

HOUSE No. 179

Bill accompanying the recommendations of the Bank Commissioner (House, No. 178). Banks and Banking. January 8.

The Commonwealth of Massachusetts.

In the Year One Thousand Nine Hundred and Seventeen.

AN ACT

Relative to the Manner of Division of Income of Savings
Banks.

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 1. Section sixty of chapter five hundred and
2 ninety of the acts of the year nineteen hundred and
3 eight is hereby amended by striking out all of said sec-
4 tion succeeding the word "months", in the twentieth
5 line, and by inserting in place thereof the words:—
6 Ordinary dividends shall not exceed the rate of five per
7 cent per annum and shall be computed on all deposits
8 of more than one month's standing. No ordinary divi-
9 dend shall be declared or paid except as above provided,
10 nor upon a deposit of less than one month's standing.
11 Such corporation may, by its by-laws, provide that a
12 dividend shall not be declared or paid on less than three

13 dollars or on the fractional part of a dollar, — so as to
14 read as follows:— *Section 60.* The income of such
15 corporation, after deducting the reasonable expenses in-
16 curred in the management thereof, the taxes paid to the
17 commonwealth, and the amounts set apart for the guar-
18 anty fund, shall be divided among its depositors, or
19 their legal representatives, at times fixed by its by-laws,
20 in the following manner:— an ordinary dividend shall be
21 declared every six months from income which has been
22 earned, and which has been collected during the six
23 months next preceding the date of such dividend, except
24 that there may be appropriated from the earnings re-
25 maining undivided after declaration of the preceding
26 semi-annual dividend an amount sufficient to declare an
27 ordinary dividend at a rate not in excess thereof; but
28 the total dividends declared during any twelve months
29 shall not exceed the net income of such corporation
30 actually collected during such period, except upon written
31 approval of the commissioner. Dividends shall be
32 treated as deposits, and if not withdrawn shall be con-
33 sidered, in computing the dividend next following, as
34 having been on deposit for the preceding six months.
35 Ordinary dividends shall not exceed the rate of five per
36 cent per annum and shall be computed on all deposits
37 of more than one month's standing. No ordinary divi-
38 dend shall be declared or paid except as above provided,
39 nor upon a deposit of less than one month's standing.
40 Such corporation may, by its by-laws, provide that a
41 dividend shall not be declared or paid on less than three
42 dollars, or on the fractional part of a dollar.

1 SECTION 2. This act shall take effect on October first,
2 nineteen hundred and seventeen.