
THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. **456**

Session of
1961

MESSRS. WEINER AND SILVERT, IN PLACE, APRIL 4, 1961.

AS AMENDED ON THIRD READING, JUNE 12, 1961.

AN ACT

Amending the act of May 15 1933 (P L 624) entitled as amended "An act relating to the business of banking and to the exercise of fiduciary powers by corporations providing for the organization of corporations with fiduciary powers and of banking corporations with or without fiduciary powers including the conversion of National banks into State banks and for the licensing of private bankers and employes' mutual banking associations defining the rights powers duties liabilities and immunities of such

EXPLANATION—CAPITAL LETTERS indicate new matter added to bill. Matter stricken through is to be omitted from bill. Underscoring indicates new matter added to existing law. [Brackets] indicate matter stricken from existing law.

corporations of existent corporations authorized to engage in a banking business with or without fiduciary powers of private bankers and employes' mutual banking associations and of the officers directors trustees shareholders attorneys and other employes of all such corporations employes' mutual banking associations or private bankers or of affiliated corporations associations or persons restricting the exercise of banking powers by any other corporation association or person and of fiduciary powers by any other corporation conferring powers and imposing duties upon the courts prothonotaries recorders of deeds and certain State departments commissions and officers imposing penalties and repealing certain acts and parts of acts" changing certain provisions with respect to the payment of interest on deposits and eliminating the time limit in which action must be taken on articles of merger or consolidation

The General Assembly of the Commonwealth of Pennsylvania hereby enacts as follows

- 1 Section 1 Section 1003 act of May 15 1933 (P L 624) known
- 2 as the "Banking Code" amended July 2 1935 (P L 542) and September
- 3 11 1959 (P L 881) is amended to read

1 Section 1003 Interest on Deposits [A] A bank or a bank and
2 trust company shall have the power to credit and pay on all deposits
3 such interest as may be established from time to time by agreement
4 or regulation Such interest shall be paid to the respective depositors
5 or credited to their accounts at least annually and in the case of cer-
6 tificates of deposit interest shall be paid or accrued at least annually The
7 department may from time to time limit by regulation the maximum
8 rate of interest which may be paid by a bank or a bank and trust com-
9 pany may provide for grace periods not in excess of thirty days
10 with respect to the payment of interest on deposits may classify
11 deposits according to maturities locations of banks and of bank and
12 trust companies may prescribe conditions respecting receipt withdrawal
13 or repayment or otherwise as may be deemed advisable in the public
14 interest and may prescribe different maximum rates for deposits of
15 different classes
16 [B A bank or a bank and trust company shall not credit or pay
17 any interest on any deposit for a longer period than it has been de-
18 posited with the bank or bank and trust company except that deposits
19 made not later than the tenth business day of any month which com-]

1 [mences a regular quarterly or semi-annual interest period or the fifth
2 business day of any other month or deposits withdrawn upon one of the
3 last three business days of the month ending any annual semi-annual
4 or quarterly interest period may have interest declared upon them for
5 the whole of the period or month in which they were so deposited or
6 withdrawn It shall also be lawful for deposit accounts closed between
7 interest periods to be credited with interest computed from the last
8 interest period to the date when closed]

9 Section 2 Section 1204 and subsection B of section 1406 of the
10 act amended September 11 1959 (P. L. 881) are amended to read

11 Section 1204 Interest on Deposits [A] Anything in its articles to
12 the contrary notwithstanding a savings bank shall have the power to
13 credit and pay on all deposits such interest not however exceeding five
14 per centum per annum as may be established from time to time by
15 agreement or regulation Provided That the department may from time
16 TO TIME LIMIT BY REGULATION THE MAXIMUM RATE OF
17 INTEREST WHICH MAY be paid by a savings bank may provide
18 grace periods not in excess of thirty days with respect to the payment
19 of interest on deposits may classify deposits according to maturities
20 location of savings banks may prescribe conditions respecting receipt

1 withdrawal or repayment or otherwise as may be deemed advisable in
2 the public interest and may prescribe different maximum rates for de-
3 posits of different classes Such interest shall be paid to the respective
4 depositors or credited to their accounts at least annually and in the case
5 of certificates of deposit interest shall be paid or accrued at least annually

6 [B The trustees shall not declare or allow interest on any deposit
7 for a longer period than it has been deposited with the savings bank
8 except that deposits made not later than the tenth business day of any
9 month which commences a regular quarterly or semi-annual interest
10 period or the fifth business day of any other month or deposits with-
11 drawn upon one of the last three business days of the month ending
12 any annual semi-annual or quarterly interest period may have interest
13 declared upon them for the whole of the period or month in which
14 they were so deposited or withdrawn It shall also be lawful for deposit
15 accounts closed between interest periods to be credited with interest
16 computed from the last interest period to the date when closed]

17 Section 1406 Approval of Articles of Merger or Consolidation by
18 Department of Banking * * *

1 B [Within sixty days after] After the receipt of the articles of
2 merger or articles of consolidation from the Department of State the
3 Department of Banking shall upon the basis of the facts disclosed
4 by the investigation provided for by this section either approve or dis-
5 approve such articles It shall [immediately] notify the Department of
6 State in writing of its action If it shall approve the articles of merger
7 or articles of consolidation it shall endorse its approval thereon and shall
8 return them to the Department of State

9 * * *

10 Section 3 This act shall take effect immediately

We certify that this bill has passed the Senate and the House of
Representatives.

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Chief Clerk, Senate

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President pro tempore, Senate

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Speaker, House of Representatives

Approved The day of A. D. 1961.

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Governor