AN ACT

Relating to banking, banks, and trust companies in the District of Columbia, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That where a check or other instrument payable on demand at any bank or trust company doing business in the District of Columbia is presented for payment more than one year from its date, such bank or trust company may, unless expressly instructed by the drawer or maker to pay the same, refuse payment thereof, and no liability shall thereby be incurred to the drawer or maker for dishonoring the instrument by nonpayment.

Sec. 2. Notice to any bank or trust company doing business in the District of Columbia of an adverse claim to a deposit standing on its books to the credit of any person shall not be effectual to cause said bank or trust company to recognize said adverse claimant unless said adverse claimant shall also either (1) procure a restraining order, injunction, or other appropriate process against said bank or trust company from a court of competent jurisdiction in a cause therein instituted by him wherein the person to whose credit the deposit stands is made a party and served with summons; or (2) execute to such bank or trust company, in form and with sureties acceptable to it, a bond indemnifying said bank or trust company from any and all liability, loss, damage, costs, and expenses, for and on account of the payment of such adverse claim or the dishonor of the check or other order of the person to whose credit the deposit stands on the books of said bank or trust company: Provided, That this section shall not apply to any instance where the person to whose credit the deposit stands is a fiduciary for such adverse claimant, and the facts constituting such relationship, together with the facts showing reasonable cause of belief on the part of the said claimant that the said fiduciary is about to misappropriate said deposit, are made to appear by the affidavit of such claimant.

Sec. 3. (a) No bank or trust company doing business in the District of Columbia, which has paid and charged to the account of a depositor any money on a forged, altered, or raised check issued in the name of said depositor shall be liable to said depositor for the amount paid thereon unless either (1) within one year after notice to said depositor that the vouchers representing payments charged to the account of said depositor for the period during which such payment was made are ready for delivery, or (2), in case no such notice has been given, within six months after the return to said depositor of the voucher representing such payment, said depositor shall notify the bank or trust company that the check so paid is forged, altered, or raised.

(b) The notice referred to in subsection (a) may be given by mail to said depositor at his last-known address with postage prepaid.

(c) This section shall not be construed to relieve a depositor from due diligence in the examination of returned vouchers or in otherwise discovering that a check has been forged, altered, or raised, or in notifying the bank or trust company of his actual discovery of a forgery or alteration.

(d) When used in this section the word "check" shall also include drafts, notes, acceptances, or other negotiable instruments payable at a bank or trust company, and the word "forged" shall also include an unauthorized signature by an agent or officer of a depositor.

(e) The provisions of this section shall not be held to apply to the forgery of an endorsement.
SEC. 4. Whenever a deposit, which is in form in trust for another, shall be made by any person in any bank or trust company doing business in the District of Columbia, and no other or further notice of the existence and terms of a legal and valid trust shall have been given in writing to the bank or trust company, such deposit, or any part thereof, together with the dividends, or interest thereon, may, in the event of the death of the trustee, be paid to the person for whom such deposit was made or to his legal representative.

SEC. 5. It shall be lawful for any notary public who is a stockholder, director, officer, or employee of a bank, trust company, or other corporation to take the acknowledgment of any party to any written instrument executed to or by such corporation, or to administer an oath to any other stockholder, director, officer, employee, or agent of such corporation, or to protest for nonacceptance or nonpayment drafts, checks, notes, acceptances, or other negotiable instruments which may be owned or held for collection by such corporation: Provided, That it shall be unlawful for any notary public to take the acknowledgment of an instrument executed by or to a bank or corporation of which he is a stockholder, director, officer or employee, where such notary is a party to such instrument, either individually or as a representative of such corporation, or to protest any negotiable instrument owned or held for collection by such corporation, where such notary is individually a party to such instrument: Provided further, That it shall be unlawful for any notary public to take the oath of an officer or director of any bank or trust company of which he is an officer, or to take an oath of any person verifying a report of such bank or trust company to the Comptroller of the Currency.

SEC. 6. No bank or trust company doing business in the District of Columbia shall be liable to a depositor because of the nonpayment through mistake or error of a check, draft, note, acceptance, or other negotiable instrument, payable at any bank or trust company, which should have been paid unless the depositor shall allege and prove actual damage by reason of such nonpayment and in such event the liability shall not exceed the amount of damage so proved.

SEC. 7. Any bank or trust company doing business in the District of Columbia receiving for collection or deposit any check, draft, note, acceptance, or other negotiable instrument drawn upon or payable at any other bank, located outside the District of Columbia, may forward such instrument for collection directly to the bank on which it is drawn or at which it is made payable, and such method of forwarding direct to the payer shall be deemed due diligence, and the failure of such payor bank, because of its insolvency or other default, to account for the proceeds thereof shall not render the forwarding bank liable therefor: Provided, however, That such forwarding bank shall have used due diligence in other respects in connection with the collection of such instrument.

SEC. 8. (a) Section 456 of the Act entitled "An Act to establish a code of law for the District of Columbia", approved March 3, 1901, as amended (D. C. Code, title 24, sec. 132), is amended by adding at the end thereof the following new sentence: "The garnishee, in any case in which the property or credits attached or sought to be attached is held by him in the name of or for the account of another than the defendant, shall retain such property or credits during the period pending determination by the court of the propriety of the attachment or the rightful owner of such property or credits, and, during such period, shall incur no liability whatsoever for such retention."

(b) Section 1090 of such Act, as amended (D. C. Code, title 24, sec. 288), is amended by adding at the end thereof the following new
sentence: "The garnishee, in any case in which the property or credits attached or sought to be attached is held by him in the name of or for the account of another than the defendant, shall retain such property or credits during the period pending determination by the court of the propriety of the attachment or the rightful owner of such property or credits, and, during such period, shall incur no liability whatsoever for such retention."

Approved, April 5, 1939.

[CHAPTER 38]

AN ACT

To amend paragraph 57 of section 8 of the Act entitled "An Act making appropriations to provide for the expenses of the government of the District of Columbia for the fiscal year ending June 30, 1914, and for other purposes", approved March 4, 1913.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subparagraph fifth, paragraph 57, of section 8 of the Act entitled "An Act making appropriations to provide for the expenses of the government of the District of Columbia for the fiscal year ending June 30, 1914, and for other purposes", approved March 4, 1913 (37 Stat. 974), be amended by deleting the words "four per centum, if an electric meter, or more than" and deleting ", if a gas meter," so that the said subparagraph when so amended shall read as follows:

"If any consumer to whom a meter has been furnished shall request the Commission in writing to inspect such meter, the Commission shall have the same inspected and tested; if the same, on being so tested, shall be found to be more than 2 per centum defective or incorrect to the prejudice of the consumer, the inspector shall order the gas or electrical corporation forthwith to remove the same and to place instead a correct meter, and the expense of such inspection and test shall be borne by the corporation; if the same, on being so tested, shall be found to be correct, the expense of such inspection and test shall be borne by the consumer."

Approved, April 5, 1939.

[CHAPTER 39]

AN ACT

To provide for the appointment of research assistants in the public schools of the District of Columbia, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Board of Education is hereby authorized to appoint research assistants who shall qualify for said positions by meeting such eligibility requirements as the said Board may prescribe and who shall on appointment be assigned to salary class 2 of article I of the Teachers' Salary Act, approved June 4, 1924, in accordance with the professional qualifications which they possess at the time of appointment.

Sec. 2. Research assistants shall be appointed to either group A or group C of said salary class 2 in accordance with the eligibility qualifications possessed and the character of duties to be performed by such research assistants.

Sec. 3. Research assistants shall be promoted to group B or group D of said salary class 2 on the basis of such evidence of superior work and increased professional attainments as the Board of Education may prescribe.