

CHAPTER 403—H. F. No. 1234

An act defining demand deposits, and providing that no interest shall be paid thereon.

Be it enacted by the Legislature of the State of Minnesota:

Section 1. **Demand deposits defined.**—No bank shall, directly or indirectly, by any device whatsoever, pay any interest on any deposit which is payable on demand; Provided, that nothing herein contained shall be construed as prohibiting the payment of interest in accordance with the terms of any certificate of deposit or other contract entered into in good faith prior to the passage of this act; but no such certificate of deposit or other contract shall be renewed or extended unless it shall be modified to conform to this paragraph, and every bank shall take such action as may be necessary to conform to this paragraph as soon as possible consistently with its contractual obligations.

Section 2. **What are demand deposits.**—For the purpose of this act all deposits are payable on demand except: (1) Those deposits which are evidenced by a negotiable or non-negotiable instrument which provides on its face that the amount of such deposit is payable:

- (a) On a certain date, specified in the instrument, not less than 30 days after the date of the deposit; or
- (b) At the expiration of a specified period not less than 30 days after the date of the instrument; or
- (c) Upon written notice to be given not less than 30 days before the date of re-payment.

(2) Those deposits which may not be withdrawn within 30 days of the making thereof. (3) Those deposits which may not be withdrawn within 30 days of the giving of notice of an intended withdrawal.

Approved April 24, 1937.

CHAPTER 404—H. F. No. 1233

An act amending Chapter 319 of the Session Laws of 1935, authorizing banks to insure deposits under any act of congress, and providing for the liquidation of such banks.

Be it enacted by the Legislature of the State of Minnesota :

Section 1. Law amended.—That Section 3 of Chapter 319 of the Session Laws of 1935, be amended so as to read as follows :

“Section 3. May insure deposits.—Whenever any banking institution shall have been closed, and said Federal Deposit Insurance Corporation shall have paid or made available for payment the insured deposit liabilities of such closed institution, the Corporation, *whether or not it has or shall thereafter become a liquidating agent of such closed institution as hereinafter provided*, shall be subrogated by operation of law with like force and effect as if the closed institution were a national bank, to all rights of the owners of such deposits against such closed banking institution in the same manner and to the same extent as *now or hereafter necessary to enable the Federal Deposit Insurance Corporation under Federal Law to make insurance payments available to depositors of closed insured banks*; provided, that the rights of depositors and other creditors of such closed institution shall be determined in accordance with the laws of this state.

“The Commissioner of Banks may in his discretion in the event of the closing of any banking institution by reason of inability to meet the demands of its depositors, the deposits of which banking institution are to any extent insured by said Corporation, tender to said Corporation the appointment as liquidating agent of such banking institution, and if the Corporation accepts such appointment it shall have and possess all the powers and privileges provided by the laws of this state with respect to a special deputy examiner of the Banking Division of the Department of Commerce in the management and liquidation of such institution, and be subject to all of the duties of such special deputy examiner; Provided, that nothing herein contained shall be construed as a surrender of the right of the Commissioner of Banks to liquidate banking institutions under his supervision pursuant to the statute in such case made and provided; Provided, further, that the Commissioner of Banks is hereby authorized and empowered to waive the filing of a bond by said Corporation as such special deputy examiner.”

Approved April 24, 1937.

CHAPTER 405—S. F. No. 1226

An act to legalize certain payments heretofore made by villages to reimburse persons for payments made for labor and materials in the construction of extensions or connections of sewers or water mains.