

maximum penalties of \$5,000 and \$25,000 may apply to conduct engaged in before such date if such conduct is not already subject to a notice issued by the appropriate agency and occurred after completion of the last report of the examination of the institution by the appropriate agency occurring before Aug. 9, 1989, see section 907(l) of Pub. L. 101-73, set out as a note under section 93 of this title.

EFFECTIVE DATE

Section effective with respect to violations occurring or continuing after Nov. 10, 1978, see section 109 of Pub. L. 95-630 set out as an Effective Date of 1978 Amendment note under section 93 of this title.

§ 506. Notice after separation from service

The resignation, termination of employment or participation, or separation of an institution-affiliated party (within the meaning of section 1813(u) of this title) with respect to a member bank (including a separation caused by the closing of such a bank) shall not affect the jurisdiction and authority of the Board to issue any notice and proceed under this section against any such party, if such notice is served before the end of the 6-year period beginning on the date such party ceased to be such a party with respect to such bank (whether such date occurs before, on, or after August 9, 1989).

(Dec. 23, 1913, ch. 6, §19(m), as added Pub. L. 101-73, title IX, §905(g), Aug. 9, 1989, 103 Stat. 461.)

REFERENCES IN TEXT

This section, referred to in text, means section 19 of act Dec. 23, 1913, which is classified to sections 142, 371b, 371b-1, 374, 374a, 461, 463 to 466, 505, and 506 of this title.

SUBCHAPTER XVII—RESERVE-BANK BRANCHES

§ 521. Reserve-bank branches; establishment; directors; discontinuance of branches; approval for erection of branch bank building

The Board of Governors of the Federal Reserve System may permit or require any Federal reserve bank to establish branch banks within the Federal reserve district in which it is located or within the district of any Federal reserve bank which may have been suspended. Such branches, subject to such rules and regulations as the Board of Governors of the Federal Reserve System may prescribe, shall be operated under the supervision of a board of directors to consist of not more than seven nor less than three directors, of whom a majority of one shall be appointed by the Federal reserve bank of the district, and the remaining directors by the Board of Governors of the Federal Reserve System. Directors of branch banks shall hold office during the pleasure of the Board of Governors of the Federal Reserve System.

The Board of Governors of the Federal Reserve System may at any time require any Federal reserve bank to discontinue any branch of such Federal reserve bank established under this section. The Federal reserve bank shall thereupon proceed to wind up the business of such branch bank, subject to such rules and regulations as the Board of Governors of the Federal Reserve System may prescribe.

No Federal Reserve bank shall have authority hereafter to enter into any contract or contracts

for the erection of any branch bank building of any kind or character or to authorize the erection of any such building, except with the approval of the Board of Governors of the Federal Reserve System.

(Dec. 23, 1913, ch. 6, §3, 38 Stat. 253; June 21, 1917, ch. 32, §1, 40 Stat. 232; Feb. 25, 1927, ch. 191, §19, 44 Stat. 1234; Aug. 23, 1935, ch. 614, title II, §203(a), 49 Stat. 704; Pub. L. 87-622, §2, Aug. 31, 1962, 76 Stat. 418.)

AMENDMENTS

1962—Pub. L. 87-622 added par. providing that no Federal Reserve Bank shall have authority to enter into any contract for the erection of a branch bank building or to authorize the erection of such building, except with the approval of the Board of Governors of the Federal Reserve System.

1927—Act Feb. 25, 1927, added par. authorizing the Federal Reserve Board to discontinue and wind up the business of branch banks.

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.

§ 522. Federal Reserve branch bank buildings

No Federal Reserve bank may authorize the acquisition or construction of any branch building, or enter into any contract or other obligation for the acquisition or construction of any branch building, without the approval of the Board.

(Dec. 23, 1913, ch. 6, §10 (par.), as added June 3, 1922, ch. 205, 42 Stat. 622; amended Feb. 6, 1923, ch. 60, 42 Stat. 1223; July 30, 1947, ch. 352, 61 Stat. 520; May 29, 1953, ch. 87, 67 Stat. 41; Pub. L. 87-622, §1, Aug. 31, 1962, 76 Stat. 418; Pub. L. 93-495, title I, §108, Oct. 28, 1974, 88 Stat. 1505; Pub. L. 102-491, §2, Oct. 24, 1992, 106 Stat. 3144.)

CODIFICATION

Section is comprised of ninth paragraph of act Dec. 23, 1913, §10, as added June 3, 1922. For classification to this title of other pars. of section 10, see Codification note set out under section 241 of this title.

AMENDMENTS

1992—Pub. L. 102-491 amended section generally. Prior to amendment, section read as follows: "No Federal reserve bank shall have authority hereafter to enter into any contract or contracts for the erection of any branch bank building of any kind or character, or to authorize the erection of any such building, if the cost of the building proper, exclusive of the cost of the vaults, permanent equipment, furnishings, and fixtures, is in excess of \$250,000: *Provided*, That nothing herein shall apply to any building under construction prior to June 3, 1922: *Provided further*, That the cost as above specified shall not be so limited as long as the aggregate of such costs which are incurred by all Federal Reserve banks for branch bank buildings with the approval of the Board of Governors after July 30, 1947 does not exceed \$140,000,000."

1974—Pub. L. 93-495 increased from \$60,000,000 to \$140,000,000 the limitation on aggregate costs of constructing branch bank buildings.

1962—Pub. L. 87-622 increased from \$30,000,000 to \$60,000,000 the limitation on aggregate costs of constructing branch bank buildings.

1953—Act May 29, 1953, increased from \$10,000,000 to \$30,000,000 the limitation on aggregate cost of constructing branch bank buildings.

1947—Act July 30, 1947, inserted proviso exempting limitation on cost of construction where aggregate costs do not exceed \$10,000,000.

CHAPTER 4—TAXATION

SUBCHAPTER I—FEDERAL RESERVE BANKS

Sec.

531. Exemption from taxation.

SUBCHAPTER II—NATIONAL BANK CIRCULATION

541. Tax on circulating notes generally.

542 to 547. Omitted or Repealed.

SUBCHAPTER III—NATIONAL BANK SHARES

548. State taxation.

SUBCHAPTER IV—STATE BANK CIRCULATION

561 to 570. Omitted.

SUBCHAPTER I—FEDERAL RESERVE BANKS

§ 531. Exemption from taxation

Federal reserve banks, including the capital stock and surplus therein and the income derived therefrom shall be exempt from Federal, State, and local taxation, except taxes upon real estate.

(Dec. 23, 1913, ch. 6, §7(c), 38 Stat. 258; Mar. 3, 1919, ch. 101, §1, 40 Stat. 1314; Pub. L. 103-66, title III, §3002(c)(2), Aug. 10, 1993, 107 Stat. 338.)

CODIFICATION

Section is comprised of subsec. (c) [formerly third undesignated par.] of section 7 of act Dec. 23, 1913. Subsec. (a) of section 7 and subsec. (b) [enacted by Pub. L. 106-113, div. B, §1000(a)(5) [title III, §302(2)], Nov. 29, 1999, 113 Stat. 1536, 1501A-304] of section 7 are classified to section 289 of this title. Another subsec. (b) of section 7 is classified to section 290 of this title.

AMENDMENTS

1993—Pub. L. 103-66 inserted section catchline.

SUBCHAPTER II—NATIONAL BANK CIRCULATION

§ 541. Tax on circulating notes generally

In lieu of all existing taxes, every association shall pay to the Treasurer of the United States, in the months of January and July, a duty of one-half of 1 per centum each half year upon the average amount of its notes in circulation.

(R.S. §5214; Mar. 3, 1883, ch. 121, §1, 22 Stat. 488.)

CODIFICATION

R.S. §5214 derived from act June 3, 1864, ch. 106, §41, 13 Stat. 111, which was part of the National Bank Act. See section 38 of this title.

§ 542. Omitted

CODIFICATION

Section, act Mar. 14, 1900, ch. 41, §13, 31 Stat. 49, related to tax on circulating notes secured by 2 per centum bonds.

§ 543. Repealed. Pub. L. 97-258, §5(b), Sept. 13, 1982, 96 Stat. 1068

Section, act Dec. 21, 1905, ch. 3, §1, 34 Stat. 5, related to tax on circulating notes secured by Panama Canal 2 per centum bonds and rights and privileges of such bonds.

§§ 544 to 547. Omitted

CODIFICATION

Section 544, R.S. §5215; act Mar. 3, 1883, ch. 121, §1, 22 Stat. 488, related to half-yearly return of circulation.

Section 545, R.S. §5216; act Mar. 3, 1883, ch. 121, §1, 22 Stat. 488, related to penalty for failure to make return.

Section 546, R.S. §5217, related to enforcing tax on circulation.

Section 547, R.S. §5218; act June 10, 1921, ch. 18, §304, 42 Stat. 24, related to refunding excess tax.

REPEALS

Effective July 1, 1935, the permanent appropriation provided for in former section 547 of this title was repealed by act June 26, 1934, ch. 756, §2, 48 Stat. 1226, such act authorizing in lieu thereof, an annual appropriation from the general fund of the Treasury.

REDEMPTION OF BONDS; TERMINATION OF CIRCULATING NOTES

In a communication from the Treasury Department dated February 17, 1941, it was stated "The Secretary of the Treasury called for redemption the only outstanding issues of United States bonds bearing the circulation privilege as follows:

"2% Consols. of 1930, as of July 1, 1935,

"2% Panama Canal bonds of 1916-36, and

"2% Panama Canal bonds of 1918-38, as of August 1, 1935.

"The retirement of these issues automatically put an end to National Bank note circulation and the collection of the tax thereon."

SUBCHAPTER III—NATIONAL BANK SHARES

§ 548. State taxation

For the purposes of any tax law enacted under authority of the United States or any State, a national bank shall be treated as a bank organized and existing under the laws of the State or other jurisdiction within which its principal office is located.

(R.S. §5219; Mar. 4, 1923, ch. 267, 42 Stat. 1499; Mar. 25, 1926, ch. 88, 44 Stat. 223; Pub. L. 91-156, §§1(a), 2(a), Dec. 24, 1969, 83 Stat. 434.)

CODIFICATION

R.S. §5219 derived from act June 3, 1864, ch. 106, §41, 13 Stat. 111, which was the National Bank Act, and act Feb. 10, 1868, ch. 7, 15 Stat. 34. See section 38 of this title.

AMENDMENTS

1969—Pub. L. 91-156, §2(a), substituted provisions directing that national banks, for purposes of both Federal and State tax laws, be treated as banks organized and existing under the laws of the State or other jurisdiction within which each bank's principal office is located for provisions placing restrictions on the taxation of national bank shares and, for the period until the effective date of such amendment, set out interim provisions regarding intangible personal property taxes of States and local governments on national banks.

Pub. L. 91-156, §1(a), added par. 5.

1926—Act Mar. 25, 1926, among other changes inserted "on their net income" in cl. (3) of former opening par., and added cl. (4) thereto, and inserted proviso in former subsec. 1(c).

EFFECTIVE DATE OF 1969 AMENDMENT

Pub. L. 91-156, §1(b), Dec. 24, 1969, 83 Stat. 434, provided that: "The amendment made by subsection (a) of this section [setting out interim provisions regarding intangible personal property taxes of State and local