

HOUSE No. 1505

Bill accompanying the petition of John F. McCarthy for legislation to provide for the selection of certain banks or trust companies as legal depositories for the funds of cities and towns. Banks and Banking. January 19.

The Commonwealth of Massachusetts.

In the Year One Thousand Nine Hundred and Twelve.

AN ACT

To provide for the Sale of Deposits by Cities and Towns.

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. The city treasurer of a city or the town
2 treasurer of a town, shall within ten days before the end
3 of each fiscal year of such city or town, advertise for
4 bids from banks or trust companies, for the deposits of
5 such city or town for the ensuing year.

6 The bank or trust company making the highest bid
7 shall be named as the "legal depository" for such city
8 or town for the following fiscal year, and beginning with
9 said year, the city or town treasurer of said city or
10 town, shall deposit all of the city's or town's money with
11 said bank or trust company.

12 If at any time the amount of such deposit shall run
13 over the amount allowed by law to be deposited in any

14 one bank or trust company, then and during the exist-
15 ence of said condition, said surplus deposits shall be
16 made with the next highest bidder up to the lawful
17 amount, and the balance, if any, with the next highest
18 bidder, and so on until said deposits are used up.

19 Said bids shall be advertised in some paper published
20 in said city or town, if one is published therein, and
21 outside of Suffolk county, in some one newspaper in the
22 county wherein said city or town is located.

1 SECTION 2. The city treasurer of a city shall, once in
2 every month, and the town treasurer of a town shall,
3 once in every three months, advertise in some one
4 newspaper published in said city or town, if one is pub-
5 lished therein, otherwise in some newspaper published in
6 the county wherein said city or town is located, a com-
7 plete statement showing in detail the amount of such
8 city's or town's money deposited during the preceding
9 month in the case of a city and the preceding three
10 months in the case of a town, together with the name or
11 names of the banks or trust companies having such de-
12 posits.

1 SECTION 3. The money received from said bids shall be
2 paid into the city or town treasury for the use and benefit of
3 said city or town. All acts, inconsistent or in conflict
4 with this act, are hereby repealed.

1 SECTION 4. Any treasurer of a city or town who
2 violates the provisions of this act shall be punished by a
3 fine of not more than one thousand dollars nor less than
4 five hundred dollars.

1 SECTION 5. This act shall take effect upon its passage.