
By Mr. Brennan, a petition (accompanied by bill, Senate, No. 11) of John A. Brennan, Jr., for legislation to require commercial banks and trust companies to give certain bonds as security for public deposits. Banks and Banking.

The Commonwealth of Massachusetts

In the Year One Thousand Nine Hundred and Eighty.

AN ACT REQUIRING COMMERCIAL BANKS AND TRUST COMPANIES TO GIVE CERTAIN BONDS AS SECURITY FOR PUBLIC DEPOSITS.

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 34 of Chapter 29 of the General Laws is hereby
2 amended by adding the following after the first sentence: —
3 In addition, no monies may be deposited in any such na-
4 tional bank, trust company or banking company unless such
5 national banks, trust company or banking company has de-
6 posited securities with the state treasurer, or a special de-
7 pository designated by him at least equal in market value to
8 the amount of monies deposited. The state treasurer may
9 enter into agreements in conformity herewith with any de-
10 pository relating to the deposit of such securities. No such
11 deposit of securities is required, however, as respects such
12 amounts of money as are deposited in accounts insured by the
13 Federal Deposit Insurance Corporation. For amounts not so
14 insured, as security, the state treasurer may, in his discretion,
15 accept bonds or other securities of the United States, bonds
16 or notes insured or guaranteed by the United States or an in-
17 strumentality thereof, as to payment of principal and inter-
18 est to the extent of such insurance or guaranty, bonds or
19 notes of the commonwealth, or bonds or notes guaranteed by
20 the commonwealth as to payment of principal and interest
21 to the extent of such insurance or guaranty, or the bonds or
22 notes of any county, city, or town, or authority of this com-
23 monwealth. All securities are subject to acceptance only upon
24 approval of the state treasurer. With the increase or reduc-
25 tion of the amount of commonwealth money on deposit, there

26 may be an increase or reduction in the amount of securities
27 so deposited and the state treasurer may require additional
28 securities in case of the depreciation of securities so deposited
29 by him. Such national bank, trust company or banking com-
30 pany may demand and receive securities on deposit by it in
31 excess of those required to protect deposits of commonwealth
32 monies hereunder.