

## CHAPTER 431.—S. F. No. 652.

*An act to amend Section 8 of Chapter 23, General Laws of 1867 as amended, to provide for the incorporation of savings associations.*

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

Section 1. Savings associations authorized to invest in bonds of Montana as well as of other states heretofore declared legal investments.—That section 8 of said chapter 23 of the General Laws of the year 1867 as amended by chapter 71, General Laws of Minnesota for 1903, be, and the same is hereby amended to read as follows:

Section 8. At least half of the whole amount deposited shall be invested.

First. In the bonds or interest-bearing notes or obligations of the United States, or those for which the faith of the United States is pledged for the payment of the interest and principal.

Second. In the bonds of any state in the Union, provided that such state has not within ten (10) years previous to making such investment by such corporation defaulted in the payment of any part of the principal or interest on any debts authorized by any legislature of such state to be contracted, and of the state of Minnesota, issued since one thousand eight hundred and sixty (1860).

Third. In the bonds of any city, county, town, village or school district in the states of Minnesota, Wisconsin, Iowa, North Dakota, South Dakota, Montana, Illinois, Indiana, Ohio or Michigan, or in any warrants or interest-bearing obligations issued by the said states or counties in said states, or city or city board, town, village or school district within the county in which such banks shall be situated, or in the bonds of any city, county, town, village or school district of the United States, which city, county, town, village or school district had at least five thousand (5,000) inhabitants as determined by the state or United States census taken next preceding the issue of bonds tendered; provided, that the bonded indebtedness of any such city, county, town, village or school district so tendering bonds shall not exceed ten per centum upon the assessed valuation of such city, county, town, village or school district at the time of the issue of the bonds tendered.

Fourth. In notes secured by mortgage on unincumbered real estate situate in the states of Minnesota, Wisconsin, Iowa, Montana, North Dakota or South Dakota, and worth at least twice the amount loaned thereon, but in case the loan is on unimproved or unproductive real estate the amount loaned thereon shall not be more than thirty (30) per cent of its actual

value, and no investment in any bond and mortgage shall be made by any savings bank except upon the report of a committee charged with the duty of investigating the same, and who shall certify to the value of the premises mortgaged, or to be mortgaged, according to their best judgment, and such report shall be filed and preserved among the records of the institution.

Fifth. The remaining one-half ( $\frac{1}{2}$ ) may be invested in said bonds or loaned on the aforesaid securities or upon approved personal or collateral security or in the bonds of any railroad company as hereinafter provided, or used to buy and sell exchange.

Sixth. In the bonds of any railroad company, or the successor of any railroad company, which has received a land grant from the government of the United States, and which are secured by first lien upon its railroad.

Seventh. In the bonds of any other railroad company, which are secured by first lien upon a railroad within the United States, or in the mortgage bonds of any such railroad company of an issue to retire all prior mortgage indebtedness of such railroad company; or in the bonds of any railroad company within the United States, which are guaranteed or assumed by another railroad company, within the United States; provided that the railroad company (except a railroad company whose bonds are guaranteed or assumed as aforesaid) either issuing, guaranteeing or assuming any of said bonds has not within five years prior to the time of making such investment by said bank failed in the payment of a dividend, upon its entire, capital stock outstanding, of not less than four (4) per cent per annum each fiscal year during said five year period; and has not within five years prior to the time of making such investment by said bank, defaulted in the payment of any part of the principal or interest of any debt incurred by it and secured by mortgage or trust deed upon its railroad, or any part thereof, or in the payment of any part of the principal or interest of any bonds guaranteed or assumed by it; and provided further, that no savings bank shall ever loan upon, or invest in railroad bonds to exceed in the aggregate twenty (20) per cent of its deposit nor shall such savings bank ever loan upon or invest in the bonds issued or guaranteed or assumed by any one railroad company, to exceed in the aggregate five (5) per cent of its deposits.

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

Approved April 20, 1917: