

further, that this act shall not affect any pending litigation, nor apply to any corporation whose charter has been declared forfeited by any court of competent jurisdiction in this state.

3. Sec. 2. **Acts validated.**—That when such steps are taken to renew the corporate existence of such association, such proceedings shall relate back to the date of the expiration of such original corporate period; and when said period is extended as provided by this act, all corporate acts and contracts done, performed, made and entered into after the expiration of said original period shall be and each is hereby declared to be legal and valid.

✓ Approved March 1, 1933.

CHAPTER 41—S. F. No. 314

An act to amend Section 1, Chapter 173, of the Laws of 1925, as amended by Chapter 370, of the Laws of 1929, relating to the furnishing of security by depositories of public funds.

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

Section 1. Depository bonds.—Section 1, Chapter 173, of the Laws of 1925, as amended by Chapter 370, of the Laws of 1929, is hereby amended to read as follows:

“Section 1. Any bank or trust company authorized to do a banking business in this state, designated as a depository of county, city, village, borough, town or school district funds, as provided by law, may, in lieu of the corporate or personal surety bond required to be furnished to secure such funds, deposit with the treasurer of the municipality making such designations, such bonds, certificates of indebtedness or warrants, except bonds secured by real estate, as are legally authorized investments for savings banks under the laws of the state of 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—, or notes secured by first mortgages of future maturity, upon which interest is not past due, on improved real estate free from delinquent taxes, within the county wherein said bank or trust company is located, or within counties immediately adjoining such county in the State of Minnesota. The total in amount of such collateral computed at its market value shall be at least ten per cent more than the limit of deposit which would be permitted if a corporate or personal surety bond was furnished. The depository may in its discretion furnish both a bond

and collateral aggregating the required amount. Any collateral so deposited shall be accompanied by an assignment thereof to the municipality designating such depository, 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 governing body of the municipality making the designation shall have full power and authority to sell such collateral, or as much thereof as may be necessary to realize the full amount due the municipality and to pay over any surplus to the depository, or its assigns. A depository may in its discretion 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. All 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 first be approved by the same authority that designated the depository but no such authority shall be necessary for the withdrawal of collateral. The closing of a depository shall be deemed a default upon the part of the depository and no demand upon the part of the municipality, 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. If a corporate surety bond is furnished by a depository it shall be in a penal sum not to exceed the amount designated as the limit of deposit therein notwithstanding any other provisions of law to the contrary. 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. Any provision of law authorizing any county, city, village, borough, town or school district to designate banks as depositories shall be construed to include trust companies authorized to do a banking business. All bonds furnished under the provisions of this act shall be approved by the governing body of the municipality making such designation and shall be filed in the office of the county

auditor as provided by Chapter 118, of the Laws of the State of Minnesota for the year 1927, and all collateral deposited under the provisions of this act shall be approved by the governing body of the municipality making such designation and after such approval be deposited with the treasurer of such municipality, unless the governing body of such municipality shall by resolution fix and determine some other place for the safe keeping of such collateral. Provided such collateral shall not be re-deposited in the bank or trust company furnishing the same."

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

Approved March 1, 1933.

CHAPTER 42—S. F. No. 776

An act authorizing and empowering the City Council of any city of the first class now or hereafter having a population of 50,000 inhabitants or more, including any such city operating under a charter adopted pursuant to the provisions of Section 36, Article 4, of the constitution of the State of Minnesota, to reduce the salaries or compensations of officers and employees under certain conditions.

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

Section 1. **City Council may reduce salaries.**—That the City Council of any city of the First Class now or hereafter having a population of 50,000 inhabitants or more, including any such city operating under a Charter adopted pursuant to the provisions of Section 36, Article 4, of the Constitution of the State of Minnesota, is hereby authorized and empowered to reduce the salaries or compensations now prescribed under the provisions of any such Charter and ordinances enacted in pursuance thereof for all officers and employees, whether elective or appointive, in an amount not less than 10% thereof.

Sec. 2. **Effective for two years.**—This act shall take effect and be in force for a period of two years from and after its passage.

Approved February 28, 1933.