

may also provide for the payment of funeral expenses of a member not exceeding \$250; in any case all of said benefits to be paid subject to compliance by its members with its constitution and by-laws, out of funds derived from assessments and dues collected from its members. Payments of death benefits shall be made only to the families, heirs, blood relatives, adopted children, fiancée of the member, or persons dependent upon him, or whenever his certificate of membership may so provide, the executor or administrator of the estate of the member in trust for such person or persons above mentioned as may be designated in such certificate. Any member who by reason of old age or other disability is dependent for his support in whole or in part upon another, whether such other stands in the above relationship to him, or not, may with the consent of and under such regulations as the association may prescribe, designate such person upon whom he is so dependent as a beneficiary under his said certificate, and in such case the death benefits shall be paid according to such designation. Every such association may create and maintain a reserve fund for such purpose and shall be held to be an institution of public charity, and shall be exempt from payment of any taxes for state, county or municipal purposes, except that the real estate of such association shall be taxed as other real estate in the State of Minnesota."

Approved April 24, 1925.

CHAPTER 350—S. F. No. 490.

An act empowering the State Board of Investment to purchase certain municipal bonds.

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

Section 1. State Board of investment to purchase municipal bonds.—The State Board of Investment shall have power to purchase upon the open market any bonds heretofore or hereafter issued by any municipality of this state and to purchase for its trust funds direct from any such municipality any bonds which such municipality may have authorized or shall hereafter authorize to be sold upon competitive bids, and any municipality which has authorized or may hereafter authorize the issuance and sale of any bonds may issue and sell such bonds to the state for its trust funds without first advertising for bids therefor.

Sec. 2. Information to be furnished board.—Any municipality desiring to sell any such bonds to the state shall furnish to the board of investment certified copies of all proceedings relating to the issuance and sale thereof, together with such other information as may be requested by said board, all of which shall be

filed with the state auditor upon the approval of said bonds and the consummation of the sale.

Approved April 24, 1925.

CHAPTER 351—S. F. No. 978.

An act providing for the protection of state banks against loss by reason of the unlawful acts of its officers and employees.

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

Section 1. Employees of banks to give bond.—Every state bank shall be protected against loss by reason of the unlawful act of any of its officers or employees by a bond with good and sufficient sureties or by a contract of insurance written by a solvent insurance corporation in good standing authorized to do business in this state. This shall not require the bonding or insuring of officers or directors of a bank not having active management or control thereof or employees of a bank not holding positions of trust.

Sec. 2. Bond to run to banks.—If a bond is given, it shall be in favor of the bank and shall have one corporate surety which shall be a solvent insurance corporation in good standing authorized to do business in Minnesota, or at least five individual sureties, not one of whom shall be an officer, director or stockholder of such bank and each of whom shall justify in a sum equal to the penalty of the bond, and in addition thereto each such individual surety shall furnish to the bank in connection with such bond a verified financial statement showing his solvency and responsibility, which statement shall be renewed and revised annually by each such surety. If a contract of insurance is secured, it shall be in favor of the bank and shall be executed by some insurance company possessing the qualifications heretofore specified.

Sec. 3. Bank examiner to report sureties.—Whenever an examination is made of a bank by the superintendent of banks, or his examiner, the report of such examination made to the superintendent of banks shall state the names of all the officers and employees of such bank so bonded or insured and the penalty of the bonds or the amount of the insurance covering them, and whenever the superintendent, after an investigation, finds as a fact that any bank is not adequately protected against loss by reason of the unlawful act of any officer or employee thereof, whether through the omission to secure any bond or contract of insurance or through the insufficiency of the sureties or the insurer on the bond or policy given, or otherwise, he may require by written order that such bonds or contracts of insurance in favor of such bank be obtained as in his opinion would adequately protect such bank against loss by reason of the unlawful act of any of its officers or employees, and