

SECTION 2. Special police officers shall have the same power to make arrests and to perform other police functions as intermittent police officers and shall be subject to the same training requirements as intermittent officers.

SECTION 3. Special police officers shall be appointed for a term to be determined by the mayor, subject to removal by the mayor with the recommendation of the chief of police. Special police officers shall be sworn before the city who shall keep a record of all such appointments.

SECTION 4. Any person who has served in the capacity as a permanent full time police officer in the city, and who has retired or resigned under honorable conditions, shall have the right to appointment as a special police officer under this act.

SECTION 5. Special police officers appointed under this act shall not be subject to chapter 31 of the General Laws.

SECTION 6. This act shall take effect upon its passage.

Approved April 4, 2002.

Chapter 81. AN ACT AUTHORIZING THE TOWN OF UXBRIDGE TO ESTABLISH A CAPITAL IMPROVEMENT FUND.

Be it enacted, etc., as follows: