

after the present national emergency ceases to exist through declaration of the proper constituted authorities; termination date to be whichever of these provisions first chronologically occurs.

Approved March 16, 1951.

CHAPTER 79—H. F. No. 167

[Coded as Section 300.323]

An act concerning trusts and trustees and relating to the allocation of principal and income from corporate stocks.

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

[300.323] Section 1. **Allocation of principal and income.** Subdivision 1. **Income and principal, ascertainment.** (1) Subject to clause (2), the provisions of this act govern the ascertainment of income and principal and apply in the construction of

(a) all agreements containing trust provisions entered into subsequent to the effective date of this act;

(b) all wills made by testators who die subsequent to the effective date of this act; and

(c) all other wills and trust agreements and trust relations insofar as such terms do not impair the obligation of contract or deprive persons of property without due process of law.

(2) A specific provision, contained in any trust instrument or agreement or in any will, which governs the allocation of principal and income, controls such allocation notwithstanding this act.

Sec. 2. Subd. 2. **Dividends, when deemed principal.** All dividends on shares of a corporation forming a part of the principal, which are payable only in the shares of the corporation, shall be deemed principal. All rights to subscribe to

shares or other obligations of a corporation accruing on account of the ownership of shares in such corporation and the proceeds of any sale thereof shall be deemed principal.

Sec. 3. Subd. 3. Corporate assets, disbursement deemed principal. All disbursements of corporate assets to the stockholders of a corporation, which are designated by the corporation as a return of capital or as a division of corporate property, shall be deemed principal.

Sec. 4. Subd. 4. Trustee, option in receiving dividend, deemed income. Where a trustee shall have the option of receiving a dividend, either in cash or in the shares of the declaring corporation, such dividend shall be considered a cash dividend and shall be deemed income irrespective of the option selected by the trustee.

Sec. 5. Subd. 5. Dividends deemed income. Subject to the provisions of sections 2, 3, and 4, all dividends, including ordinary and extraordinary dividends and dividends payable in share or other securities or obligations other than those of the declaring corporation, shall be deemed income.

Sec. 6. Subd. 6. Limitation of section. The provision of this act shall not govern the ascertainment of what constitutes the receipt of income or principal by the estate or trust for income tax purposes.

Approved March 16, 1951.

CHAPTER 80—H. F. No. 179

An act relating to the amount of money which may be raised by taxation in certain towns for road and bridge purposes; amending Minnesota Statutes 1949, Section 163.05.

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

Section 1. Minnesota Statutes 1949, Section 163.05, is amended to read:

163.05. Taxation, road and bridge purposes. Subdivi-