

CHAPTER XXXII.

An Act to authorize and regulate the Business of Banking.

- SECTION 1. Bank-note plates to be procured by Auditor, for banks; and notes printed for banking purposes.
2. Permits bankers to procure their own plates. [Repealed, see Chap. XXXIII.]
 3. Denominations of bank notes
 4. Notes to be countersigned and registered by Auditor.
 5. Basis upon which banks may issue notes. [Amended, see Chap. XXXIII.]
 6. Bonds to one-fourth of notes issued, or 10 per cent additional stock to be deposited with the Auditor.
 7. Registered and countersigned notes to be so recorded upon their face.
 8. Powers of attorney may be given to receive interests on deposited stock; may be revoked on failure to redeem notes.
 9. Liable to taxation for state, county, town, school and corporation purposes
 10. Capital stock not less than \$25,000; not to be established in a town of less than two hundred inhabitants.
 11. Certificate for incorporation of bank to contain—
 1. Name;
 2. Place of business;
 3. Capital;
 4. Names of Shareholders, and number of shares;
 5. When to commence and terminate.
 12. Certified copies of certificate to be ordered in courts.
 13. Enumeration of banking powers.
 14. Shares to be personal property, and transferable.
 15. Failure to redeem circulating notes on demand, forfeiture of charter, unless redeemed within forty days after notice from Auditor; procedure to close a bank and redeem its bills.
 16. Damages for non-redemption of notes.
 17. Auditor to countersign bills; penalty for violation of restrictions imposed.
 18. The capital of a bank may be increased.
 19. Contracts of banks, and bills, to be signed by President and Cashier; suits to be brought in corporate name.
 20. Purchase of real estate:—
 1. For its immediate accommodation;
 2. As a mortgage;
 3. By conveyance for debts previously contracted;
 4. By execution in its favor.
 21. Names of shareholders and amount of stock, to be filed with Register of Deeds and Auditor; individually liable to double amount of stock, and for one year after transfer.
 22. Billholders to be preferred to all other creditors.
 23. Notes of banks payable only at place of issue.
 24. Manner of relinquishing business and closing a bank.
 25. Public notice for two years of final redemption of bills.
 26. Securities may be withdrawn on depositing equal amount of circulating notes.
 27. Securities deposited to be held in trust for redemption of bills issued thereon.
 28. Manner of cancelling circulating notes returned to Auditor.
 29. Mutilated notes to be exchanged.
 30. Banks to receive their own notes in payment of debts due them.
 31. No dividend to be made where the capital has been reduced, and debts remain unpaid until capital is made up.
 32. Illegal currency, penalty for issuing.
 33. Interest on loans, &c. not to exceed 15 per cent. per annum.
 34. Quarterly reports to be filed with Auditor, and published.
 35. Unclaimed dividends, and interest, public notice to be given annually.
 36. Notice to contain name and residence, amount of dividend, &c. shares of stock, &c.
 37. Plates, disc, &c. of closed banks to be destroyed under direction of Auditor.

SECTION 33. Treasurer's account, and securities with Auditor, to be examined by legislative committee annually.

39. Penalty for false statements or reports from banking officers or their agents.

40. Auditor's bonds under this Act to be \$50,000.

41. Auditor's fees for issuing and countersigning bank notes.

42. Auditor's fees for selling stock and redeeming notes.

43. Penalty for violation of this Act.

44. Repeal of Act passed March 19, 1858. [See Appendix.]

45. Act takes effect on passage.

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

SECTION 1. That it is hereby made the duty of the Auditor of State, on application of any person or association of persons wishing to organize under this Act, to cause to be engraved and printed in the best manner to guard against counterfeiting, such quantity of circulating notes, in the similitude of bank notes, in blank, of the different denominations hereinafter authorized to be issued, as may from time to time be needed to meet the demands of those organizations for the purpose of banking; and all necessary expenses in procuring such circulating notes in blank shall be charged to and paid by the banker or banking association at whose solicitation and for which the same are furnished.

Auditor to procure engraved plates and printed bank notes at expense of banks

SEC. 2. Nothing herein contained shall be so construed as to prevent any banker or banking association from procuring their own plates, dies and other materials for engraving and printing blank notes, furnishing them to the Auditor of State and having them ever after in his custody and under his control, to be used and disposed of as though such Auditor of State had himself procured them under the preceding section.

Repealed—see chapter

SEC. 3. Such bank notes in blank so procured or placed in the hands of the Auditor of State, as aforesaid, shall be of the dimensions usually issued by banks, from one dollar to five hundred dollars; but such notes shall not be of any intermediate number between five and ten dollars, ten and twenty, twenty and fifty, or fifty and one hundred dollars.

Denominations of notes

SEC. 4. Such blank circulating notes shall be countersigned by such Auditor of State and numbered, and registered in proper books to be kept for that purpose in his office and under his direction, by the Auditor himself, or such person or persons as the Auditor shall appoint, so that each denomination of such circulating notes shall be of the same similitude and all bear the uniform signature of such Auditor of State and Register.

To be countersigned and registered

SEC. 5. Whenever any person or association of persons formed for the purpose of banking under the provisions of this Act, shall duly assign or transfer in trust to the Auditor of this State, any portion of the public stocks issued or to be issued by the United States, or the stocks of any State of the United States, on which full interest is semi-annually paid, said stocks to be valued at a rate to be estimated and governed by the average rate at which such stocks have been sold in the

Amended—see chapter

city of New York, within the next six months preceding the time when such stocks may be left on deposit with the Auditor of State, such person or association of persons shall be entitled to receive from the Auditor, an amount of such circulating notes of different denominations, registered and countersigned, equal to and not exceeding the amount of public stocks assigned and transferred, as aforesaid, but such public stock shall in all cases be, or be made to be, equal to a stock producing six per cent. per annum, and it shall not be lawful for the Auditor of State to take such stock above its par value, nor above its current market value in the city of New York at the time of deposit, by such person or association of persons, if at any time the stocks assigned and transferred to the Auditor of State for circulating notes or any part thereof, shall depreciate ten per cent. or more in value in the New York market, the Auditor of State shall reduce the rate at which the same shall be continued to be held as securities, and require such banking association or banker owning such stocks, to make up the deficiency with such additional stocks as required by this Act, to be transferred and assigned as aforesaid, or such banking association or banker may make good such deficiency by returning to the Auditor of State, such amount of bank bills previously issued to him or them, as shall be equal to the deficiency of security created or caused by the depreciation of the said stocks held as security as aforesaid; *Provided*, That if in the opinion of the Auditor and Governor, any stocks offered shall be deemed insecure, they shall not be received as such securities under the provisions of this Act.

Amended—see
chapter

SEC. 6. Before any bank shall receive from the Auditor of State, any circulating notes, as provided in Section five of this Act, the stockholders thereof shall either give to the Auditor of State good and sufficient bonds, to be approved by him to the amount of one-fourth of the notes that said bank shall receive, or deposit in lieu of such bonds, ten per cent. more stock than the circulating notes, to be delivered by the Auditor to such bank, as an additional security to indemnify the bill holders against any loss that may be sustained in case the other securities deposited with the Auditor of State, shall be insufficient to redeem said bills.

Bonds to one-fourth of notes issued or 10 per cent more stock than amount of notes to be deposited

SEC. 7. The bills and notes so to be countersigned and registered, the payment of which shall be secured by the transfer of public stocks, shall be engraved upon their face, the words: "Secured by the pledge of public stocks."

Countersigning and registering of notes

SEC. 8. The Auditor may give to any person or association of persons so transferring securities in pursuance of the provisions of this Act, power of attorney to receive interest or dividends thereon, which person or association of persons may receive and apply to their own use, but such power may be revoked upon such person or association of persons failing to redeem the circulating notes so issued, and the

Powers of attorney to receive interest on deposited stock

Auditor of State, upon application of the owners of such transferred securities in trust, may, in his discretion, change or transfer the same for other securities of the kind specified before in this Act, or may transfer the said securities or any part thereof, upon receiving and canceling an equal amount of such circulating notes delivered to him by such person or association of persons, in such manner that the circulating notes shall always be secured in full, as in this Act provided.

SEC. 9. The notes and bills discounted or purchased, moneys loaned, and all other property, effects or dues of every description, of all Banks and Banking Associations organized under the provisions of this Act, shall be assessed and taxed in the city, ward, village or town where the same is located, for all State, county, town, school and corporation purposes, in the name of [such] Bank or Banking Association, to the same extent and under the revenue laws, the same as the property of individuals.

Liability of note.
do to taxation

SEC. 10. Any person or association of persons may establish offices of discount, deposit and circulation, and become incorporated upon the terms and conditions, and subject to the liabilities prescribed in this Act, but the aggregate of the capital stock of such establishment shall not be less than twenty-five thousand dollars: *Provided*, That no such office shall be established in any town containing less than two hundred inhabitants.

Capital stock
minimum-200 in-
habitants requir-
ed in a town
where bank is lo-
cated

SEC. 11. Such persons or association of persons under their hands and seals, shall make a certificate which shall specify:

Certificate for
banks to contain

First—The name assumed to distinguish the bank to be established pursuant to this Act, and to be used in all its dealings, which name shall not be that of any other bank in this State.

Name of bank

Second—The place where the business of discount or deposit of such bank is to be carried on, designating the particular city, town or village, and county.

Place of business

Third—The amount of capital stock of such bank, and the number of shares into which the same shall be divided.

Capital stock

Fourth—The name and place of residence of the shareholder or shareholders in such bank, and the number of shares held by them respectively.

Shareholders
names

Fifth—The period at which said bank shall commence and terminate, which certificate shall be acknowledged and recorded in the office of the Register of Deeds of the county where any office of such bank may be established, and a copy thereof shall be filed in the office of the Auditor of State, and upon the recording of such certificate, the person or persons aforesaid shall become a body politic and corporate by the name assumed as aforesaid, for and during the time fixed in such certificate, and by such name shall have power to contract and be contracted with, sue and be sued, and shall have all other powers, privileges and immunities, incident to corporations, and applicable to the ends of such

Commencement
and termination

establishments, subject to the provisions and restrictions of this Act.

Certified copies of certificate to be evidence in court

SEC. 12. A copy of the certificate required by the next preceding sections, duly certified by the Register of Deeds of the county or by the Auditor of State, may be used as evidence in all Courts for or against such bank ; or any person or persons for or against whom any such evidence may be necessary, whether on civil or criminal trial.

Enumeration of banking powers

SEC. 13. Such person or association of persons shall have power to carry on the business of banking, by discounting bills, notes and other evidences of debt, by receiving deposits, by buying and selling gold and silver bullion, foreign coin and foreign and inland bills of exchange, by loaning money on real and personal securities, and by exercising such incidental powers as may be necessary to carry on such business ; may choose one of their number as President and appoint a Cashier and such other officers as their business may require, and to remove such President, Cashier, officers and agents at pleasure, and to appoint others in their places ; but no such association or banker shall commence the business of banking under this Act, until such association or banker shall have deposited with the Auditor of State the securities required by this Act.

Shares to be personal property and transferrable

SEC. 14. The shares in such bank shall be deemed personal property, and shall be transferrable on the books of the bank, in such manner as may be agreed upon in the articles organizing such bank, and every person becoming a stockholder therein, shall, in proportion to his interest, succeed to all the rights and be subject to all the liabilities of prior shareholder or shareholders, no change shall be made in the articles organizing such bank whereby the rights, remedies or securities of existing creditors shall be in any manner impaired, and any association constituting such bank shall not be dissolved by the death or insanity of any one of the shareholders therein.

Failure to redeem notes—closing of banks

SEC. 15. If the maker or makers of any circulating note or notes, countersigned and registered as aforesaid, shall at any time hereafter, on lawful demand during the usual hours of business, at the place where such note or notes is or are payable, fail or refuse to redeem such note or notes in the lawful money of the United States, the holders of such note or notes making such demand, may cause the same to be protested for non-payment by a Notary Public, under his official seal. But the maker or makers of such note or notes, shall not be liable for the expense of so protesting the same, unless on such demand and refusal so to redeem the same, he or they shall refuse to waive protest and notice of protest thereon, and such waiver of protest shall in all cases be deemed equivalent to the regular protest thereof ; and such Notary shall, on protesting the same, forthwith forward notice of such protest to the Auditor of State, the Notary making such protest

Protest of notes

shall certify in his notice of protest, the number of notes on which said payment was refused and describe them by their numbers and letters, and shall also certify to the aggregate amount of said notes, the Auditor of State on receiving and filing in his office such protest, together with such note or notes as aforesaid, shall forthwith give notice in writing to the maker or makers of such note or notes, to pay the same, and if they shall omit to do so for forty days after such notice, the Auditor shall immediately thereupon, unless he shall be satisfied there is a good and legal defense against the payment of such note or notes, give notice that all the circulating notes of such person or association of persons, and countersigned and registered as aforesaid, will be redeemed out of the trust funds in his hands for that purpose, which notice shall be given by publishing the same in some newspaper printed in the county where the business of such bank is established and in some newspaper printed at the seat of government of this State, and the Auditor of State shall be required to apply the said trust funds belonging to the maker or makers of such protested note or notes to the payment of all circulating notes, whether protested or not, put in circulation by the maker or makers of such protested note or notes, pursuant to the provisions of this Act, and to adopt such measures for the payment of such notes, as will in his opinion, most effectually prevent loss to the holder of such notes; and to this end the Auditor of State may, after the expiration of the said forty days, and after giving thirty days' notice by publication in a newspaper printed at the seat of government of this State, and in a daily newspaper printed in the City of New York, proceed to sell at the Merchants' Exchange in the City of New York, at public auction, the securities so pledged, and out of the proceeds of such sale, shall pay pro rata and cancel all bills and notes which have been issued and put in circulation by such bank under the provisions of this Act, to be applied pro rata to the payment of all such circulating notes; but nothing in this Act contained shall be considered as implying any pledge on the part of this State for the payment of such bills or notes beyond the proper application of the securities pledged to the Auditor of State for their redemption.

Auditor to give notice to bank to redeem within 40 days

Sale of stocks pledged for redemption of notes—public notice to be given

Sec. 16. Such bank or banking association shall be liable to pay the holder of every bill or note put in circulation as money, the payment of which shall have been demanded or refused at the banking house or usual place of business of such association or bankers, damage for non-payment thereof from the time of such refusal until the payment of such evidence of debt and damages thereon.

Damages for non-redemption of notes

Sec. 17. It shall not be lawful for the Auditor of State, or his deputy, to countersign bills or notes for any association or banker to an amount in the aggregate exceeding the securities at their value, as before provided in this Act, de-

All bills to be countersigned by auditor

Penalty for violation of restrictions imposed posited with him in his trust by such association or banker, or to use or dispose of such securities in any manner other than provided for in this Act, and any Auditor of State or deputy, who shall violate the provisions of this section, shall, upon conviction, be deemed guilty of a misdemeanor, and be punished by a fine not less than five thousand dollars, or be imprisoned not less than five years in the State prison, or by both such fine and imprisonment.

Increase of capital SEC. 18. It shall be lawful for any person or association of persons organized under the provisions of this Act, by his or their articles of association to provide for an increase of their capital stock, and of the numbers of such association from time to time as they may think proper.

Contracts and bills of banks to be signed by president and cashier SEC. 19. Contracts made by any bank or banking association, established under the provisions of this Act, and all notes and bills issued and put in circulation as money, shall be signed by the president and cashier thereof, and all suits, actions and proceedings brought or prosecuted by and in behalf of such bank or banking association shall be brought and prosecuted in the corporate name mentioned in the certificate made and filed as hereinbefore required.

Real estate how it may be bought and sold SEC. 20. It shall be lawful for such bank or banking association to purchase, hold and convey real estate for the following purposes:

For its immediate accommodation *First.* Such as shall be necessary for its immediate accommodation in the convenient transaction of its business.

Such as may be mortgaged *Second.* Such as shall be mortgaged to it in good faith by way of security for loans made by, or money due to such bank.

By conveyance for debt contracted *Third.* Such as shall be conveyed to it in satisfaction of debts previously contracted in the course of its dealings.

By execution in its favor *Fourth.* Such as it shall acquire by sale on execution or decree of any Court in its favor. The said bank shall not purchase, hold or convey real estate in any other case or for any other purpose whatever, and all conveyances of such real estate shall be made to the corporations, and which real estate the president and cashier may sell, assign, grant or convey under the direction of the association free from any claim thereon in favor of or against the shareholders or any person claiming under them.

Names of shareholders and amount of stock to be filed—individual liability SEC. 21. The president and cashier of every bank formed pursuant to the provisions of this Act, shall at all times keep a true and correct list of the names of all the shareholders of such bank, with the amount of stock held by each, the time of transfer, and to whom transferred, and shall file a copy of such list in the office of the register of deeds of the county wherein such bank may be located; and also in the office of the Auditor of State on the first Monday in January and July in each year, and the stockholders in each bank shall be individually liable in amount equal to double the amount of stock owned by them for all the debts

of such bank, and such individual liability shall continue for one year after any transfer or sale of stock by any stockholder or stockholders.

SEC. 22. In the event of the insolvency of any bank established under the provisions of this Act, the bill holders thereof shall be entitled to preference in payment over all other creditors of such bank. Bill holders to be preferred

SEC. 23. It shall not be lawful for any bank formed under the provisions of this Act, to make any of its bills or notes to be put in circulation as money, payable at any other place than the office where the business of the bank is carried on and conducted, nor to issue of the same at any other place; and said bills or notes shall be made payable on demand and without interest. Notes payable only at place of issue

SEC. 24. When the owner or owners of any bank desirous of relinquishing the banking business, shall notify the State Auditor of such intention, then, and in such case, it shall be competent for the said bank or bankers to redeem and deposit with the Auditor of State from time to time, any amount of their circulating notes which may have been issued to said association, bank or bankers, in sums, however, not less than one thousand dollars at any one time, and to receive therefor and withdraw an equal amount of the securities by them deposited with the Auditor of State, but no bank shall continue to transact any business whatever further than what may be required to close up thereafter their capital stock, securities, or circulation, shall have been reduced to less than twenty-five thousand dollars, nor in any case after two years from the date of said notice of intention to relinquish and close up their banking business as aforesaid, and whenever the retiring bank or bankers shall desire to withdraw all the securities heretofore lodged with the Auditor of State, they may do so by producing and filing with the Auditor of State, a certificate of deposit to his credit in such bank as he shall approve of, an equal amount with the circulating notes of such bank or banks then remaining unredeemed, and the Auditor of State on being satisfied of such deposit and of the sufficiency thereof, shall give up all the remaining securities heretofore deposited by such bank or bankers for the redemption of the circulating notes issued. Manner of relinquishing business and closing a bank

SEC. 25. Such banking association or banker after having complied with the provisions of the last preceding section, shall give notice for two years in some newspaper printed in the county where such bank shall have been located, and in a paper printed at the seat of government of this State, that all circulating notes issued by such banking association or banker, [must be presented] at the Auditor of State's office within two years from the date of such notice, or that the funds deposited for the redemption of the notes, will be given up to the banking association or banker, and on re- Two years public notice of final redemption of notes

ceiving satisfactory proof of the giving of such notice for the time aforesaid, the Auditor of State shall surrender to the order of such banking association or banker, any securities which he may hold for the payment of any unredeemed notes of the said banking association or bankers.

Withdrawal of
securities by de-
posit of circulat-
ing notes

Sec. 26. Any banking association or banker wishing to withdraw any of the securities by them deposited with the Auditor of State, may do so by depositing an equal amount of the circulating notes which may have been issued to said association or banker by the Auditor of State, in sums of not less than one thousand dollars; provided that the amount of securities thus withdrawn by deposits of said circulating notes shall not reduce the amount of stock securities remaining in the hands of the Auditor of State to less than twenty-five thousand dollars.

Securities held in
trust for redemp-
tion of bills

Sec. 27. The securities to be deposited with the Auditor of State in trust by any association or banker, shall be held by him exclusively for the redemption of the bills or notes of such bank, put in circulation as money until the same are paid and returned to the Auditor of State, as provided in this Act, but the Auditor of State may assign said securities to said association or banker, transferring the same upon receiving therefor equivalent securities or an equivalent amount in circulating notes issued by such bank, as provided in Section twenty-six of this Act.

Canceling circu-
lating notes

Sec. 28. All circulating notes of banks or banking association returned to the Auditor of State shall be destroyed by him in presence of the Governor and an authorized officer of the bank, after he shall have made a record of the same, which shall specify the number of each note, its date, and by whom it was countersigned, and shall be made in the books to be kept by himself for registering circulating notes.

Mutilated notes—
exchange of

Sec. 29. It shall be the duty of the Auditor of State to receive mutilated circulating notes issued by him, and after making a record of them, their denomination and amount, to deliver in lieu thereof circulating notes to the same amount.

Notes of banks to
be received in
payment of their
own debts

Sec. 30. All of the bills or notes of any bank or banking association shall be at all times received by the same in payment of all debts due to such bank or banking association.

Reduction of cap-
ital stock—no di-
vidends

Sec. 31. If any portion of the declared capital of any banking association shall be reduced for any purpose whatever while any debts of the association remain unsatisfied, no dividend or profits in the shares of the capital stock of the association shall thereafter be made until the deficit of the capital shall be made good, either by subscription of the shareholders, or out of the subsequent accruing profits of the association; and if it shall appear that any such dividends have been made, it shall be the duty of any Judge of the District Court of the county in which said bank may be located, on application of any person in interest, to make the necessary orders and decrees for the closing of the affairs of

the association and distribute its property and effects among its creditors and shareholders.

SEC. 32. The officers or agents of any banking association or banker who shall pay out, to be put in circulation as money in this State, any bill, note, certificate of deposit, or other paper having the similitude of a bank note, knowing the same to have been issued otherwise than by the authority of this or any other State of the United States, of the Congress of the United States, or of the British possessions, shall, for each offence, upon conviction thereof, be adjudged guilty of a misdemeanor, and shall be punished by a fine of not less than one hundred dollars, or by not less than three nor more than twelve months imprisonment, or both by fine and imprisonment.

SEC. 33. Such bank or banking association may demand and receive for loans on real and personal security, or for notes, bills or other evidences of debt discounted, such rate of interest as may be agreed upon by the parties, not exceeding fifteen per cent. per annum, subject, however, to such general laws regulating and fixing the rate of interest as may hereafter be passed by the Legislature; and it shall be lawful to receive the interest in advance, according to the ordinary usage of banking institutions, and in general do all things and have all the privileges incident to banking associations or corporations.

SEC. 34. Every bank or banking association shall, on the first Monday of January, April, July and October in every year after having commenced the business of banking, as provided in this Act, make and transmit to the Auditor of State a report, which shall be made on oath of the President and Cashier, and shall contain a true statement of the following items on the mornings of the first Monday of January, April, July and October, before any business of that day: loans and discounts, over drafts due from banks, due from directors of said bank, due from broker, real estate, specie, cash items, stocks and promissory notes, bills of solvent banks, bills of suspended banks, loss and expense account, capital, circulation, amount due to State Treasurer, amount due to depositors on demand, amount due not included under either of the above heads; and it shall be the duty of the Auditor of State to publish said report, together, once in some newspaper printed at the seat of government, and in the county in which said bank or banks are located, and the expense thereof shall be defrayed by the banks, and if any bank shall fail to furnish to the Auditor its quarterly report in time for such publication, or shall fail to pay the expenses incurred in the publication of its report when they shall be demanded by him, it shall forfeit and pay the Auditor of State, the sum of one hundred dollars, to be applied by him to the expense of publishing the quarterly reports, and the Auditor of State is authorized to collect the said forfeiture

in his name, upon his application to any Court of competent jurisdiction in the county where such delinquent bank may be located ; the Auditor of State shall also transmit annually to the Legislature at the commencement of its session, a condensed summary of all the items reported to him by all the banks, which summary verified by his oath, shall contain a true and correct statement of the condition of all the banks in the State, at the time of the making of their last report.

Unclaimed dividends and interest—public notice to be given

SEC. 35. Every bank and banking association formed under the provisions of this Act, shall annually, on the first Monday of January in each year, cause to be published for six successive weeks, in one public newspaper printed in the county in which such bank may be located, and in some newspaper printed at the seat of government of this State, a true and accurate statement, verified by the oath of the cashier, of all deposits made with said bank, and of all dividends and interest declared and payable upon any of the stocks, bonds or other evidences of indebtedness of said bank, which at the date of such statement, shall have remained unclaimed by any person or persons authorized to receive the same, for two years then next preceding.

Name and residence of the owners to be given

SEC. 36. Such statement shall set forth the time that every such deposit was made, its amount, the name and residence if known, of the person making it, the name of the person in whose favor the dividend or interest may have been declared, its amount, and upon what number of shares, and on what amount of stocks, bond or other evidence of indebtedness of any such bank or banking association.

Plates and dies of closed banks to be destroyed by auditor

SEC. 37. All plates, dies, and such like materials of and peculiar to, any individual bank or banking association which shall have closed business, either by its own voluntary act, or by operation of law, under the direction of the Auditor of State, in presence of the Governor or Treasurer of State, shall be destroyed ; and such destruction, specifying the articles so destroyed, shall be officially certified to by all the three aforesaid officers.

Examination of treasurer's books and of securities

SEC. 38. It shall be the duty of the Legislature annually, to elect a joint committee whose duty it shall be to examine the Treasurer's accounts, to examine such of the securities deposited in the Auditor of State's office, by banking associations and individual banks, together with books and papers therein, relating to the business of banking, and the said committee shall report the true state and condition of that department to the Legislature.

Penalty for false statements from bank officers

SEC. 39. Every officer, agent or clerk of any banking association or banker authorized by this Act, who shall wilfully and knowingly subscribe, or make any false statement of facts, entries in the books of such person or association, or shall knowingly subscribe or exhibit false papers with the intent to deceive any person authorized to examine as to the condition of such bank or association, or shall wilfully and

knowingly subscribe and make false reports, shall be deemed guilty of misdemeanor, and shall be subjected to imprisonment at hard labor in the State prison, for such term not less than one year nor more than ten years, as the Court trying him shall designate. And likewise any Commissioner, Examiner, Master in Chancery, or Judge, wilfully and knowingly subscribing or making any false report, shall be deemed guilty of misdemeanor, and be subjected to like penalties.

SEC. 40. The Auditor of State shall, within twenty days after the passage of this Act, give to the State of Minnesota a bond in the penal sum of fifty thousand dollars, with not less than five sureties to be approved by the Governor and Secretary of State, conditioned for the faithful discharge of all the duties of his office, provided for and incumbent upon him under this Act, and deposit the same in the office of the State Treasurer; and the Auditor of State shall not be directly nor indirectly interested in any bank or banking association or as an individual banker. Auditor's bonds

SEC. 41. Any banker or banking association that shall organize under this Act, shall be required to pay the Auditor of State for the service performed by him or under his direction, in behalf of such banker or banking association, (according to the provisions thereof,) one-fourth of one per cent. on the amount of circulating notes countersigned and registered as hereinbefore provided, and may require the same to be paid at the time of the delivery of such notes. Auditor's fees for
issuing notes

SEC. 42. In case the securities deposited with the Auditor of State to secure the redemption of the circulating notes of any bank, shall be sold in pursuance of the requirements hereof, one-eighth of one per cent. on the amount received for the same shall be allowed the Auditor of State, for his services in selling the stock and redeeming the notes of such bank, and the amount of such per centage together with all necessary expenses incurred in advertising and selling such stock, shall be audited by the State Treasurer, and on his certificates the Auditor of State may deduct the same from the proceeds of such sale. Auditor's fees for
redeeming notes

SEC. 43. Any person or persons violating any of the provisions of this Act, not hereinbefore specially provided for, shall upon conviction thereof, pay a fine of not less than fifty dollars or more than five hundred dollars for each and every offence, to be recovered before any Court having competent jurisdiction, and all fines and penalties so recovered shall be paid into the State treasury. Penalty for viola-
tion of this act

SEC. 44. The Act entitled "An Act to authorize the Business of Banking," approved March nineteen, eighteen hundred and fifty-eight, together with all acts and parts of acts inconsistent with this Act, are hereby repealed. Repeal of act
passed March 19,
1858 See appendix

SEC. 45. This Act shall take effect and shall be in force from and after its passage.

GEORGE BRADLEY,
Speaker of the House of Representatives.

WILLIAM HOLCOMBE,
President of the Senate.

APPROVED—July twenty-sixth, eighteen hundred and fifty-eight.

HENRY H. SIBLEY.

SECRETARY'S OFFICE, Minnesota, }
July 26, 1858. }

I hereby certify the foregoing to be a true copy of the original on file in this office.

FRANCIS BAASEN, Secretary of State.

CHAPTER XXXIII.

An Act to amend An Act to authorize and regulate the business of Banking, approved July 25th, 1858.

SECTION 1. Amends Section 5 of Chapter 32. Basis upon which circulating notes may be issued.

2. Repeals Section 2 of Chapter 32, permitting Banks to procure their own blanks.

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

U S stocks or
state stocks of
Minnesota, or
either state stocks
worth par value
for banking

SECTION 1. Section five of said Act is hereby amended so as to read as follows: Whenever any person or association of persons formed for the purpose of banking under the provisions of this Act, shall duly assign or transfer in trust to the Auditor of this State, any portion of the public stocks issued or to be issued by the United States or the State of Minnesota, at their current value, or the stocks of any other State of the United States which shall not have been sold at less than their par value at the stock exchange in the city of New York, within the next six months preceding the time when such stocks may be left on deposit with the Auditor of State, such person or association of persons shall be entitled to receive from the Auditor, an amount of such circulating notes of different denominations, registered and countersigned, equal to and not exceeding the amount of public stock assigned and transferred as aforesaid, but such public