

HOUSE . . . . No. 2628

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**The Commonwealth of Massachusetts**

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HOUSE OF REPRESENTATIVES, February 21, 1956.

The committee on Banks and Banking, to whom was referred the petition (accompanied by bill, House, No. 891) of Edward R. Tufts relative to investments of trust companies in real estate to be used for the transaction of their business, report the accompanying bill (House, No. 2628).

For the committee,

CHARLES W. PATTERSON.

## The Commonwealth of Massachusetts

In the Year One Thousand Nine Hundred and Fifty-Six.

### AN ACT RELATIVE TO INVESTMENTS OF TRUST COMPANIES IN REAL ESTATE FOR THE TRANSACTION OF THEIR BUSINESS.

*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 41 of chapter 172 of the General Laws, as  
2 appearing in the Tercentenary Edition, is hereby  
3 amended by striking out after the word "indirectly" in  
4 line 5 the words "twenty-five per cent of its capital  
5 actually paid in and its surplus account" and inserting  
6 in place thereof the words: — thirty-five per cent of its  
7 capital paid in and its surplus account, — so as to read  
8 as follows: — *Section 41.* Such corporation may hold  
9 real estate suitable for the transaction of its business;  
10 provided, that if the aggregate amount invested and  
11 proposed to be invested therein, including the cost of  
12 alterations and additions in the nature of permanent  
13 fixtures, exceeds, directly or indirectly, thirty per cent  
14 of its capital paid in and its surplus account, any such  
15 excess investment shall be made only with the approval  
16 of the commissioner. The amount of any mortgage on  
17 real estate owned by a trust company directly or in-  
18 directly and in whole or in part used by it for the trans-  
19 action of its business, and the amount of money invested  
20 by a trust company in the securities of any corporation,  
21 trust or other organization which holds real estate in  
22 whole or in part used for the transaction of the business  
23 of such trust company or intended for such use, shall be  
24 included in determining the amount of real estate that  
25 may be held by such trust company under this section.  
26 Any sums that may be recovered by a trust company  
27 through the sale or other disposal of real estate or any

28 part thereof held under this section, together with such  
29 sums as are allowed for ordinary depreciation by the  
30 federal collector of internal revenue, and such additional  
31 sums as are taken on account of depreciation or obsoles-  
32 cence, or for other reason, with the consent of the com-  
33 missioner or at his direction, shall be deducted from the  
34 amount considered to be invested in such real estate.

