

By Mr. Weinberg of Boston, petition of the Credit Union League of Massachusetts, Inc., Norman. S. Weinberg and another that city and town officers be exempt from liability for purchasing shares or making deposits of public money in credit unions whose shares and deposits are insured. Banks and Banking.

The Commonwealth of Massachusetts

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

AN ACT EXEMPTING A CITY OR TOWN OFFICER FROM LIABILITY BY REASON OF PURCHASING SHARES WITH, OR MAKING DEPOSITS OF PUBLIC MONEY IN A CREDIT UNION ORGANIZED UNDER THE LAWS OF THE COMMONWEALTH WHOSE SHARES AND DEPOSITS ARE INSURED.

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 55A of chapter 44 of the General
2 Laws is hereby amended by adding after "or trust company
3 organized under the laws of the commonwealth" the follow-
4 ing: - to purchase shares or make deposits in credit unions
5 organized under the laws of the commonwealth whose shares
6 and deposits are insured, so that the said section will read as
7 follows: -

8 *Section 55A. Liability of a Depositor for Losses Due to*
9 *Bankruptcy.* A city or town officer receiving public money and
10 lawfully and in good faith and in the exercise of due care
11 depositing the same in a savings bank or trust company organ-
12 ized under the laws of the commonwealth, purchasing shares or
13 making deposits in credit unions organized under the laws of
14 the commonwealth whose shares and deposits are insured, on
15 paid-up shares and accounts of and in co-operative banks, a
16 banking company organized under the laws of the common-
17 wealth which is a member of the Federal Deposit Insurance
18 Corporation, or in a national bank doing business in the com-
19 monwealth, or, in the case of the City of Boston, in accor-
20 dance with the provisions of section 55 in a national bank or

21 trust company in the City of New York, or in good faith or in
22 the exercise of due care purchasing share accounts of a federal
23 savings and loan association located in the commonwealth, shall
24 not be personally liable to the City or Town for any loss of
25 such money by reason of the closing up of such depository or
26 federal savings and loan association for the liquidation of its
27 affairs.