

cent per annum. These certificates shall be payable solely out of the county building fund established under Minnesota Statutes, Section 373.25, and shall not be full faith and credit obligations of the county. These certificates of indebtedness shall mature serially over a period of not exceeding 15 years from their date of issuance. These certificates shall be sold in the manner prescribed by law for the sale of county bonds. No sale of these certificates shall be for less than par and accrued interest.

Sec. 3. Building fund. When any county shall have issued and sold these certificates of indebtedness a sufficient sum in the county building fund shall be set aside each year, before expenditures are made from the fund or set aside for any other purpose, to pay the principal and any interest accruing during that year on the certificates of indebtedness and the accrued principal and interest shall be a first charge upon the fund until they are paid in full.

Sec. 4. Tax levy annually. Any county issuing and selling these certificates shall annually make a levy for county building fund purposes sufficient to pay the principal and the interest accruing on such certificates in each year, but such levy for the county building fund in any county in any year shall never exceed the maximum now prescribed by law that may be levied for county building purposes.

Sec. 5. Plans, approval. No money realized from the sale of these certificates shall be expended for the construction of a county jail until the plans for such buildings have first been approved by the state director of public institutions.

Approved April 6, 1951.

CHAPTER 257—S. F. No. 888

An act relating to assessment benefit associations; amending Minnesota Statutes 1949, Sections 63.02 and 63.235, Subdivision 5.

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

Section 1. Minnesota Statutes 1949, Section 63.02, is amended to read:

63.02. **Application, permit to solicit.** On receipt of articles of association the commissioner shall examine the same and, if he shall find that the objects and purposes are fully and definitely set forth and are within the provisions of sections 63.01 to 63.22, and that the name or title is not the same or does not so closely resemble a name or title in use as to have a tendency to mislead the public, approve the same, and upon deposit with him, as commissioner, of the sum of \$10,000 in cash, or in bonds of the character required for deposit by life insurance companies, to secure the performance by these persons and by the proposed corporation of their obligations, shall issue a permit to these persons to solicit applications for membership in the proposed association.

Sec. 2. Minnesota Statutes 1949, Section 63.235, Subdivision 5, is amended to read:

63.235. Subd. 5. **Expense allowances; dividends.** In addition to the net premium *for death benefit* assessed on a certificate, the association may provide for a further sum to be used for expense puposes. Such sum shall be levied and collected with and as a part of the premium payable by the member *for the death benefit* and shall not exceed the sum of \$4.00 per certificate year or a sum equal to 20 per cent of the net premium *for death benefit* on the certificate, whichever is the greater. *If a certificate provides for payment of accidental death benefits, the premiums charged for such benefits, in excess of reserve requirements therefor, may also be used for expense purposes.* Any such association may issue certificates on the first year preliminary term basis, in which event an amount equal to 75 per cent of the proceeds from the gross premium collected thereunder during the preliminary term may be used for expense purposes. All the proceeds from the premiums and assessments as herein provided, except such part thereof as is properly placed in the expense account, shall be credited to the benefit account of the association and shall be used for the payment of death claims, dividends, reinsurance premiums and investment expenses. The amount so credited in the benefit account shall be invested in securities of the same character as those permitted for the investment of funds of domestic life insurance companies. Dividends may be paid from the funds in the benefit account,

but only from funds accumulated therein in excess of full reserve requirements under the required table of mortality with interest at four per cent per annum, first year preliminary term.

Approved April 6, 1951.

CHAPTER 258—S. F. No. 938

An act relating to savings building and loan associations; authorizing indemnification of officers and directors of certain expenses; amending Minnesota Statutes 1949, Section 51.34, by adding a new subdivision thereto.

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

Section 1. Minnesota Statutes 1949, Section 51.34, is amended by adding the following new subdivision:

51.34 [Subd. 10] **Indemnification.** *To indemnify each director or officer or former director or officer against all expenses, including attorneys' fees, but excluding amounts paid pursuant to a judgment or settlement agreement, reasonably incurred by him in connection with or arising out of any action, suit or proceeding to which he is a party, by reason of being or having been a director or officer of the corporation, except with respect to matters as to which he shall be finally adjudged in such action, suit or proceeding to be liable for negligence or misconduct in the performance of his duties. Such indemnification shall not be exclusive of any other rights to which he may be entitled under any by-law, agreement, vote of stockholders or otherwise.*

Approved April 6, 1951.

CHAPTER 259—S. F. No. 939

An act relating to the League of Minnesota Municipalities, making employees of the League of Minnesota Municipal-