

CHAPTER 17—H. F. No. 56.

An Act to authorize cities of this state, and not including cities now or hereafter governed under a charter adopted under and pursuant to section 36, article 4 of the Constitution of this state, and sections 747 to 758, inclusive, of Revised Laws of Minnesota, 1905, to designate depositories of city funds.

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

Designates depositories of city funds; amount of deposit.—Section 1. The city council or common council of any city in this state, and not including cities now or hereafter governed under a charter adopted under and pursuant to section 36, article 4 of the constitution of this state, and sections 747 to 758 inclusive of Revised Laws of Minnesota, 1905, shall have the power and authority, at the beginning of each calendar year, to designate and from time to time redesignate the banks, banking houses and other depositories of any such city in which the city treasurer of such city shall deposit and keep the moneys of such city, designating in each instance the maximum amount which may at any time be kept in any one of such depositories, which maximum amount shall in no case exceed 25 per centum of the paid-up capital and surplus of such depository.

The city council or common council of each city shall at all times designate depositories in their respective cities or elsewhere in the United States sufficient for the depository of all funds which are likely to be in the hands of the city treasurer of such city at any one time, and shall, so far as consistent with the best interest of such city, designate such depositories in their respective cities and shall require from such depositories good and sufficient bonds payable to such city for double the amount of money likely to be received, and conditioned for the safe-keeping and payment of funds so deposited.

City treasurer; duty of.—Sec. 2. The city treasurer of each city where depositories have been designated in accordance with this act, shall keep the funds of such city as far as possible in the depositories so designated, and when so deposited the treasurer and the sureties on the official bond of such treasurer shall be exempt from all liability for the loss of any such funds so deposited as in this act provided, if such

loss is caused by the failure, bankruptcy or any other act of default of such depository.

Not exempt; city treasurer.—Sec. 3. The failure of the city council or common council of any city to designate depositories, as in this act provided, shall not exempt or relieve the city treasurer of such city or the sureties on his official bond from any liability.

Authority to designate.—Sec. 4. The city council or common council of any city authorized under this act to designate depositories shall exercise all possible care to secure safe depositories for the city funds of such city and to obtain the highest rate of interest possible consistent with safety for such moneys. All interest received in any way for the use or keeping of moneys or on account of the same shall be the property of such city and shall be credited to the current expense fund of such city.

Authority to pay.—Sec. 5. All moneys of any such city kept in accordance with this act in any depository designated by the city council or common council of any city shall be kept and deposited in the name of such city and such depository or depositories shall have no authority to pay out any such money except upon checks drawn upon such depository or depositories signed by the city treasurer and countersigned by the city comptroller or recording officer of such city.

Withdraw funds.—Sec. 6. The city treasurer of any city who has city funds deposited in accordance with this act shall, whenever notified so to do by the sureties on his official bond or by the city council or common council of such city, withdraw all funds from any designated depository, and it shall be the duty of the city comptroller or other recording officer of such city to countersign all checks for such withdrawal. Said city treasurer shall thereupon, upon such withdrawal, notify the city council or common council of such city thereof and thenceforth such city treasurer shall deposit no more funds in such depository until authorized so to do by the city council or common council of such city. And upon such withdrawal, it shall be the duty of the city council or common council of such city to proceed forthwith to redesignate, in accordance with the provisions of this act.

Sec. 7. This act shall take effect and be in force from and after its passage.

Approved Feb. 21, 1907.