

CHAPTER 265—H. F. No. 790.

An act to amend Sections 98, 99, 101 and 102, General Statutes 1923, relative to the duties and powers of the state board of deposit.

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

Section 1. Duties and powers of State Board of Deposit.—That Section 98, General Statutes 1923, be amended to read as follows:

"Sec. 98. Said board of deposit shall designate such banks or trust companies within the state which have been organized at least one year as it may deem necessary to receive deposits of state funds, and prescribe the maximum amount which may be deposited in each. After such banks or trust companies have given the required bonds or furnished proper collateral, and in all other respects complied with the conditions of such designation, the treasurer may deposit therein, in the name of the state, all state funds that shall be or come into his hands; but the amount on deposit at any time in any of said depositories shall not exceed the sum authorized by the board of deposit. The treasurer shall not be liable for the safe-keeping of moneys of the state while so lawfully deposited. *Provided that a new bank or trust company which has not been organised for at least one year which takes over or absorbs a bank or trust company eligible to qualify as a depository may be designated as a depository, notwithstanding the limitations contained in this section.*

The board of deposit may authorize any designated depository to receive from any official, department, institution, or other agency of the state special deposits of moneys belonging to the state and which have not been paid otherwise into the state treasury; and all moneys so deposited shall be deemed to have been deposited pursuant to such designation.

Departmental receipts received by the treasurer, in accordance with Section 121, General Statutes 1923, may be carried by the depository upon the direction of the treasurer as a special deposit until the report thereby required has been filed with the auditor and the proper entries made in the treasurer's records transferring these receipts to the proper funds.

The depository, upon the direction of the treasurer, may receive and carry as a special deposit such amount of money as may be immediately required for the payment of principal or interest, or both, of maturing obligations of the state and withdrawn from the treasury for that purpose, out of which special deposit the depository, upon the direction of the treasurer, may pay such maturing obligations and surrender them to the treasurer for cancellation.

All moneys belonging to the state, however received by the depository and whether carried as a general or special deposit, shall be covered and protected by the bond given or collateral pledged by

such depository, or both, where both forms of security have been furnished.

The limitations upon the board of deposit in fixing the maximum which may be deposited in a designated depository in accordance with the provisions of Section 2 of this act shall not apply to the funds of the state carried in these special deposits, but the amount of state funds deposited in any depository, whether general or special, shall not in any case exceed the amount of its capital stock.

The rate of interest to be paid upon the special accounts authorized hereby shall be fixed by the board of deposit, or the board may waive the payment of interest thereon if in its judgment the average amount so deposited is not sufficient to justify the charging of interest."

Sec. 2. Surety bonds to be furnished.—That Section 99, General Statutes 1923, be amended to read as follows:

"Sec. 99. Before any bank or trust company shall receive state funds it shall give to the state a corporate or individual surety bond. If corporate surety bond is furnished the board of deposit may fix a limit of deposit equal to the penalty named in such bond. More than one corporate surety bond may be furnished, the aggregate thereof to equal the amount required. If personal surety bond be given the limit of deposit shall be one-half the penalty thereof; such bond shall have at least five individual sureties, each of whom shall be worth and shall justify in the sum of at least ten thousand dollars above liabilities and exemptions, and the total shall be at least double the penalty of the bond. No individual shall sign more than two such bonds. Individual surety bonds shall be accompanied by the verified statement of each surety thereon, showing the assets and liabilities of such surety. Depository bonds shall include the condition that there shall be paid to the state treasurer, or his order upon demand, *or if a time deposit when due*, at any place in this state designated by him, free of exchange, all of the state funds deposited in the depository furnishing such bond at any time while the same shall be in force, with interest thereon at the rate agreed upon and approved by the board. Interest shall be paid upon daily balances, such interest to be credited at the end of each month unless otherwise agreed upon. The board of deposit shall fix the limit of deposit to be made in any depository, which shall not exceed fifty per cent of the capital stock thereof, except in the case of an active depository it may be made not to exceed fifty per cent of its capital stock and permanent surplus. No trust company shall be designated as a depository unless it maintains a permanent surplus equal to that required of banks of similar capitalization. Depository bonds shall be approved by the board and filed with the treasurer."

Sec. 3. Banks to be divided in two classes.—That Section 101, General Statutes 1923, be amended to read as follows:

"Sec. 101. State depositories shall be divided into two classes to be known as active and inactive. Active depositories shall be designated only in cities having clearing house organizations. All state funds deposited in active depositories shall be subject to withdrawal by the treasurer upon demand. Surplus funds not required to meet the state's current disbursements shall be deposited in the inactive depositories. Such deposits may be made for a definite period, subject, however, to withdrawal upon demand by the treasurer, *if the designation is revoked.*

Sec. 4. May give collateral security.—That Section 102, General Statutes 1923, be amended to read as follows:

"Sec. 102. *Any depository may, in lieu of the corporate or personal surety bond required to be furnished to secure state funds, deposit with the state treasurer such bonds and certificates of indebtedness, except bonds secured by real estate, as are legally authorized investments for savings banks under the laws of the state, and in addition thereto the bonds of any of the insular possessions of the United States, or the bonds of any state, or its agency, the payment of the principal and interest of which, or either, is provided for otherwise than by direct taxation. The depository may furnish both a bond and collateral aggregating the required amount. In determining such aggregate the collateral shall be taken at not more than ninety per cent of the market value thereof. Any collateral so deposited shall be accompanied by an assignment thereof to the state, which assignment shall recite that such depository shall pay over to the treasurer, or his order, on demand, or if a time deposit when due, free of exchange or any other charges, all moneys deposited therein at any time during the period such collateral shall be so deposited, and to pay the interest thereon when due at the agreed rate; and that in case of any default upon the part of the depository the state shall have full power and authority to sell such collateral, or as much thereof as may be necessary to realize the full amount due from such depository and to pay over any surplus to the depository, or its assigns. A depository may deposit collateral of a value less than the total designation and may from time to time during the period of its designation deposit additional collateral and make withdrawals of excess collateral, or substitute other collateral for that on deposit, or any part thereof. Authority is vested in the treasurer to return the collateral to the depository when the trust so created is terminated, and he shall in the case of a reduction of the deposit permit the depository to withdraw the excess portion thereof. The interest on the collateral so deposited when collected shall be paid to the depository so long as it is not in default. Before any collateral is deposited with the treasurer it shall be approved by the board of*

deposit, but no such authority shall be necessary for the withdrawal of collateral as herein provided. The closing of a depository shall be deemed a default upon the part of the depository and no demand upon the part of the state or its treasurer shall be necessary to establish such default. If a depository shall close, any time deposit placed therein shall immediately become due and payable. If both bond and collateral is furnished by a depository, all or any part of the collateral may be withdrawn without in any way impairing the full force and effect of the bond unless it shall contain a provision that the collateral shall not be withdrawn without the consent of the surety thereon. The treasurer in behalf of the state, upon the direction of the board of deposit may reassign to the pledging depository any registered collateral pledged to the state by assignment thereon in writing. At no time shall the treasurer maintain a deposit in any depository against collateral in excess of ninety per cent of the market value thereof."

Sec. 5. **Act superseded.**—The provisions of Section 107, General Statutes 1923, so far as they relate to state depositories are superseded by this act.

Approved April 18, 1925.

CHAPTER 266—H. F. No. 846.

An act to amend Section 5084, General Statutes 1923, relating to supervision of grain markets by Railroad and Warehouse Commission.

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

Section 1. Railroad and Warehouse Commission to supervise grain markets.—That Section 5084, General Statutes 1923, be and the same is hereby amended so as to read as follows:

"Sec. 5084. The Commission shall exercise general supervision over the grain interests of the state and of buying and selling, handling, inspection, weighing and storage of grain, and of the management of public warehouses and public grain markets, including chambers of commerce, boards of trade and grain exchanges, shall investigate *on complaint or upon its own motion* all cases of fraud and injustice in grain trade, unfair practices, or unfair discrimination in the buying or selling of grain, *and shall have the power to compel the discontinuance of such unfair practices or unfair discrimination*, and shall make all proper rules and regulations for carrying out and enforcing the provisions of this chapter, and of all laws of the state relating to such subjects. The expenses of supervision and investigations in carrying out the provisions of this section shall be paid from the Grain Inspection Fund."

Approved April 18, 1925.