

RESERVE FUND SURPLUS OR UNDIVIDED PROFITS of a portion of the profits as set by the Board at not less than five per cent (5%) ~~nor more than ten per cent (10%)~~.

SECTION 1. *Be it enacted by the General Assembly of Maryland, That Section 161EE(a) of Article 23 of the Annotated Code of Maryland (1966 Replacement Volume), title "Corporations," subtitle "III. Particular Classes of Corporations," subheading "Building or Homestead Associations," be and it is hereby repealed and re-enacted, with amendments, to read as follows:*

161EE. Reserves.

(a) Minimum allocation.—Each association shall maintain a general reserve fund which shall be used solely for the purpose of absorbing losses and to which the board of directors shall allocate such portion of the association's profits as the board may determine; **[except that]** whenever the total amount of such reserve is less than six per cent (6%) of the aggregate withdrawal value of the association's free share accounts, the allocation to such reserve upon each apportionment of profits shall be **[not less than ten per cent (10%)]** *such percentage of the profits being apportioned as the Board may by regulation prescribe, from time to time, but in any event shall not be less than five per cent (5%) ~~nor more than ten per cent (10%)~~ of the profits being apportioned, or such lesser portion as will increase such reserve to the required total amount. Whenever an association has a general reserve fund totaling at least six per cent (6%) of the aggregate withdrawal value of the free share accounts of the association, but the total of the general reserve fund, surplus, and undivided profits of the association is less than ten per cent (10%) of the aggregate withdrawal value of its free share accounts, the allocation to the general reserve fund upon each apportionment of profits shall be such percentage of the profits being apportioned as the Board may by regulation prescribe, from time to time, but in any event shall not be less than five per cent (5%) ~~nor more than ten per cent (10%)~~ of the profits being apportioned, or such lesser portion as will increase the total of general reserve fund, surplus, and undivided profits to ten per cent (10%) of the aggregate withdrawal value of the free share accounts of the association.*

SEC. 2. *And be it further enacted, That this Act shall take effect July 1, 1968.*

Approved May 7, 1968.

CHAPTER 650

(House Bill 186)

AN ACT to repeal Sections 150 and 161Z of Article 23 of the Annotated Code of Maryland (1966 Replacement Volume and 1967 Supplement), title "Corporations," subtitle "III. Particular Classes of Corporations," subheading "Building or Homestead Associations," and to enact a new Section 161Z in lieu thereof, to stand