

When effective.

Section 6. This act shall become effective immediately upon final enactment.

APPROVED—The 2d day of July, A. D. 1935.

GEORGE H. EARLE

No. 205

AN ACT

To amend the act, approved the fifteenth day of May, one thousand nine hundred and thirty-three (Pamphlet Laws, six hundred twenty-four), entitled "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; defining the rights, powers, duties, liabilities, and immunities of such corporations, of existent corporations authorized to engage in a banking business, with or without fiduciary powers, of private bankers, and of the officers, directors, trustees, shareholders, attorneys, and other employes of all such corporations 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," as amended, by further providing for the powers and limitations upon the powers of corporations and persons authorized to engage in a banking business.

Sections 520 and 1204, act of May 15, 1933 (P. L. 624), amended.

Section 1. Be it enacted, &c., That section five hundred twenty and section one thousand two hundred four of the act, approved the fifteenth day of May, one thousand nine hundred and thirty-three (Pamphlet Laws, six hundred twenty-four), entitled "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; defining the rights, powers, duties, liabilities, and immunities of such corporations, of existent corporations authorized to engage in a banking business, with or without fiduciary powers, of private bankers, and of the officers, directors, trustees, shareholders, attorneys, and other employes of all such corporations 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," are hereby amended to read as follows, and that section one thousand three of that act, as last amended by the act, approved the second day of January, one thousand nine hundred and thirty-four (Pamphlet Laws, one hundred twenty-eight), is hereby further amended to read as follows:

Section 1003  
of said act,  
as amended  
by act of  
January 2, 1933-  
1934 (P. L. 128),  
further amended.

Section 520. Purchases from and Sales to Directors, Trustees, Officers, Attorneys, or Employees.—A. An institution shall not contract for or purchase from any of its officers, attorneys, or employes, and in the case of an incorporated institution, from any of its directors or trustees, nor from any of the officers, attorneys, or employes of an affiliated institution or affiliated national banking association, as defined in this act, and in the case of an affiliated incorporated institution or an affiliated national banking association, as defined in this act, from any of the directors or trustees, any securities or other property, unless such purchase is made [in the regular course of business] upon terms not less favorable to the institution than those offered to any other corporation or person, [or] *and* [in the case of an incorporated institution, unless such purchase] *unless such purchase is made in the regular course of business, or is* authorized by the vote of a majority of all the members of the board of directors or of the board of trustees of [such] *an* incorporated institution, who are not interested in such transaction except in their capacity as directors or trustees of the incorporated institution.

B. An institution shall not sell securities or other property owned or held by it to any of its officers, attorneys, or employes, and in the case of incorporated institutions, to any of its directors or trustees, nor to any of the officers, attorneys, or employes of an affiliated institution or affiliated national banking association, as defined in this act, and in the case of an affiliated incorporated institution or an affiliated national banking association, as defined in this act, to any of the directors or trustees, unless such sale is made [in the regular course of business] upon terms not less favorable to the institution than those offered to any other corporation or person, [or] *and* unless [in the case of an incorporated institution] such sale is *made in the regular course of business or* authorized by the vote of a majority of all the members of the board of directors or the board of trustees of [such] *an* incorporated institution, who are not interested in such transaction except in their capacities as directors or trustees of the incorporated institution.

C. Any officer, attorney, or employe of an institution, any director or trustee thereof, or any officer, attorney, or employe of an affiliated institution or an af-

filiated national banking association, as defined in this act, and in the case of an affiliated incorporated institution or an affiliated national banking association, as defined in this act, any director or trustee thereof, who knowingly violates the provisions of this section, shall be guilty of a misdemeanor, and shall, upon conviction thereof, be subject to an imprisonment not exceeding one year, or a fine not exceeding one thousand dollars, or both; he shall also be subject to a further fine equal to any profit which he shall have made upon the transaction.

Section 1003. Interest on Deposits.—A. A bank or a bank and trust company shall have the power to credit and pay on all deposits such interest as may be established, from time to time, by agreement or regulation. Such interest shall be paid to the respective depositors, or credited to their accounts, at least annually, and in the case of certificates of deposit, interest shall be paid or accrued at least annually. *The department may, from time to time, limit by regulation the maximum rate of interest which may be paid by a bank or a bank and trust company; may classify deposits according to maturities, locations of banks and of bank and trust companies; conditions respecting receipt, withdrawal, or repayment, or otherwise, as may be deemed advisable in the public interest; and may prescribe different maximum rates for deposits of different classes.*

B. A bank or a bank and trust company shall not credit or pay any interest on any deposit for a longer period than it has been deposited with the bank or bank and trust company, except that deposits made not later than the fifth business day of the month, or deposits withdrawn upon one of the last three business days of the month ending any annual, semi-annual, or quarterly interest period, may have interest declared upon them for the whole of the period or month in which they were so deposited or withdrawn. It shall also be lawful for deposit accounts closed between interest periods to be credited with interest, computed from the last interest period to the date when closed.

Section 1204. Interest on Deposits.—A. Anything in its articles to the contrary notwithstanding, a savings bank shall have the power to credit and pay on all deposits such interest, not, however, exceeding five per centum per annum, as may be established, from time to time, by agreement or regulation: *Provided, That the department may, from time to time, limit by regulation the maximum rate of interest which may be paid by a savings bank; may classify deposits according to maturities, location of savings banks; conditions respecting receipt, withdrawal, or repayment, or otherwise, as may be deemed advisable in the public interest; and may prescribe different maximum rates for deposits of*

*different classes.* Such interest shall be paid to the respective depositors, or credited to their accounts, at least annually, and in the case of certificates of deposit, interest shall be paid or accrued at least annually.

B. The trustees shall not declare or allow interest on any deposit for a longer period than it has been deposited with the savings bank, except that deposits made not later than the fifth business day of the month, or deposits withdrawn upon one of the last three business days of the month ending any annual, semi-annual, or quarterly interest period, may have interest declared upon them for the whole of the period or month in which they were so deposited or withdrawn. It shall also be lawful for deposit accounts closed between interest periods to be credited with interest, computed from the last interest period to the date when closed.

Section 2. Effective Date.—This act shall become effective immediately upon final enactment. When effective.

APPROVED—The 2d day of July, A. D. 1935.

GEORGE H. EARLE

No. 206

AN ACT

To amend paragraphs one, two, and three of clause (a) of section forty-one of the act, approved the seventh day of June, one thousand nine hundred and seventeen (Pamphlet Laws, four hundred forty-seven), entitled "An act relating to the administration and distribution of the estates of decedents and of minors, and of trust estates; including the appointment, bonds, rights, powers, duties, liabilities, accounts, discharge and removal of executors, administrators, guardians, and trustees, herein designated as fiduciaries; the administration and distribution of the estates of presumed decedents; widow's and children's exemptions; debts of decedents, rents of real estate as assets for payment thereof, the lien thereof, sales and mortgages of real estate for the payment thereof, judgments and executions therefor, and the discharge of real estate from the lien thereof; contracts of decedents for the sale or purchase of real estate; legacies, including legacies charged on land; the discharge of residuary estates and of real estate from the lien of legacies and other charges; the appraisement of real estate devised at a valuation; the ascertainment of the curtilage of dwelling houses or other buildings devised; the abatement and survival of actions, and the substitution of executors and administrators therein, and suits against fiduciaries; investments by fiduciaries; the organization of corporations to carry on the business of decedents; the audit and review of accounts of fiduciaries; refunding bonds; transcripts to the court of common pleas of balances due by fiduciaries; the rights, powers, and liabilities of nonresident and foreign fiduciaries; the appointment, bonds, rights, powers, duties, and liabilities of trustees *durante absentia*; the recording and registration of decrees, reports and other proceedings, and the fees therefor; appeals in certain cases; and also, generally dealing with the jurisdiction, powers, and procedure of the