

1930—Act Apr. 23, 1930, among other changes, added second par.

CHANGE OF NAME

Section 203(a) of act Aug. 23, 1935, changed name of Federal Reserve Board to Board of Governors of the Federal Reserve System.

EXCEPTION AS TO TRANSFER OF FUNCTIONS

Functions vested by any provision of law in Comptroller of the Currency, referred to in this section, not included in transfer of functions to Secretary of the Treasury, see note set out under section 1 of this title.

§ 289. Dividends and surplus funds of reserve banks; transfer for fiscal year 2000

(a) Dividends and surplus funds of reserve banks

(1) Stockholder dividends

(A) In general

After all necessary expenses of a Federal reserve bank have been paid or provided for, the stockholders of the bank shall be entitled to receive an annual dividend of 6 percent on paid-in capital stock.

(B) Dividend cumulative

The entitlement to dividends under subparagraph (A) shall be cumulative.

(2) Deposit of net earnings in surplus fund

That portion of net earnings of each Federal reserve bank which remains after dividend claims under paragraph (1)(A) have been fully met shall be deposited in the surplus fund of the bank.

(b)¹ Transfer for fiscal year 2000

(1) In general

The Federal reserve banks shall transfer from the surplus funds of such banks to the Board of Governors of the Federal Reserve System for transfer to the Secretary of the Treasury for deposit in the general fund of the Treasury, a total amount of \$3,752,000,000 in fiscal year 2000.

(2) Allocated by Fed

Of the total amount required to be paid by the Federal reserve banks under paragraph (1) for fiscal year 2000, the Board shall determine the amount each such bank shall pay in such fiscal year.

(3) Replenishment of surplus fund prohibited

During fiscal year 2000, no Federal reserve bank may replenish such bank's surplus fund by the amount of any transfer by such bank under paragraph (1).

(Dec. 23, 1913, ch. 6, §7(a), (b), 38 Stat. 258; Mar. 3, 1919, ch. 101, §1, 40 Stat. 1314; June 16, 1933, ch. 89, §4, 48 Stat. 163; Pub. L. 103-66, title III, §3002(a), Aug. 10, 1993, 107 Stat. 337; Pub. L. 103-325, title VI, §602(d), Sept. 23, 1994, 108 Stat. 2291; Pub. L. 106-113, div. B, §1000(a)(5) [title III, §302], Nov. 29, 1999, 113 Stat. 1536, 1501A-304.)

CODIFICATION

Section is comprised of subsec. (a) [formerly first undesignated par.] of section 7 of act Dec. 23, 1913, and subsec. (b) [enacted by Pub. L. 106-113, div. B,

¹ See Codification note below.

§1000(a)(5) [title III, §302(2)], Nov. 29, 1999, 113 Stat. 1536, 1501A-304] of section 7. Another subsec. (b) of section 7 is classified to section 290 of this title. Subsec. (c) of section 7 is classified to section 531 of this title.

AMENDMENTS

1999—Subsec. (a)(3). Pub. L. 106-113, §1000(a)(5) [title III, §302(1)], struck out heading and text of par. (3). Text read as follows: “During fiscal years 1997 and 1998, any amount in the surplus fund of any Federal reserve bank in excess of the amount equal to 3 percent of the total paid-in capital and surplus of the member banks of such bank shall be transferred to the Board for transfer to the Secretary of the Treasury for deposit in the general fund of the Treasury.”

Subsec. (b). Pub. L. 106-113, §1000(a)(5) [title III, §302(2)], added subsec. (b).

1994—Par. (1)(B). Pub. L. 103-325, §602(d)(1), inserted “(A)” after “subparagraph”.

Par. (2). Pub. L. 103-325, §602(d)(2), substituted “paragraph (1)(A)” for “subparagraph (A)”.

1993—Pub. L. 103-66 inserted section catchline and amended section generally. Prior to amendment, section read as follows: “After all necessary expenses of a Federal reserve bank shall have been paid or provided for, the stockholders shall be entitled to receive an annual dividend of 6 per centum on the paid-in capital stock, which dividend shall be cumulative. After the aforesaid dividend claims have been fully met, the net earnings shall be paid into the surplus fund of the Federal reserve bank.”

1933—Act June 16, 1933, provided that net earnings shall be paid into surplus instead of to the United States as a franchise tax.

EFFECTIVE DATE OF 1933 AMENDMENT

Section 4 of act June 16, 1933, provided that the amendment made by that section is effective July 1, 1932.

ADDITIONAL TRANSFERS FOR FISCAL YEARS 1997 AND 1998

Pub. L. 103-66, title III, §3002(b), Aug. 10, 1993, 107 Stat. 337, provided that:

“(1) IN GENERAL.—In addition to the amounts required to be transferred from the surplus funds of the Federal reserve banks pursuant to section 7(a)(3) of the Federal Reserve Act [former 12 U.S.C. 289(a)(3)], the Federal reserve banks shall transfer from such surplus funds to the Board of Governors of the Federal Reserve System for transfer to the Secretary of the Treasury for deposit in the general fund of the Treasury, a total amount of \$106,000,000 in fiscal year 1997 and a total amount of \$107,000,000 in fiscal year 1998.

“(2) ALLOCATION BY FED.—Of the total amount required to be paid by the Federal reserve banks under paragraph (1) for fiscal year 1997 or 1998, the Board of Governors of the Federal Reserve System shall determine the amount each such bank shall pay in such fiscal year.

“(3) REPLENISHMENT OF SURPLUS FUND PROHIBITED.—No Federal reserve bank may replenish such bank's surplus fund by the amount of any transfer by such bank under paragraph (1) during fiscal years 1997 and 1998.”

§ 290. Use of earnings transferred to the Treasury

The net earnings derived by the United States from Federal reserve banks shall, in the discretion of the Secretary, be used to supplement the gold reserve held against outstanding United States notes, or shall be applied to the reduction of the outstanding bonded indebtedness of the United States under regulations to be prescribed by the Secretary of the Treasury. Should a Federal reserve bank be dissolved or go into liquida-