

**HOUSE . . . . . No. 02040**

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The Commonwealth of Massachusetts

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PRESENTED BY:

***Garrett J. Bradley***

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*To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:*

The undersigned legislators and/or citizens respectfully petition for the passage of the accompanying bill:

An Act relative to limited purpose trust companies subject to supervision by the Division of  
Banks

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\_\_\_\_\_  
PETITION OF:

NAME:

*Garrett J. Bradley*

DISTRICT/ADDRESS:

*3rd Plymouth*

# HOUSE . . . . . No. 02040

By Mr. Bradley of Hingham, a petition (accompanied by bill, House, No. 2040) of Bradley relative to limited purpose trust companies subject to supervision by the Division of Banks  
 Joint Committee on Financial Services.

## The Commonwealth of Massachusetts

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In the Year Two Thousand Eleven  
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An Act relative to limited purpose trust companies subject to supervision by the Division of Banks

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*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. Section 9A of chapter 172 of the General Laws, as appearing in the 2008 Official  
2 Edition, is hereby amended by adding the following two paragraphs:

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4 A limited purpose trust company may be merged, consolidated, converted, liquidated, dissolved  
5 or its charter cease to exist in such manner as the commissioner may prescribe and subject to  
6 such terms and conditions he may impose.

7 The provisions of section 4 of chapter 167A relative to the Massachusetts Housing Partnership  
8 Fund shall apply to any subsequent transaction involving an unaffiliated entity and a limited  
9 purpose trust company that had converted from a trust company to a limited purpose trust

10 company and that, but for such conversion, would have been subject to such provisions of said  
11 section 4. The commissioner shall not approve any transaction subject to this paragraph until he  
12 has received notice from the Massachusetts Housing Partnership Fund that satisfactory  
13 arrangements have been made.

14 SECTION 2. Notwithstanding any other general or special law to the contrary, with the approval  
15 of the commissioner under such procedures as he may require, a trust company chartered under  
16 chapter one hundred seventy-two of the General Laws which has deposits of less than fifty-one  
17 million dollars or fewer than ten depositors may convert to a limited purpose trust company  
18 governed by section 9A of said chapter 172 by adopting, in the manner set forth herein, an  
19 amendment to its articles of organization specifying that the purposes of such corporation and the  
20 nature of the business to be transacted shall be those authorized for a limited purpose trust  
21 company chartered pursuant to said section 9A. Such amendment shall be approved by the board  
22 of directors of such trust company and by the holders of at least two-thirds of each class of  
23 capital stock of such trust company and shall become effective upon filing of such amendment  
24 with the state secretary or at such later time as may be specified in such filing. A trust company  
25 that converts to a limited purpose trust company in the manner provided herein shall be  
26 considered the same business and corporate entity as that of the converting institution, although  
27 as to rights, powers, and duties the resulting institution shall be a limited purpose trust company  
28 chartered pursuant to said section 9A.

29 This section shall apply only to such a trust company that notifies the commissioner in writing of  
30 its intention to convert to a limited purpose trust company within twelve months of the passage  
31 of this act and consummates such conversion within eighteen months of the passage of this act.

32 SECTION 3. No trust company may file a notice to convert under section 2 of this act on a date  
33 that is twelve months after passage of this act.

34 SECTION 4. This act shall take effect upon its passage.