

## CHAPTER 76.

AN ACT TO AMEND SECTION FIVE (5) OF TITLE TWO (2) OF CHAPTER THIRTY-FIVE (35) OF GENERAL STATUTES OF ONE THOUSAND EIGHT HUNDRED AND SEVENTY-EIGHT (1878) RELATING TO THE MINNESOTA INSTITUTE FOR THE DEAF AND DUMB AND BLIND.

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

SECTION 1. That the last clause of section five (5), of title two (2), chapter thirty-five (35) of General Statutes one thousand eight hundred and seventy-eight (1878), be and the same is hereby amended so as to read as follows:

Duties of  
secretary.

The Secretary shall perform such duties consistent with his office as said board shall require, and shall receive for such services a sum not exceeding three hundred dollars (\$300) per annum.

SEC. 2. This act shall take effect and be in force from and after its passage:

Approved March 7, 1881.

## CHAPTER 77.

AN ACT TO AMEND SECTIONS TEN (10), ELEVEN (11) AND EIGHTEEN (18) OF CHAPTER THIRTY-THREE (33) OF THE GENERAL STATUTES OF ONE THOUSAND EIGHT HUNDRED AND SEVENTY-EIGHT (1878), RELATING TO BANKS AND BANKING, AND TO ADD TO SAID CHAPTER SECTIONS FORTY-SEVEN (47), FORTY-EIGHT (48) AND FORTY-NINE (49).

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

SECTION 1. That section ten (10) of chapter thirty-three (33) of the General Statutes of one thousand eight hundred and seventy-eight (1878), be and the same is hereby amended so as to read as follows:

Number of  
persons.

Sec. 10. Any association of persons not less than three (3) in number, may establish offices of discount, deposit and circulation, and become incorporated upon the terms and conditions and subject to the liabilities prescribed in this chapter;

but the aggregate of the capital stock of such association shall not be less than twenty-five thousand dollars (\$25,000), and no such association shall be organized in any town containing less than two hundred (200) inhabitants. The minimum amount of capital stock named in this section shall be paid in cash before any association shall be authorized to commence business, and such payment shall be certified to the State Auditor under oath, by the president or cashier of the association.

Amount of  
capital stock  
required.

SEC. 2. That section eleven (11) of chapter thirty-three (33) of the General Statutes of one thousand eight hundred and seventy-eight (1878) is hereby amended, so as to read as follows :

Sec. 11. The persons uniting to form such an association shall, under their hands and seals, make an organization certificate, which shall specifically state :

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

*Second*—The place where the business of discount and deposit is to be carried on. Conditions.

*Third*—The amount of capital stock and the number of shares into which the same is to be divided.

*Fourth*—The names and places of residence of the shareholders, and the number of shares held by each of them.

*Fifth*—The period at which said bank shall commence and terminate.

The certificate of organization shall be acknowledged before the clerk of some court of record or notary public, and authenticated by the seal of such court or notary and shall be recorded in the office of the Register of Deeds of the county where such bank may be established, and such certificate thus authenticated shall be transmitted to the State Auditor, who shall carefully preserve the same on file in his office. Upon duly making and filing the organization certificate, the association shall become, as from the date of execution of the same, a body corporate, and as such and in the name designated in such certificate, it shall have power to make contracts, to sue and be sued, and shall have all other powers, privileges and immunities incident to corporations, and applicable to the ends of such establishments, subject to the restrictions and provisions of this chapter. Whenever it appears to the State Auditor that any association is lawfully entitled to commence the business of banking, he shall give to such association a certificate, under his hand and official seal, that such association has complied with all the provisions required to be complied with before commencing the business of banking, and that such association is authorized to commence such business, which certificate shall be prima facie evidence in all the courts of the State that such association is duly and legally organized as a corporation. But the State

Certificate of  
organization to  
be recorded.

Auditor may withhold from any association his certificate authorizing the commencement of business whenever he has reason to suppose that the shareholders have formed the same for any other than the legitimate objects contemplated by this act. No association shall transact any business except such as is incidental and necessarily preliminary to its organization until it has been authorized by the State Auditor to commence the business of banking. The association shall cause the organization certificate and the official authorization of the State Auditor issued under this section, to be published in some newspaper partly or wholly printed in the city or county where the association is located, for at least four (4) successive weeks next after the issuing thereof; or, if no newspaper is published in such city or county then in some newspaper published at the capital of the State.

Certificate to be published.

SEC. 3. That section eighteen (18), of chapter thirty-three (33), of the General Statutes of one thousand eight hundred and seventy-eight (1878), is hereby amended so as to read as follows:

Increase of capital.

Section 18. Any association organized under the provisions of this chapter, may, by its articles of association, provide for an increase of its capital from time to time, as may be deemed expedient, subject to the limitations of this chapter. But no increase of capital shall be valid until the whole amount of the increase proposed is paid in cash, and such payment certified under oath by the president or cashier of such association to the State Auditor, who shall give his certificate that the provisions of this section have been complied with, and specifying therein the amount of such increase of capital stock, with his approval thereof, and that it has been duly paid in as a part of the capital of such association. Any association formed under this chapter may, by the vote of the share holders owning two-thirds ( $\frac{2}{3}$ ) of its capital stock, reduce its capital to any sum not below the amount required by this chapter to authorize the formation of associations; but no such reduction shall be made until the amount of the proposed reduction has been reported to the State Auditor and his approval thereof in writing obtained, and no such reduction shall be construed as affecting the liability of shareholders for any debts of the association incurred prior to such reduction.

Reduction of capital.

Liabilities.

Section 47. The total liabilities to any association of any person, or of any company, corporation or firm, for money borrowed, including, in the liabilities of a company or firm, the liabilities of the several members thereof, shall at no time exceed fifteen (15) per cent. of aggregate amount of the capital stock of such association actually paid in, and of the permanent surplus fund of such association. But the discount of bills of exchange drawn in good faith against actually existing values, and the discount of commercial or busi-

ness paper actually owned by the person negotiating the same, shall not be considered as money borrowed.

Section 48. No association shall make any loan or discount on the security of the shares of its own capital stock, nor be the purchaser or holder of any such shares unless such security or purchase shall be necessary to prevent loss upon a debt previously contracted in good faith; and stock so purchased or acquired shall within six (6) months from the time of its purchase, be sold or disposed of at public or private sale.

Loans on  
shares of stock

Section 49. Each association organized under the provisions of this chapter shall at all times have on hand in available funds an amount equal at least to twenty (20) per centum of all its immediate liabilities. One-half of this amount of available funds may consist of balances due to the association from good solvent banks, and one-half of such sum shall be held in reserve as cash on hand. Immediate liabilities shall include all deposits due to individuals, firms or corporations, or to banks, and all items in the nature of claims payable on demand, in cash on hand shall be counted specie, legal tender notes and all bills of solvent banks. Whenever the available funds of any association shall be below twenty (20) per centum of its immediate liabilities, such association shall not increase its liabilities by making any new loans or discounts otherwise than by discounting or purchasing bills of exchange payable at sight, nor make any dividends of its profits until the required proportion between its immediate liabilities and its available funds has been restored.

Available  
funds to be  
kept on hand.

SEC. 4. This act shall take effect and be in force from and after its passage.

Approved March 8, 1881.

## CHAPTER 78.

AN ACT TO AMEND SECTION TWENTY-SIX (26) OF CHAPTER SIXTY-TWO (62) OF THE GENERAL STATUTES OF ONE THOUSAND EIGHT HUNDRED AND SEVENTY-EIGHT (1878), RELATING TO THE SECURITY FOR THE PURPOSE OF ALIMONY AND OTHER ALLOWANCES IN ACTIONS FOR DIVORCE.

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

SECTION 1. That section twenty-six (26) of chapter sixty-two (62) of the General Statutes of one thousand eight hundred and seventy-eight (1878), be and the same is hereby amended by adding thereto the following: "Or the court