

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

Section 1. Law amended.—That Section 3 of Chapter 319 of the Session Laws of 1935, be amended so as to read as follows :

“Section 3. May insure deposits.—Whenever any banking institution shall have been closed, and said Federal Deposit Insurance Corporation shall have paid or made available for payment the insured deposit liabilities of such closed institution, the Corporation, *whether or not it has or shall thereafter become a liquidating agent of such closed institution as hereinafter provided*, shall be subrogated by operation of law with like force and effect as if the closed institution were a national bank, to all rights of the owners of such deposits against such closed banking institution in the same manner and to the same extent as *now or hereafter necessary to enable the Federal Deposit Insurance Corporation under Federal Law to make insurance payments available to depositors of closed insured banks*; provided, that the rights of depositors and other creditors of such closed institution shall be determined in accordance with the laws of this state.

“The Commissioner of Banks may in his discretion in the event of the closing of any banking institution by reason of inability to meet the demands of its depositors, the deposits of which banking institution are to any extent insured by said Corporation, tender to said Corporation the appointment as liquidating agent of such banking institution, and if the Corporation accepts such appointment it shall have and possess all the powers and privileges provided by the laws of this state with respect to a special deputy examiner of the Banking Division of the Department of Commerce in the management and liquidation of such institution, and be subject to all of the duties of such special deputy examiner; Provided, that nothing herein contained shall be construed as a surrender of the right of the Commissioner of Banks to liquidate banking institutions under his supervision pursuant to the statute in such case made and provided; Provided, further, that the Commissioner of Banks is hereby authorized and empowered to waive the filing of a bond by said Corporation as such special deputy examiner.”

Approved April 24, 1937.

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#### CHAPTER 405—S. F. No. 1226

*An act to legalize certain payments heretofore made by villages to reimburse persons for payments made for labor and materials in the construction of extensions or connections of sewers or water mains.*

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

**Section 1. Payments for labor and material in construction of sewer legalized.**—The payment of any monies heretofore made out of the public treasury of any incorporated village in this state for the purpose of reimbursing any person, or persons, in whole or in part for the expenses of labor and material in the construction and installation of extensions of or connections with sewer or water mains within said village is hereby legalized and validated notwithstanding the provisions of any village ordinance that such expense shall be paid wholly by the persons making such extensions or connections. No action shall be commenced hereafter for the recovery by any village of any such payments heretofore made.

**Section 2. Not to affect pending actions.**—The provisions of this act shall not affect any action or proceeding now pending in any of the courts of this state.

**Section 3.** This act shall take effect and be in force from and after its passage.

Approved April 24, 1937.

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#### CHAPTER 406—H. F. No. 1121

*An act authorizing assessment benefit associations organized pursuant to the provisions of Laws 1933, Chapter 241, and holding a certificate of authority from the commissioner of insurance to do business as assessment benefit associations in the state of Minnesota to effect reinsurance and providing rules and regulations therefor.*

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

**Section 1. Assessment benefit associations may reinsure.**—Five or more duly licensed assessment benefit associations organized and doing business in Minnesota under Laws 1933, Chapter 241, and in a manner approved by the commissioner of insurance of the state of Minnesota, may organize a mutual association for the purpose of reinsuring the risks or any part or portion of the risks of any assessment benefit association in such amount upon such terms and conditions and for such consideration as shall be authorized by the by-laws of such reinsurance association. Reinsurance contracts under this act shall cover risks lawfully existing and assumed by assessment benefit associations at the time when such contracts of