

\$5,000, conditioned for the faithful discharge of his duties and economical expenditures of the funds provided for hereunder. The trustee who shall be selected by the board as treasurer of the home shall give an additional bond to the state in such sum as may be designated by the board of trustees, conditional that such treasurer shall account for and pay over, according to the directions of the board, all moneys or other property which may come into his possession with the consent of the inmates from the inmates of such home as such treasurer. The surety on such treasurer's bond may be any surety company that is authorized to contract as such by the laws of this state, and the cost thereof shall be paid out of the home support fund.

Approved April 6, 1951.

CHAPTER 266—H. F. No. 476

[Not Coded]

An act authorizing counties having more than 300,000 and less than 450,000 inhabitants to expend money for Memorial Day observance.

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

Section 1. Ramsey County, observance of Memorial Day. In counties having more than 300,000 and less than 450,000 inhabitants the county board is authorized to expend in such manner as it may deem best, an amount not exceeding \$500 annually for aiding in the appropriate observance of Memorial Day and in the annual commemoration of the noble and valiant deeds of the nation's soldier dead.

Approved April 6, 1951.

CHAPTER 267—H. F. No. 686

An act relating to taxes on and measured by net income, amending Minnesota Statutes 1949, Section 290.13.

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

290.13 Section 1. Minnesota Statutes 1949, Section 290.13, is amended by adding a new subdivision to read:

Subd. 8. What considered as money received by taxpayer upon exchange. Where upon an exchange the taxpayer receives as part of the consideration property which would be permitted by subdivision 1, clause (4) or (5) of this section to be received without the recognition of gain if it were the sole consideration, and as part of the consideration another party to the exchange assumes a liability of the taxpayer or acquires from the taxpayer property subject to a liability, such assumption or acquisition shall not be considered as "other property or money" received by the taxpayer within the meaning of subdivision 2, 3, or 4 of this section and shall not prevent the exchange from being within the provisions of subdivision 1, clause (4) or (5); except that if, taking into consideration the nature of the liability and the circumstances in the light of which the arrangement for the assumption or acquisition was made, it appears that the principal purpose of the taxpayer with respect to the assumption or acquisition was a purpose to avoid income taxes imposed by this chapter on the exchange, or, if not such purpose, was not a bona fide business purpose, such assumption or acquisition (in the amount of the liability) shall, for the purposes of this section, be considered as money received by the taxpayer upon the exchange.

Sec. 2. This act shall apply to all taxable years beginning after December 31, 1950.

Approved April 6, 1951.

CHAPTER 268—H. F. No. 743

An act relating to exemptions from gift taxes; amending Minnesota Statutes 1949, Section 292.04.

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

Section 1. Minnesota Statutes 1949, Section 292.04, is amended to read: