

perpetual use of the State of Minnesota as a State park under the restrictions now provided or which may hereafter be provided by law.

Approved February 4, 1931.

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CHAPTER 8—S. F. No. 6

*An act authorizing the transfer of county funds in order to pay pensions awarded under Laws 1929, Chapter 47, and authorizing pension payments to be carried as overdrafts until funds shall be available to pay the same.*

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

Section 1. **Transfer of county funds.**—Any county may transfer surplus funds from any county fund except the sinking fund or ditch fund to the general fund or to a special old age pension fund in order to provide moneys necessary to pay pensions awarded under Laws 1929, Chapter 47. The money so transferred shall be used for no other purpose, but any portion thereof no longer needed for such purpose may be transferred back to the fund from which taken. *When necessary by reason of failure to levy sufficient taxes for payment of said old age pensions in the county, the county board may authorize the payment of said pensions and the county auditor may carry any such payments as an overdraft on the old age pension fund of said county until sufficient tax funds shall be provided for said old age pension payments.*

Approved February 5, 1931.

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CHAPTER 9—H. F. No. 164

*An act to amend Mason's Minnesota Statutes of 1927, Section 7677, relating to loans, investments and discounts of State banks.*

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

Section 1. **Restriction upon total liability of individuals to bank—Loans on first mortgage security on improved real estate—Liability of officers or directors to bank—Discounts authorized—Permitting creation of excess liability—Penalty and civil liability.**—That Mason's Minnesota Statutes of 1927, Section 7677, be amended to read as follows :

"7677. The total liabilities to it, as principal, surety, or endorser of any person, corporation, or copartnership, including the liabilities of the several members thereof, shall never exceed fifteen (15)

per cent of its capital actually paid in cash and of its actual surplus fund. Provided that for the purposes of this section the members of a family living together in one household shall be regarded as one person and the total liabilities of the members of such family shall be limited as herein provided. Provided, however, that loans not exceeding 25 per cent of such capital and surplus made upon first mortgage security on improved real estate in the State of Minnesota or in an adjoining state within 20 miles of the place where the bank is located, shall not constitute a liability of the maker of the notes secured by such mortgages within the meaning of the foregoing provision limiting liability, but shall be an actual liability of such maker; provided, that such mortgage loans be limited to, and in no case to exceed forty (40) per cent of the cash value of the security covered by such mortgage; provided further, that commercial paper actually owned by the person negotiating the same not exceeding 15 per cent of the capital stock and surplus taken from any one person, shall not constitute a liability within the meaning of this act, but shall be an actual liability of the maker. The total liability of any officer or director shall never exceed ten per cent of the same aggregate amount. But the discount of the following classes of paper shall not be regarded as creating liability within the meaning of the section, viz.:

"1. Bonds, orders, warrants, or other evidences of indebtedness of the United States, of federal land banks, of this State or of any county, town, city, village, or school district in this State, or of the bonds of any other state in the United States.

"2. Bills of exchange drawn in good faith against actually existing values.

"3. Paper based upon the collateral security of warehouse receipts covering agricultural or manufactured products stored in elevators or warehouses under either of the following conditions:

"First—When the actual market value of the property covered by such receipts at all times exceeds by at least ten per cent the amount loaned thereon.

"Second—When the full amount of every such loan is at all times covered by fire insurance in duly authorized companies, within the limit of their ability to cover such amounts, and the excess, if any, in companies having sufficient paid-up capital to authorize their admission, and payable in case of loss, to the bank or holder of the warehouse receipt, unless accompanied by a certificate of the railroad and warehouse commission declaring the warehouse issuing the same to be fireproof.

"Whenever a bank shall allow any person, co-partnership or corporation to become indebted to it, directly or indirectly, in excess of the amount, exclusive of interest, permitted by the laws of this State,

the officer or employe of such bank wilfully permitting or approving such loan shall be guilty of a gross misdemeanor and in addition thereto shall be personally liable to the bank for the amount of such loan in excess of the statutory limit."

Approved February 7, 1931.

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CHAPTER 10—S. F. No. 175

*An act validating certain proceedings heretofore taken by county boards of certain counties respecting the issuance of bonds, authorizing the issuance of bonds in accordance therewith and declaring the same to be valid obligations of such counties.*

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

**Section 1. Acts of certain county boards legalized.**—In all cases where the county board, of any county having an assessed valuation inclusive of moneys and credits of not less than \$9,000,000 and a total bonded debt of not more than \$415,000, has heretofore resolved to issue bonds of such county in an amount not exceeding \$50,000 for the purpose of funding a like amount of floating indebtedness thereof, represented by warrants drawn on its general fund, without a vote of the electors, such proceedings are hereby legalized and validated and such bonds when sold in the manner prescribed by Section 1943 General Statutes 1923 as amended and when issued shall be valid and binding obligations of such county; provided that such county prior to the delivery of said bonds shall levy a tax for the payment of the principal and interest thereof as required by Section 5 of Chapter 131, Session Laws of Minnesota for 1927 and provided that this act shall not affect any action or proceeding at law or in equity now pending wherein the validity of such proceedings or bonds is questioned.

**Sec. 2. Effective on passage.**—This Act shall take effect and be in force from and after its passage.

Approved February 10, 1931.

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CHAPTER 11—S. F. No. 153

*An act to legalize certain proceedings heretofore taken for the funding of floating indebtedness in certain cases in cities of the fourth class operating under home rule charters and authorizing the*