

to such effective date proper relinquishments or quitclaims have been procured and caused to be filed in the proper land office.

Reversion for non-user.

SEC. 5. On the cessation of use of the land granted for the purposes of the grant the estate of the grantee or of its assigns shall terminate and revert in the United States.

Approved, June 18, 1932.

[CHAPTER 271.]

AN ACT

June 22, 1932.
[S. 1525.]

[Public, No. 189.]

Forbidding the transportation of any person in interstate or foreign commerce, kidnaped, or otherwise unlawfully detained, and making such act a felony.

Kidnaped, etc., persons.
Transportation of, in interstate or foreign commerce, forbidden.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That whoever shall knowingly transport or cause to be transported, or aid or abet in transporting, in interstate or foreign commerce, any person who shall have been unlawfully seized, confined, inveigled, decoyed, kidnaped, abducted, or carried away by any means whatsoever and held for ransom or reward shall, upon conviction, be punished by imprisonment in the penitentiary for such term of years as the court, in its discretion, shall determine: *Provided*, That the term "interstate or foreign commerce" shall include transportation from one State, Territory, or the District of Columbia to another State, Territory, or the District of Columbia, or to a foreign country; or from a foreign country to any State, Territory, or the District of Columbia: *Provided further*, That if two or more persons enter into an agreement, confederation, or conspiracy to violate the provisions of the foregoing Act and do any overt act toward carrying out such unlawful agreement, confederation, or conspiracy such person or persons shall be punished in like manner as hereinbefore provided by this Act.

Provisos.
"Interstate or foreign commerce," construed.

Conspiracy to violate, etc., punishable.

Approved, June 22, 1932.

[CHAPTER 272.]

AN ACT

June 23, 1932.
[S. 1153.]

[Public, No. 190.]

To provide for the incorporation of credit unions within the District of Columbia.

District of Columbia
Credit Unions Act.
Short title.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled.

SHORT TITLE

SECTION 1. This Act may be cited as the "District of Columbia Credit Unions Act."

DEFINITION

"Credit union" defined.

SEC. 2. A credit union is hereby defined to be a cooperative society organized for the purpose of promoting thrift among its members and creating a source of credit for them for provident purposes.

Organization Certificate.

ORGANIZATION CERTIFICATE

Contents of.

SEC. 3. Any seven or more persons, who are actual residents of, or do business or are employed within, the District of Columbia, and who desire to form a credit union, shall subscribe before some officer in the District competent to take the acknowledgment of deeds, an organization certificate which shall specifically state—

First. The name of the corporation, which shall include the words "credit union" and "District of Columbia."

Second. The names and addresses of the subscribers to the certificate and the number of shares subscribed by each.

Third. The par value of the shares of the credit union, which shall not exceed \$10 each.

Fourth. The proposed field of membership, specified in such detail as the Commissioners of the District of Columbia may require.

Fifth. The term of the credit union's existence, which may be perpetual.

POWER OF COMMISSIONERS OF THE DISTRICT

Power of District Commissioners.

SEC. 4. The organization certificate shall be presented to the Commissioners of the District of Columbia, who may, in their discretion, approve the certificate. The said commissioners are hereby authorized to refer any such proposed certificate to the Comptroller of the Currency, who shall, within a reasonable time, submit a report to the said commissioners with respect (1) to the conformity of the certificate to the provisions of this Act, (2) the general character and fitness of the subscribers, and (3) the advisability of establishing a credit union in the proposed field of membership.

Examination and approval of certificate.

Report of Comptroller of the Currency.

RECORDING CERTIFICATE

Recording Certificate.

SEC. 5. The certificate, if approved by the Commissioners of the District of Columbia, shall be filed for record in the office of the recorder of deeds for the District of Columbia, and shall be recorded by him. At such time as the approved certificate is so filed, the subscribers and their successors shall thereupon become a body corporate and as such shall, subject to the limitations of section 8 (relating to approval of by-laws), be vested with all the powers and charged with all the liabilities conferred and imposed by this Act upon corporations organized thereunder as credit unions: *Provided*, That the last paragraph of section 552 of the Code of Law for the District of Columbia shall have no application to credit unions.

Filing.

Subscribers incorporated.

Post, p. 328.

Powers, liabilities, etc.

Proviso. Fees. Vol. 31, p. 1276, not to apply.

SUPERVISION BY COMPTROLLER OF THE CURRENCY

Supervision by Comptroller of the Currency.

SEC. 6. The provisions of sections 713 and 714 of the Code of Law for the District of Columbia, as now or hereafter amended (relating to supervision by the Comptroller of the Currency of banking institutions in the District of Columbia), shall apply to credit unions, except that the Comptroller of the Currency may relieve credit unions from compliance with any such requirements to such extent and in such manner as he deems will not prejudice the proper conduct of the affairs of such credit unions: *Provided, however*, That the publication of reports named in section 713 shall not be required of credit unions having assets of less than \$100,000 and fees incident to making the examinations specified in section 714 shall not exceed a basic fee of \$5 and 3 cents per \$1,000 of assets per annum: *Provided, however*, That it shall be unlawful for any such credit union to transact business in the District of Columbia without procuring a license from the District of Columbia; and all such credit unions shall pay a license tax of \$15 per annum to the District of Columbia. No license shall be granted for a period longer than one year: *Provided, however*, That the Commissioners of the District of Columbia may suspend or revoke a license upon

Powers of, extended to credit unions. Vol. 31, pp. 1302, 1303.

Provisos. Publication of reports. Vol. 31, p. 1302, waived.

Examination fees.

Conducting business without license unlawful.

Annual tax.

Suspension, etc., of license for cause.

proof of the bankruptcy or insolvency of any such credit union or upon conviction of a violation of any provision of this Act or of any law or regulation of the District of Columbia or of the United States.

POWERS

Powers of credit unions.

SEC. 7. A credit union shall have succession in its corporate name during its existence and shall have power—

First. To make contracts.

Second. To sue and be sued in its corporate name.

Third. To adopt and use a common seal and alter the same at pleasure.

Fourth. To purchase, hold, and dispose of property necessary to enable the corporation to carry on its operations.

Fifth. To make loans to its members for provident purposes upon such terms and conditions as the by-laws provide and as the credit committee may approve at rates of interest not exceeding 1 per centum per month on unpaid balances, inclusive of all charges incident to the making of the loan: *Provided*, That no loan to a director, officer, or member of a committee shall exceed the amount of his holdings in the company in shares nor shall any such director, officer, or member indorse for borrowers. A borrower may prior to maturity repay his loan in whole or in part on any business day.

Sixth. To receive of its members payment on shares.

Seventh. To invest in the paid-up shares of building and loan associations and of other credit unions to an extent not to exceed 25 per centum of its capital, and in any investment legal for savings banks or for trust funds in the District of Columbia.

Eighth. To make deposits in banks and trust companies in the District of Columbia under the supervision of the Comptroller of the Currency.

Ninth. To borrow in an aggregate outstanding amount not exceeding 40 per centum of its paid-in and unimpaired capital.

Tenth. To fine members for failure to meet promptly their obligations to such corporation.

Eleventh. To impress a lien upon the shares and dividends of any member to the extent of any loan made to him and any dues or fines payable to him.

By-laws.

BY-LAWS

Submission, to District Commissioners.

SEC. 8. (a) The incorporators shall subscribe, acknowledge, and submit to the Commissioners of the District of Columbia proposed by-laws, and no credit union shall receive payments on account of shares or make any loans until such proposed by-laws have been approved by the commissioners as being in conformity with the provisions of this Act.

Approval.

Provisions enumerated.

(b) The by-laws shall prescribe the purposes for which the corporation is formed, the qualifications for membership, the date of the annual meeting, the manner of conducting meetings, the methods by which members shall be notified of meetings and the number of members which shall constitute a quorum, the number of directors and the compensation and duties of officers, the number of members of the credit committee, the fines, if any, to be charged for failure of members to meet promptly obligations to the corporation, the amount of the entrance fee, if any, to be paid, and such other regulations as are deemed necessary.

Amendments.

(c) Amendments of the by-laws may be adopted by a three-fourths vote of the members present at any members' meeting, but the amendments shall not take effect until approved by the Commis-

sioners of the District of Columbia as being duly adopted and in conformity with the provisions of this Act. The meeting shall be duly called for the purpose and the proposed amendments shall be set forth in the call.

Procedure and approval.

MEMBERSHIP

Membership.

SEC. 9. Credit-union membership shall consist of the incorporators and such other persons or organizations as may be elected to membership and subscribe to at least one share but not more than two hundred shares by any one individual, pay the initial installment thereon, and the entrance fee, if any; except that credit-union membership shall be limited to groups the members of which are actual residents of or do business or are employed within the District of Columbia, and either have a common bond of occupation of association or reside within a well-defined neighborhood or community.

Composition, qualifications, etc.

MEMBERS' MEETINGS

Meetings.

SEC. 10. The fiscal year of all credit unions shall end December 31. The annual meeting of the corporation shall be held at such time during the month of January and at such place as the by-laws shall prescribe. Special meetings may be held in the manner indicated in the by-laws. No member shall be entitled to vote by proxy, but a member other than a natural person may vote through an agent delegated for the purpose. No member shall, irrespective of the number of shares held by him, have more than one vote; and, after a credit union has been incorporated one year, no member thereof shall be entitled to vote until he has been a member for more than three months. All offices of a credit union shall be in the District of Columbia.

Fiscal year.
Annual meetings in January.

Special meetings.
Voting restrictions.

Location of offices.

MANAGEMENT

Management.

SEC. 11 (a) GENERAL.—The business affairs of a credit union shall be managed by a board of not less than five directors, a credit committee of not less than three members, and a supervisory committee of three members, to be elected at the annual meeting, and to hold office for such terms, respectively, as the by-laws may provide and until successors qualify; except that prior to the first annual meeting all the business affairs of a credit union shall be managed by the subscribers to the certificate of incorporation. A record of the names and addresses of the members of the board and committees and the officers shall be filed with the Commissioners of the District of Columbia within ten days of their election. No member of the board or of either committee shall, as such, be compensated: *Provided*, That no person shall be elected to the board or to either committee unless he be duly elected to membership as provided in section 9 of this Act.

General organization.

Terms of office.

Management by subscribers.

Election returns.

Pay restrictions.

Proviso.
Qualifications.

Officers.
Election, duties, etc.

(b) OFFICERS.—At their first meeting after the annual meeting the directors shall elect from their own number a president, a vice president, a clerk, and a treasurer, who shall be the executive officers of the corporation. The offices of clerk and treasurer may be held by the same person. The duties of the officers shall be as determined in the by-laws, except that the treasurer shall be the general manager of the corporation.

(c) DIRECTORS.—The board of directors shall have the general direction of the affairs of the corporation. They shall act upon application for membership; fix the amount of the surety bond required

Directors.
Powers, duties, etc.

of any officer having custody of funds; recommend declaration of dividends; determine interest rates on loans: *Provided, however,* That the interest rate on loans shall not be in excess of the maximum amount fixed by the provisions of this Act; fill vacancies in the board and in the credit committee until successors to be elected at the next annual meeting have qualified; have charge of investments other than loans to members; determine the maximum loans other than loans to members; determine the maximum individual share holdings and the maximum individual loan which can be made with and without security, except that no loan in excess of \$50 shall be made without adequate security; and transmit to the members recommended amendments to the by-laws. For the purposes of this subdivision an assignment of shares or the indorsement of a note shall be deemed security.

Proviso.
Interest rate on loans.

Filling vacancies.

Loans to nonmembers.
Maximum individual holdings and loans.

Security, if loan exceeds \$50.

Credit committee.
Consideration and approval of loans.

Applications.

Supervisory committee.
Functions, authority, etc.

Proviso.
Treasurer's bond.

Reserves.

Designated funds set aside for.

Dividends.

Board may declare, on net earnings.

(d) CREDIT COMMITTEE.—The credit committee shall hold meetings, of which due notice shall be given to its members, to consider applications for loans to members of the corporation, and no loan shall be made unless all members of the committee who are present when the application is considered and a majority of all the committee approve the loan. Applications for loans shall be on forms prepared by such committee, which shall set forth the purpose for which the loan is desired, the security, if any, and such other data as may be required.

(e) SUPERVISORY COMMITTEE.—The supervisory committee shall make an examination of the affairs of the credit union at least quarterly, including an audit of its books; shall make an annual audit and report to be submitted at the annual meeting of the corporation; by a unanimous vote may suspend any officer of the corporation, or any member of the credit committee or of the board of directors until the next members' meeting, at which time the suspension shall be acted on by the members; and, by a majority vote, may call a meeting of the shareholders to consider any violation of this subchapter or of the by-laws, or any practice of the corporation deemed by the committee to be unsafe or unauthorized. The said committee shall fill vacancies in its membership until successors to be elected at the next annual meeting have qualified: *Provided, however,* That before the treasurer shall enter upon his duties he shall give bond with good and sufficient security, in an amount to be determined by the board of directors, conditioned upon the faithful performance of his trust.

RESERVES

SEC. 12. All entrance fees and fines provided by the by-laws and, before the declaration of any dividend therefrom, 20 per centum of the net earnings of each year, shall be set aside as a reserve fund against bad loans, which fund shall be kept liquid and intact and not distributed except in case of liquidation.

DIVIDENDS

SEC. 13. At the annual meeting a dividend may be declared from net earnings on recommendation of the board, which dividend shall be paid on all paid-up shares outstanding at the end of the preceding fiscal year. Shares which become fully paid up during such year shall be entitled to a proportional part of said dividend calculated from the first day of the month following such payment in full.

EXPULSION AND WITHDRAWAL

Expulsion and withdrawal.

Provisions governing.

SEC. 14. A member may be expelled by a two-thirds vote of the members of the corporation present at a special meeting called for such purpose, but only after an opportunity has been given him to be heard. The credit union may require sixty days' notice of intention to withdraw shares. Expulsion or withdrawal shall not operate to relieve a member from any remaining liability to the credit union. All amounts paid in on shares or deposited by expelled or withdrawing members prior to their expulsion or withdrawal shall be paid to them in the order of their withdrawal or expulsion, but only as funds become available and after deducting any amounts due from such members to the credit union.

MINORS

Minors.

SEC. 15. Shares may be issued and deposits received in the name of a minor or in trust in such manner as the by-laws may provide. The name of the beneficiary shall be disclosed to the credit union.

Issuance of shares, etc., in name of, or in trust.

TAXATION

Taxation.

SEC. 16. Credit unions, but not the members thereof, shall be exempt from Federal and District of Columbia taxation except taxes upon real property.¹

Credit unions exempt, except on real property.

RESTRICTION ON USE OF WORDS "CREDIT UNION"

"Credit Union."

SEC. 17. It shall be unlawful for any individual, partnership, association, or corporation, except corporations organized in accordance with this Act, to transact business in the District of Columbia under any name or title containing the words "credit union," or to transact business at any place in the United States under any name or title containing the words "credit union" and "District of Columbia" or other words indicating that the business is transacted pursuant to authority of any Act of Congress. Any individual, partnership, association, or corporation violating this section shall upon conviction thereof be subject to a fine not in excess of \$100 for each day during which the violation continues.

Use of name restricted to legitimate organizations.

Penalty for violation.

SEC. 18. Congress reserves the right to alter, amend, or repeal this Act or any part thereof, or any charter or certificate of incorporation issued pursuant to the provisions of this Act.

Rights reserved.

Approved, June 23, 1932.

[CHAPTER 273.]

AN ACT

To amend section 14 of an Act entitled "An Act to adjust water-right charges, to grant certain other relief on the Federal irrigation projects, and for other purposes," approved May 25, 1926 (44 Stat. 636), as amended (46 Stat. 249):

June 23, 1932.

[S. 4614.]

[Public, No. 191.]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That an Act entitled "An Act to adjust water-right charges, to grant certain other relief on the Federal irrigation projects, and for other purposes," approved May 25, 1926 (44 Stat. 636), as amended by the Act of April 23, 1930 (46 Stat. 249), be, and the same is hereby, further amended by adding after the subparagraph (a) in section 14 the following new subparagraph:

Water right charges etc., irrigation projects. Vol. 44, p. 636, Vol. 46, p. 249, amended.

¹So in original.