

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 1979.

Approved May 14, 1979.

CHAPTER 272

(Senate Bill 630)

AN ACT concerning

Credit Unions - Dividends

FOR the purpose of allowing certain dividends to be paid daily, removing a requirement on paid-up shares; altering the time from which a monthly dividend credit may accrue; correcting language; and generally relating to dividends.

BY repealing and reenacting, with amendments,

Article 11 - Banks and Trust Companies
Section 155
Annotated Code of Maryland
(1976 Replacement Volume and 1978 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That section(s) of the Annotated Code of Maryland be repealed, amended, or enacted to read as follows:

Article 11 - Banks and Trust Companies

155.

The board of directors of a credit union may declare a dividend, not in excess of [eight] 8 percent, from so much of its net profits at the close of any fiscal year as may be available after providing for expenses, interest and taxes accrued. [Provided, however, that no] HOWEVER, A dividend [shall] MAY NOT be declared until the amount of net earnings shall have been transferred to the reserve fund, as required by this article. Any losses sustained may be charged against the reserve fund, surplus or undivided earnings, and no dividends shall be declared if the known losses existing at the close of any fiscal year exceed the balance of the reserve fund, surplus or undivided earnings after the payment of said dividend. Dividends may be paid annually, semiannually, [or] quarterly, OR DAILY, as the bylaws may provide, and after provision for the required reserves, the board of directors may declare a dividend to be paid from the remaining net earnings. [Such dividend shall be paid on