

all acts and transactions done and made by any such corporation or its proper officers subsequent to the expiration of its original period of duration shall be and the same are hereby legalized and made of the same force and effect as though such acts and transactions had been done or made prior to such expiration of said original period of duration; provided, however, that the provisions of this Act shall not apply to any action or proceeding now pending in any court of this State.

✓ Approved April 15, 1933.

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CHAPTER 254—H. F. No. 562

*An act making 1931 Supplement to Mason's Minnesota Statutes of 1927, prima facie evidence of the statutes therein contained.*

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

Section 1. **1931 supplement to Mason's Statutes to be prima facie evidence of the statutes therein contained.**—The 1931 Supplement to Mason's Minnesota Statutes of 1927 shall be prima facie evidence of the statutes therein contained, in all the courts of this state, without further proof of authentication.

Approved April 15, 1933.

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CHAPTER 255—H. F. No. 573

*An act to repeal General Statutes 1923, Section 369, entitled "Registration In Towns, Villages and Cities of the Fourth Class."*

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

Section 1. **Law repealed.**—That General Statutes 1923, Section 369, be and is hereby repealed.

Approved April 15, 1933.

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CHAPTER 256—S. F. No. 604

*An act to amend Mason's Minnesota Statutes of 1927, Section 7714, relating to investments of savings banks and corporate trustees.*

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

Section 1. **Authorized securities.**—That Mason's Minnesota Statutes of 1927, Section 7714, Subdivision 10, be and the same is hereby amended to read as follows:

"10. *In the bonds of any corporation which at the time of such investment is incorporated under the laws of the United States or any state thereof, or the District of Columbia, and transacting the business of supplying electrical energy, or artificial gas, or natural gas purchased from another corporation and supplied in substitution for or in mixture with artificial gas, for light, heat, power and other purposes, or transacting any or all of such business, provided that at least seventy-five per centum of the gross operating revenues of any such corporation are derived from such business and that not more than fifteen per centum of the gross operating revenues are derived from any one kind of business other than supplying electricity or gas or electricity and gas, and provided further that such corporation, if operating outside of Minnesota, is subject to regulation by a public service commission or public utility commission or other similar regulatory body duly established by the laws of the United States or the states or state in which such corporation operates, subject to the following conditions:*

"(a) *Such corporation shall have all franchises necessary to operate in the territory in which at least seventy five per centum of its gross income is earned, which franchises either shall be indeterminate permits or agreements with, or subject to the jurisdiction of, a public service commission or other duly constituted regulatory body, or shall extend at least five years beyond the maturity of such bonds, and such corporation shall file with the Commissioner of banks or make public in each year a statement and a report giving the income account covering the previous fiscal year and the balance sheet showing in reasonable detail the assets and liabilities at the end of such fiscal year.*

"(b) *The book value of the outstanding capital stock of such corporation shall at the time of such investment be equal to at least two-thirds of its total funded debt.*

"(c) *Such corporation shall have been in existence for a period of not less than eight fiscal years and at no time within such period of eight fiscal years next preceding the date of such investment shall said corporation have failed to pay promptly and regularly the matured principal and interest of all its indebtedness direct, assumed or guaranteed, but the period of life of the corporation, together with the period of life of any predecessor corporation or corporations from which a substantial portion of its property was acquired*

by consolidation, merger, purchase or as a successor corporation, shall be considered together in determining the required period.

“(d) For a period of five fiscal years next preceding the date of such investment the net earnings of such corporation shall have been each year not less than twice the annual interest charges on its total funded debt applicable to that period, and for such period the gross operating revenues of any such corporation shall have averaged per year not less than one million dollars.

“(e) In determining the qualifications of any bond under this subdivision where a corporation shall have acquired its property or any substantial portion thereof within five years immediately preceding the date of such investment by consolidation, merger, purchase or as a successor corporation, the gross operating revenues, net earnings and interest charges of the predecessor or constituent corporations shall be consolidated and adjusted so as to ascertain whether the requirements of paragraph (d) of this subdivision have been complied with.

“(f) The gross operating revenues and expenses of a corporation for the purpose of this subdivision shall be respectively the total amount earned from the operation of, and the total expense of maintaining and operating, all property owned and operated or leased and operated by such corporation, as determined by the system of accounts prescribed by the public service commission or public utility commission or other similar regulatory body having jurisdiction in the matter. The gross operating revenues and expenses, as defined above, of subsidiary companies must be included, provided that all the mortgage bonds and a controlling interest in stock or stocks of such subsidiary companies are pledged as part security for the mortgage debt of the principal corporation.

“(g) The net earnings of a corporation for the purpose of this subdivision shall be the balance obtained by deducting from its gross operating revenues its operating and maintenance expenses, taxes other than federal and state income taxes, rentals, depreciation and provision for renewals and retirements of the physical assets of the corporation, and by adding to said balance its income from securities and miscellaneous sources, but not, however, to exceed fifteen per centum of said balance. The term ‘funded debt’ shall be construed to mean all interest-bearing debt excepting therefrom unsecured obligations maturing within one year of date of issue.

“(h) Such bonds must be part of an original issue of not less than one million dollars and must be mortgage bonds secured by a first or refunding mortgage secured by property owned and operated by the corporation issuing or assuming them, or must be underlying

mortgage bonds secured by property owned and operated by the corporation issuing or assuming them, provided that such bonds are to be refunded by a junior mortgage providing for their retirement and provided further that the bonds under such junior mortgage comply with the requirements of this subdivision and that such underlying mortgage either is a closed mortgage or remains open solely for the issuance of additional bonds which are to be pledged under such junior mortgage. The aggregate principal amount of bonds secured by such first or refunding mortgage plus the principal amount of all the underlying outstanding bonds shall not exceed sixty per centum of the value of the physical property owned as shown by the books of the corporation and subject to the lien of such mortgage or mortgages securing the total mortgage debt, provided that if a refunding mortgage, it must provide for the retirement on or before the date of their maturity of all bonds secured by prior liens on the property. No such savings bank shall loan upon or invest in bonds of such public utility companies in an amount exceeding in the aggregate ten per centum of its deposits and surplus, nor exceeding five per centum thereof in the bonds of any one public utility company."

Sec. 2. **Authorized securities.**— That Mason's Minnesota Statutes of 1927, Section 7714, be and the same is hereby amended by adding thereto the following subdivision, to-wit:

"11. In the bonds of any corporation which at the time of such investment is incorporated under the laws of the United States or any state thereof, or the District of Columbia, and authorized to engage, and engaging, in the business of furnishing telephone service in the United States, provided that such corporation is subject to regulation by the Interstate Commerce Commission or a public service commission or public utility commission or other similar federal or state regulatory body duly established by the laws of the United States or the states or state in which such corporation operates, subject to the following conditions:

"(a) Such corporation shall have been in existence for a period of not less than eight fiscal years and at no time within such period of eight fiscal years next preceding the date of such investment shall said corporation have failed to pay promptly and regularly the matured principal and interest of all its indebtedness direct, assumed or guaranteed, but the period of life of the corporation, together with the period of life of any predecessor corporation or corporations from which a substantial portion of its property was acquired by consolidation, merger, purchase or as a successor corporation, shall be considered together in determining the required period; and such corporation shall file with the Commissioner of banks or

make public in each year a statement and a report giving the income account covering the previous fiscal year and the balance sheet showing in reasonable detail the assets, and liabilities at the end of such fiscal year.

“(b) The book value of the outstanding capital stock of such corporation shall at the time of such investment be equal to at least two-thirds of its total funded debt.

“(c) For a period of five fiscal years next preceding the date of such investment the net earnings of such corporation shall have been each year not less than twice the annual interest charges on its total funded debt applicable to that period, and for such period the gross operating revenues of any such corporation shall have averaged per year not less than five million dollars.

“(d) In determining the qualifications of any bond under this subdivision where a corporation shall have acquired its property or any substantial portion thereof within five years immediately preceding the date of such investment by consolidation, merger, purchase or as a successor corporation, the gross operating revenues, net earnings and interest charges of the predecessor or constituent corporations shall be consolidated and adjusted so as to ascertain whether the requirements of paragraph (c) of this subdivision have been complied with.

“(e) The gross operating revenues and expenses of a corporation for the purpose of this subdivision shall be respectively the total amount earned from the operation of, and the total expense of maintaining and operating, all property owned and operated or leased and operated by such corporation, as determined by the system of accounts prescribed by the Interstate Commerce Commission or the public service commission or public utility commission or other similar federal or state regulatory body having jurisdiction in the matter.

“(f) The net earnings of a corporation for the purpose of this subdivision shall be the balance obtained by deducting from its gross operating revenues its operating and maintenance expenses, taxes other than federal and state income taxes, rentals, depreciation and provision for renewals and retirements of the physical assets of the corporation, and by adding to said balance its income from securities and miscellaneous sources, but not, however, to exceed fifteen per centum of said balance. The term ‘funded debt’ shall be construed to mean all interest-bearing debt excepting therefrom unsecured obligations maturing within one year of date of issue.

“(g) Such bonds must be a part of an original issue or of a subsequent series of bonds of the aggregate amount of not less than

*five million dollars, both the original issue and the subsequent series being protected by the same mortgage provisions, and must be secured by a first or refunding mortgage, and the aggregate principal amount of bonds secured by such first or refunding mortgage plus the principal amount of all the underlying outstanding bonds shall not exceed sixty per centum of the value of the property, real and personal, owned absolutely as shown by the books of the corporation and subject to the lien of such mortgage, provided that if a refunding mortgage, it must provide for the retirement of all bonds secured by prior liens on the property. Not more than thirty-three and one-third per centum of the property constituting the specific security for such bonds may consist of stock or unsecured obligations of affiliated or other telephone companies, or both. No such savings banks shall loan upon or invest in bonds of such telephone companies in an amount exceeding in the aggregate ten per centum of its deposits and surplus, nor exceeding five per centum thereof in the bonds of any one telephone company."*

Approved April 15, 1933.

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#### CHAPTER 257—H. F. No. 933

*An act to amend Mason's Minnesota Statutes of 1927, Section 5490, relating to fees for inspection of certain steam boilers and pressure vessels by boiler inspectors.*

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

**Section 1. District boiler inspector to deliver certificates—fees for inspection.**—That Mason's Minnesota Statutes of 1927, Section 5490, be amended to read as follows:

"5490. After examination and tests, if the district boiler inspector shall find any steam boiler or pressure vessel safe and suitable for use, he shall deliver to the chief boiler inspector a verified certificate in such form as the chief boiler inspector shall prescribe, containing a specification of the tests applied and the working pressure allowed, a copy of which the district boiler inspector shall furnish to the owner of the boiler or pressure vessel, who shall post and keep the same in a conspicuous place on or near such boiler or pressure vessel. The district boiler inspector shall be entitled to a fee of \$3.00 for the inspection of each boiler or pressure vessel and its connections, payable on delivery of the certificate; *provided that the fee for inspection of tanks or receptacles containing air*