

keep a reserve equal to 12 per cent of its demandable liabilities and five per cent of its time deposits; which shall be in cash and balance due from solvent banks. No bank shall act as reserve agent for another without the approval of the commissioner if its capital and surplus are less than \$25,000. When its reserve shall become impaired, it shall make no new loans or discounts except upon sight bills of exchange, nor declare any dividend until the same has been fully restored. The term "reserve city," as used herein, shall be taken to mean such cities as are designated as reserve cities by act of congress or other federal authority.

Subd. 2. **State banks, change in requirements** Whenever the commissioner of banks shall determine that the maintenance of sound banking practices or the prevention of injurious credit expansion or contraction makes action advisable, he may make an order changing the requirements as to reserve against demand or time deposits, or both, in state banks which are not members of the Federal Reserve System. The reserve requirements established in any such order shall not be less than the requirements contained in subdivision 1 of this section, nor more than those required of member banks of the Federal Reserve System on the date that the order is made by the commissioner.

Approved February 21, 1953.

CHAPTER 37—H. F. No. 216

[Not Coded]

Manhato
An act relating to firemen's relief association in certain cities of the state of Minnesota; amending Laws 1949, Chapter 144, Sections 12, 25.

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

Section 1. Laws 1949, Chapter 144, Section 12, is amended to read:

Sec. 12. **City council; tax levy; deductions.** The city council or other governing body of each such city wherein such a relief association is located shall each year at the time all tax levies for the support of the city are made and in addition thereto levy a tax of one mill on all taxable property within said city. When said special fund shall reach or exceed \$100,000, the levy, each year, shall be one-tenth of a mill until the fund goes below \$100,000 when the levy shall again be one mill. The tax so levied shall be transmitted with other tax levies to the

auditor of the county in which such city is located and by said county shall be collected and payment thereof enforced when and in like manner as state and county taxes are paid. In addition thereto, and only if such tax is levied, the city treasurer, finance commissioner or other officer charged with the responsibility of the city's finances, shall each month deduct the sum of \$3.00 from the basic monthly pay of all firemen and transfer the total thereof to the treasurer of the special fund of the firemen's relief association, who shall credit said total to the special fund and to the credit of the individual firemen. If a fireman in such city is separated from the service under such circumstances that no pension benefits are payable to him, or in the event of his death to his widow or children, the treasurer of the special fund, shall return to the fireman or to his immediate family in the event such separation is due to his death, all of the amounts so deducted from his base pay, without interest. The tax so levied shall be transmitted with other tax levies to the auditor of the county in which such city is situated, and by said county shall be collected and payment thereof enforced when and in like manner as state and county taxes are paid.

Sec. 2. Laws 1949, Chapter 144, Section 25, is amended to read:

Sec. 25. **Certified accountant.** *The board of directors of such association shall arrange to have a public accountant or the public examiner, each year, examine the books and accounts of the secretary and the treasurer of each such relief association. If he finds that any money has been expended for purposes not authorized by this act, he shall report the same to the governor, who shall thereupon direct the state auditor not to issue any further warrants to such association until the public accountant or public examiner shall report that money unlawfully expended has been replaced. The governor may also take such further action as the emergency may demand.*

Approved February 21, 1953.

CHAPTER 38—H. F. No. 270

An act relating to savings, building and loan associations and amending Minnesota Statutes 1949, Section 51.24.

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