

By Mr. DeVito of Everett, petition of the Credit Union League of Mass., Inc. that cities and towns be authorized to deposit public funds in credit unions without the city or town officer incurring liability. Banks and Banking.

The Commonwealth of Massachusetts

In the Year One Thousand Nine Hundred and Seventy-Eight.

AN ACT PERMITTING CITIES AND TOWNS TO DEPOSIT PUBLIC FUNDS IN CREDIT UNIONS WITHOUT THE CITY OR TOWN OFFICER INCURRING LIABILITY.

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 55A of Chapter 44 of the General Laws as amended, is
2 hereby further amended by striking out said Section 55A and
3 inserting the following in its stead:

4 "*Section 55A.* A city or town officer or an officer of any school
5 district or housing authority receiving public money, when acting
6 in good faith and in the exercise of due care may lawfully deposit
7 the same in a savings bank or trust company organized under the
8 laws of the commonwealth, on paid-up shares and accounts of and
9 in cooperative banks, a banking company organized under the
10 laws of the commonwealth, which is a member of the Federal
11 Deposit Insurance Corporation, or in a national bank doing
12 business in the commonwealth, or in the case of the City of Boston
13 in accordance with the provisions of Section 55 in a national bank
14 or trust company in the City of New York, or in good faith and in
15 the exercise of due care purchase shares or makes deposits in a
16 credit union organized under the laws of the commonwealth, or
17 purchase share accounts of a federal savings and loan association
18 located in the commonwealth, and in so doing, he shall not be
19 personally liable to the city, town school district or housing
20 authority for any loss of such money by reason of the closing up of
21 such credit union or other depository or federal savings and loan
22 association for the liquidation of its affairs."

