

# HOUSE . . . . No. 1487

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## The Commonwealth of Massachusetts.

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HOUSE OF REPRESENTATIVES, April 27, 1923.

The committee on Banks and Banking, to whom was referred the special report of the commission on Administration and Finance relative to the examination of trust companies by the Commissioner of Banks and to the cost of such examinations (House, No. 1442), report the accompanying bill.

For the committee,

JAMES B. BROWN.

## The Commonwealth of Massachusetts.

In the Year One Thousand Nine Hundred and Twenty-Three.

### AN ACT

To provide for Payment of the Expense of Examinations of Trust Companies.

*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 two of chapter one hundred and sixty-seven  
2 of the General Laws, as amended by section one of chap-  
3 ter three hundred and sixty-three of the acts of nineteen  
4 hundred and twenty-two, is hereby further amended by  
5 inserting after the first sentence the following new  
6 sentence:—The expense of the annual examination of  
7 a trust company shall be borne by the company, and  
8 shall be limited to the actual cost of such examination  
9 and such additional sum for overhead expense of the  
10 trust company division as the commissioner shall deter-  
11 mine, so as to read as follows:—*Section 2.* The com-  
12 missioner, either personally or by his examiners, or such  
13 others of his assistants as he may designate, shall, at  
14 least once in each year, make an examination of the affairs  
15 of each bank and ascertain its condition, its ability to  
16 fulfil its obligations and also whether it has complied  
17 with the law; and he may also, whenever he considers  
18 it expedient, make, at the expense of the bank, such fur-  
19 ther examinations as he deems advisable. The expense

20 of the annual examination of a trust company shall be  
21 borne by the company, and shall be limited to the actual  
22 cost of such examination and such additional sum for  
23 overhead expense of the trust company division as the  
24 commissioner shall determine. The commissioner or the  
25 person making the examination shall, at the time of any  
26 such examination, have free access to the vaults, invest-  
27 ments, cash, books and papers. The commissioner shall  
28 preserve a full record of each such examination of a bank,  
29 including a statement of its condition, if ascertained.  
30 Such records, and information contained in the reports of  
31 such banks, other than information required by law to be  
32 published or to be open to the inspection of the public,  
33 shall be open only to the inspection of the commissioner,  
34 his examiners and assistants, and such other officers of  
35 the commonwealth as may have occasion and authority  
36 to inspect them in the performance of their official duties.  
37 The commissioner may furnish to the national bank  
38 examiners, the federal government, any organization  
39 created by federal legislation, or the banking departments  
40 of other states, such information, reports and statements  
41 relating to the institutions under his supervision as he  
42 deems best.

