

95. The Board of Directors of a bank or trust company may declare a cash dividend from so much of its net profits or from its surplus in excess of one hundred per cent (100%) of its required capital, after providing for expenses, losses, interest and taxes accrued or due from said bank or trust company, as they shall deem expedient. Any losses sustained in excess of any undivided profits may be charged to its surplus account; provided, that its surplus fund, if at any time below one hundred per cent (100%) of its capital shall thereafter be reimbursed from its net earnings, and no cash dividends shall be declared or paid in excess of ninety per cent of its net earnings, unless or until its surplus fund shall be fully restored to the amount of one hundred per cent (100%) of its capital as required by the provisions of this Article. For the purposes of this section the term "bank" shall include savings institutions having a capital stock.

96. No cash dividend shall be declared or paid by the directors except out of the net profits or surplus in excess of its required capital properly applicable thereto, as provided in Section 95 of this Article, and if any such dividend shall be paid, every stockholder receiving the same shall be liable to restore the full amount thereof, unless the capital and the surplus to the extent required by Section 95 is subsequently made good; and if the directors shall knowingly pay any dividend when the corporation is insolvent or in danger of insolvency, or not having reason to believe that there were sufficient net profits or surplus properly applicable thereto to pay, the same without impairing or diminishing the said capital and surplus, otherwise than is authorized in Section 95 of this Article, they shall be jointly and severally liable to the creditors of the corporation at the time of declaring such dividends to double the amount thereof.

SEC. 3. *And be it further enacted,* That this Act shall take effect on June 1, 1945.

Approved March 16, 1945.

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CHAPTER 217.

(Senate Bill 220)

AN ACT to authorize and empower the County Commissioners of Baltimore County to borrow at one time, or