

in said board of water commissioners, who shall be subject, however, to such instructions, rules and regulations as said town or such fire district may impose by its vote; the said commissioners shall be the trustees of the sinking fund herein provided for, and a majority of said commissioners shall constitute a quorum for the transaction of business relative both to the water works and to the sinking fund. Any vacancy occurring in said board from any cause may be filled for the remainder of the unexpired term by said town or such fire district, at any legal meeting called for the purpose. No money shall be drawn from the said district treasury on account of said water works except by a written order of said commissioners or a majority of them. Said commissioners shall annually make a full report to said town or such fire district in writing of their doings and expenditures.

To be trustees of the sinking fund.

Vacancies in board.

To make annual report of doings and expenditures.

SECTION 16. This act shall take effect on the first day of January in the year eighteen hundred and eighty-nine unless the said town of Milton previous to that date shall at any meeting legally called for the purpose, vote by a majority vote of the voters present and voting, to petition the next legislature for authority to construct a system of water works in said town, and upon the passage of such a vote by said town before said date, then and thereupon this act shall become void, and provided that this act shall become void unless work under the same shall be commenced within three years from said date.

To take effect January 1, 1889, unless, etc.

*Approved May 28, 1888.*

AN ACT IN RELATION TO SAFE DEPOSIT, LOAN AND TRUST COMPANIES.

*Chap. 413*

*Be it enacted, etc., as follows:*

SECTION 1. All safe deposit, loan and trust companies hereafter incorporated under the authority of this Commonwealth may exercise the powers and shall be governed by the rules and subject to the duties, liabilities and provisions contained in this chapter. And they shall also be subject to all the duties, restrictions and liabilities set forth in chapter one hundred and five of the Public Statutes, so far as the same do not conflict with the provisions of this chapter, and to all general laws which now are or hereafter may be in force relating to such corporations: *provided*, that no safe deposit, loan or trust company, incorporated hereafter shall advance money or credits on

Government of companies hereafter incorporated.

Not to advance money, etc., on farm property

outside of the state.

farm property situated outside of this Commonwealth, or on the bonds or securities of any mortgage investment company.

Capital stock and shares.

SECTION 2. The capital stock of such corporation shall not be less than one hundred thousand dollars nor more than one million dollars, divided into shares of the par value of one hundred dollars each; and no business shall be transacted by the corporation until the whole amount of its capital is subscribed for and actually paid in, and no shares shall be issued until the par value of such shares shall have actually been paid in in cash.

Officers of the corporation.

SECTION 3. The officers of every such corporation shall consist of a president, clerk, or secretary, a board of not less than seven directors, a treasurer or actuary, or both, and such other officers as may be prescribed by its by-laws.

Treasurer and actuary to be appointed; other officers to be elected at annual meeting.

SECTION 4. The officers of every such corporation, except the treasurer and actuary, shall be chosen at its annual meeting. The treasurer and actuary shall be appointed by the directors, and shall hold their respective offices during the pleasure of the board of directors and shall give bond for the faithful discharge of their duties to the satisfaction of said board.

May adopt by-laws.

SECTION 5. The corporation may adopt by-laws for the proper management of its affairs consistent with law, may establish rules and regulations controlling the assignment and transfer of its shares, may determine what number of shares shall be represented at any meeting to constitute a quorum. If the quorum is not so determined, a majority in interest of the stockholders shall constitute a quorum.

Quorum.

What may be received on deposit, storage, etc.

SECTION 6. Every such corporation is hereby authorized to receive on deposit, storage or otherwise, moneys, government securities, stocks, bonds, coin, jewelry, plate, valuable papers and documents, evidences of debt and other property of every kind, upon such terms or conditions as may be obtained or agreed upon, and at the request of the depositor to collect and disburse the interest or income upon such of said property received on deposit as produces interest or income, and to collect and disburse the principal of such of said property as produces interest or income when it becomes due, upon terms to be prescribed by the corporation, and also to advance money or credits on real property within the Commonwealth, and on personal security on terms that may be agreed

upon; and all the rights and privileges necessary for the execution of such powers are hereby granted. Deposits under this section shall be general deposits, and may be made by corporations and persons acting individually or in any trust capacity.

SECTION 7. Any court of law or equity, and any court of probate and insolvency of this Commonwealth, may by decree or otherwise direct any moneys or properties under its control, or that may be paid into court by parties to any legal proceedings, or which may be brought into court by reason of any order or judgment, to be deposited with such corporation, upon such terms and subject to such instructions as the court may prescribe: *provided, however,* that such corporation shall not be required to assume or execute any trust without its assent. Such corporation shall also have power to receive and hold moneys or property in trust or on deposit from executors, administrators, assignees, guardians and trustees, upon such terms or conditions as may be obtained or agreed upon: *provided, also,* that all such moneys or property received under the provisions of this section shall be loaned on or invested only in the authorized loans of the United States, or of any of the New England states, or cities or counties or towns thereof, or of the states of Illinois, Iowa, Michigan, Minnesota, Wisconsin, or the cities or counties thereof, or stocks of state or national banks organized within this Commonwealth, or in the first mortgage bonds of any railroad company incorporated by any of the New England states and whose road is located wholly or in part in the same and which has earned and paid regular dividends on all its issues of capital stock for two years next preceding such loan or investment, or in the bonds of any such railroad company unencumbered by mortgages, or in first mortgages on real estate in this Commonwealth, or in any securities in which savings banks are allowed to invest, or upon notes, with two sureties, of manufacturing corporations established under the laws of this state, or of individuals with a sufficient pledge as collateral of any of the aforesaid securities; but all real estate acquired by foreclosure of mortgage or by levy of execution shall be sold at public auction within two years after such foreclosure or levy; *provided, also,* that all such money or property received, invested or loaned under this section shall be a special deposit in such corporation, and the ac-

Any court of law or equity and court of probate, etc., may order moneys under its control to be deposited with such corporation.

Not required to execute trust without its assent.

Proviso.

Money or property received, invested, etc., to be a special deposit.

counts thereof shall be kept separate, and such funds, and the investment or loans of them, shall be specially appropriated to the security and payment of such deposits, and not to be subject to the other liabilities of the corporation ; and for the purpose of securing the observance of this proviso, such corporation shall have a trust department into which all business authorized by this section shall be kept separate and distinct from its general business.

SECTION 8. Every such corporation may be appointed trustee under any will or instrument creating a trust for the care and management of property, under the same circumstances and in the same manner, and subject to the same control by the court having jurisdiction of the same, as in the case of a legally qualified person. The capital stock of such corporations, with the liabilities of the stockholders existing thereunder, together with the trust guarantee fund as hereinafter provided, shall be held as security for the faithful discharge of the duties undertaken by virtue of sections seven and eight, or of any existing similar provision of law as applicable to any such corporation heretofore chartered, and no surety shall be required upon the bonds filed by such corporation. In all proceedings in the probate court or elsewhere, connected with any authority exercised under this section, or under similar provisions relating to any such corporation heretofore chartered, all accounts, returns and other papers may be signed and sworn to, in behalf of the corporation, by any officer thereof duly authorized by it, and the answers and examinations under oath of said officer shall be received as the answers and examinations of the corporation, and the court may order and compel any and all officers of such corporation to answer and attend said examination in the same manner as if they were parties to the proceedings of inquiry instead of the corporation: *provided, however,* that such corporation shall not be required to receive or hold any property or moneys, or to execute any trust, without its assent ; *provided, also,* that it shall be competent for the party making a deposit with the company, to direct whether such money and property shall be held and invested separately or invested in the general trust fund of the company, and *provided, also,* that the corporation shall always be bound to follow and be governed by all directions contained in any will or instrument under which it may act.

May be appointed trustee under any will or instrument creating a trust.

Capital stock, etc., to be held as security for faithful performance of duties.

Court may compel any officer to attend examination.

Not to be required to execute a trust without its consent. Proviso.

Bound to follow directions in will, etc.



SECTION 9. No money, property or securities received or held by such corporation under the provisions of sections seven and eight of this act shall be mingled with the investments of the capital stock or other moneys or property belonging to such corporation, or be liable for the debts or obligations thereof.

Money received under sections seven and eight not to be mingled with investments of capital stock.

SECTION 10. The directors may from time to time set apart as a trust guarantee fund, such portion of the profits as they may judge expedient. The trust guarantee fund shall be invested in such securities only as the trust deposits may by law be invested in. The accounts of its investment and management, and the securities in which it is invested, shall be kept in the trust department.

Investment of trust guarantee fund.

SECTION 11. The trust guarantee fund shall be absolutely pledged for the faithful performance by the corporation of all its duties and undertakings under the seventh and eighth sections of this act, and shall be applied to make good any default in such performance, and such pledge and liability shall not in any respect relieve the capital stock and general funds of the corporation, but creditors under the seventh and eighth sections shall have an equal claim with other creditors upon the capital and other property of the corporation, in addition to the security hereby given.

Trust guarantee fund pledged for faithful performance of duties.

SECTION 12. No portion of such trust guarantee fund shall be transferred to the general capital while the corporation has undertakings of the kind mentioned in the seventh and eighth sections, for whose performance bonds are required from individuals, outstanding uncompleted; but its income, if not needed at any dividend time to make good such deposits or undertakings may be added to and disposed of with the general income of the corporation.

Not to be transferred to the general capital, while, etc.

Disposition of income.

SECTION 13. Such corporation shall at all times have on hand, as a reserve, in lawful money of the United States, an amount equal to at least fifteen per centum of the aggregate amount of all its deposits which are subject to withdrawal upon demand or within ten days; and whenever said reserve of such corporation shall be below said per centum of such deposits, it shall not increase its liabilities by making any new loans until the required proportion between the aggregate amount of such deposits and its reserve fund shall be restored: *provided*, that in lien of lawful money two-thirds of said fifteen per centum

Corporation to have as a reserve an amount equal to fifteen per cent. of its deposits withdrawable on demand.

Proviso.

may consist of balances payable on demand, due from any national bank doing business in this Commonwealth or in the city of New York, and one-third of said fifteen per centum may consist of lawful money and bonds of the United States or of this Commonwealth, the absolute property of such corporation.

Liability of shareholders.

SECTION 14. The shareholders of such corporation shall be held individually liable, equally and ratably, and not one for another, for all contracts, debts and engagements of the corporation, to the extent of the amount of their stock therein at the par value thereof, in addition to the amount invested in such shares. The provisions contained in chapter one hundred and six of the Public Statutes, sections sixty-two to seventy-one, inclusive, shall apply to and regulate the enforcement of this liability.

May act as agents for issuing, etc., bonds, certificates of stock, etc.

SECTION 15. Such corporations are also authorized to act as agents for the purpose of issuing, registering or countersigning the certificates of stock, bonds or other evidence of indebtedness of any corporation, association, municipal corporation, state or national government, on such terms as may be agreed upon, and may also act as trustee or financial or other agent for any person or firm, corporation, association, municipal corporation or government, and in their behalf may negotiate loans and may sell and negotiate the sale of securities, and may also act as trustee for the bondholders of corporations, and to this end are empowered to receive transfers of real and personal property upon such terms as may be agreed upon.

May act as trustee or financial agent, and in their behalf negotiate loans, etc.

Not to make loan on security of shares of its own capital stock.

SECTION 16. No such corporation shall make any loan or discount on the security of the shares of its own capital stock, nor be the purchaser or holder of any such shares, unless such security or purchase shall be necessary to prevent loss upon a debt previously contracted in good faith; and stock so purchased or acquired shall, within six months from the time of its purchase, be sold or disposed of at public or private sale.

Liability of any one corporation, etc., not to exceed one-fifth of paid up capital stock of this corporation.

SECTION 17. The total liabilities to such corporation of any person, firm or corporation, other than cities or towns, for money borrowed, including in the liabilities of a company or firm the liabilities of its several members, shall at no time exceed one-fifth part of such amount of the capital stock of this corporation as is actually paid up. But the discount of bills of exchange drawn in good faith against actually existing values, and the discount of com-

mercial or business paper actually owned by the person negotiating the same, shall not be considered as money borrowed.

SECTION 18. Such corporation may hold real estate suitable for the transaction of its business to an amount not exceeding twenty-five per cent. of its capital, and in no case to exceed two hundred and fifty thousand dollars.

May hold real estate to amount not exceeding twenty-five per cent. of its capital.

SECTION 19. No person shall be a director in any such corporation unless he is a stockholder holding not less than ten shares of unpledged stock therein. A majority of the directors shall be citizens of and resident in this Commonwealth and not more than one-third of the directors shall be directors in any other corporation included within the provisions of this act.

Director to be a holder of at least ten shares of unpledged stock.

SECTION 20. Deposits with such corporation, which can be withdrawn on demand or upon not exceeding ten days' notice, shall for the purposes of taxation be deemed money in possession of the persons to whom the same is payable.

Deposits withdrawable on demand, etc., deemed money in possession for purposes of taxation.

SECTION 21. Such corporation shall also, annually, between the first and tenth days of May, return to the tax commissioner a true statement, attested by the oath of some officer of the corporation, of all personal property held upon any trust on the first day of May which would be taxable if held by an individual trustee residing in this Commonwealth, and the name of every city or town in this Commonwealth where any beneficiary resided on said day, and the aggregate amount of such property then held for all beneficiaries resident in each of such cities or towns, and also the aggregate amount held for beneficiaries not resident in this Commonwealth, under the pains and penalties provided in section fifty-four of chapter thirteen of the Public Statutes and acts in amendment thereof, for corporations failing to make returns provided by said act. Such corporation shall annually pay to the treasurer of the Commonwealth a sum to be ascertained by assessment by the tax commissioner upon an amount equal to the total value of such property, at the rate ascertained and determined by him, under section forty of chapter thirteen of the Public Statutes and acts in amendment thereof.

To make annual return to tax commissioner of personal property held in trust, liable to taxation.

SECTION 22. Such corporation shall also, annually, between the first and tenth days of May, return to the tax commissioner a true statement, verified by the oath of some officer of the corporation, of the amount of all sums

Annual return to tax commissioner of sums deposited on interest or for investment.

deposited with it on interest or for investment, other than those specified in the twentieth and twenty-first sections of this act, together with the name of every city and town in this Commonwealth where any beneficial owner resided on said first day of May, and the aggregate amount of such deposits then held for the benefit of persons residing in each of such cities and towns, under like penalty. Such corporation shall annually pay to the treasurer of the Commonwealth a sum to be ascertained by assessment by the tax commissioner upon an amount equal to the total value of such deposits at three-fourths of the rate ascertained and determined by him under section forty of chapter thirteen of the Public Statutes and acts in amendment thereof.

Payments into the state treasury.

Not to be taxed in towns, etc., where beneficiaries reside.

SECTION 23. No taxes shall be assessed in any city or town for state, county or town purposes, upon or in respect to any such property held in trust or any such amounts deposited on interest or for investment, but such proportion of the sum so paid by such corporation as corresponds to the amount of such property held for beneficiaries or payable to persons resident in this Commonwealth shall be credited and paid to the several cities and towns where it appears from the returns or other evidence that such beneficiaries resided on the first day of May next preceding, according to the aggregate amount so held for beneficiaries and persons residing in such cities and towns respectively; and in regard to such sums so to be assessed and paid as aforesaid such corporation shall be subject to sections fifty-two, fifty-three, fifty-seven, fifty-eight and fifty-nine of chapter thirteen of the Public Statutes and acts in amendment or lieu thereof, so far as the same are applicable thereto.

Subject to provisions of P. S. 13, as to taxation of capital stock.

SECTION 24. Every such corporation shall be subject to the provisions of chapter thirteen of the Public Statutes as to the taxation of its capital stock, and to any acts in amendment thereof and in addition thereto.

Books to be open for inspection to stockholders, etc.

SECTION 25. The books of such corporation shall at all reasonable times be open for inspection to the stockholders and to beneficiaries under any trust held by such corporation as hereinbefore provided.

Returns to be made to commissioners of savings banks.

SECTION 26. Such corporation shall, annually, within ten days after the last business day of October, and at such other times as the commissioners of savings banks may require, but not exceeding four times within any



calendar year, make a return to the commissioners of savings banks in this Commonwealth, showing accurately the condition thereof at close of business on said day, which shall be signed and sworn to by its president and secretary, treasurer or actuary and a majority of its board of directors; and said returns shall specify the following, namely: Capital stock; amount of all moneys and property in detail in the possession or charge of said company as deposits; amount of deposits payable on demand or within ten days; amount of trust guarantee fund; trust funds or for purposes of investment; number of depositors; investments in authorized loans of the United States or any of the New England states or cities or counties or towns, stating amount in each; investments in bank stock, stating amount in each; investments in railroad stock, stating amount in each; investments in railroad bonds, stating amount in each; loans on notes of corporations; loans on notes of individuals; loans on mortgages of real estate; cash on hand and such other information as the commissioners of savings banks may prescribe; all as existing at the date of making such returns, with the rate, amount and date of dividends since last return. The commissioners of savings banks shall have access to the vaults, books and papers of the company, and it shall be their duty to inspect, examine and inquire into its affairs and to take proceedings in regard to them in the same manner and to the same extent as if this corporation was a savings bank, subject to all the general laws which are now or hereafter may be in force relating to such institutions in this regard. Such returns required to be made to the commissioners of savings banks shall be in the form of a trial balance of its books, and shall specify the different kinds of its liabilities and the different kinds of its assets, stating the amount of each kind, in accordance with a blank form to be furnished by said commissioners; and these returns shall be published in a newspaper of the city or town where such corporation is located, by and at the expense of such corporation, at such times and in such manner as may be directed by said commissioners, and in the annual report of said commissioners.

Returns to commissioners of savings banks.

Commissioners of savings banks to make examination into affairs.

Returns to be made in form of a trial balance of books and to be published in a newspaper.

SECTION 27. The name shall be one not previously in use by any existing corporation established under the laws of this Commonwealth, nor so nearly identical therewith as to be calculated to mislead, and shall be changed only

Name to be one not in use by any existing corporation.

by act of the general court. The words “trust company” shall form a part of the name.

SECTION 28. This act shall take effect upon its passage.

*Approved May 28, 1888.*

*Chap.*414 AN ACT TO REGULATE THE SALE OF CIDER APPLES, BEANS AND PEAS.

*Be it enacted, etc., as follows :*

Sale of cider apples, beans and peas.

Amendment to P. S. 60, § 21.

SECTION 1. Section twenty-one of chapter sixty of the Public Statutes is hereby amended to read as follows :—

*Section 21.* In all contracts for the sale and delivery of wheat, corn, rye, oats, barley, buckwheat, cider apples, beans, peas, cracked corn, ground corn or corn meal, ground rye or rye meal, or feed, or any other meal except oatmeal, the same shall, except as provided in chapter sixty-six, be bargained for and sold either by the bushel or by the cental.

Weight of a bushel.

Amendment to P. S. 60, § 22.

SECTION 2. Section twenty-two of chapter sixty of the Public Statutes is hereby amended to read as follows :—

*Section 22.* A bushel of wheat shall be sixty pounds avoirdupois ; a bushel of corn or rye, fifty-six pounds ; a bushel of oats, thirty-two pounds ; a bushel of barley or buckwheat, forty-eight pounds ; a bushel of apples, when sold for the purpose of making cider, fifty pounds ; a bushel of beans or peas, sixty-two pounds ; a bushel of cracked corn, corn meal, rye meal, or feed, or any other meal except oatmeal, fifty pounds ; and a cental, one hundred pounds.

SECTION 3. This act shall take effect upon its passage.

*Approved May 28, 1888.*

*Chap.*415 AN ACT TO AMEND SECTION THIRTY OF CHAPTER ONE HUNDRED AND FIFTY-FOUR OF THE PUBLIC STATUTES RELATING TO PROCESSES ISSUING FROM POLICE AND DISTRICT COURTS.

*Be it enacted, etc , as follows :*

Processes issuing from police and district courts. Amendment to P. S. 154, § 30.

Section thirty of chapter one hundred and fifty-four of the Public Statutes is hereby amended so as to read as follows :— *Section 30.* Processes issuing from a court having a clerk shall be under the seal of the court, signed by the clerk or an assistant clerk, and shall bear teste of the first justice who is not a party. In other respects the processes of said courts shall be substantially like the processes issued by trial justices.

*Approved May 28, 1888.*