

new control works under authority of this act or any other provision of law, upon any public waters controlled by such dam.

Approved April 21, 1953.

*Virginia*

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CHAPTER 491—H. F. No. 644

[Not Coded]

*An act authorizing certain cities of the third class to incur indebtedness and to issue bonds for the purpose of enlarging or constructing additions to and equipping community hospitals and the levying of taxes therefor.*

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

**Section 1. Cities third class, 12,000-15,000; community hospital, bonds.** Any city of the third class having a population of not less than 12,000 and not more than 15,000, and an assessed valuation of not less than \$15,000,000 and not more than \$23,000,000, and of which valuation more than 50 percent consists of iron ore, may incur indebtedness and issue and sell the bonds of such city, in an amount not to exceed \$1,500,000, for the purpose of enlarging or constructing additions to, and the equipping of a community hospital.

**Sec. 2. Bonds, manner of sale.** Such bonds shall be issued and sold pursuant to the provisions of Minnesota Statutes, Chapter 475; except that the bonds authorized herein may be issued by resolution of the council without first obtaining the approval or a vote of the electors.

**Sec. 3. Tax levy to pay bonds.** The governing body may levy taxes for the payment of such bonds without limitation as to rate or amount and in excess of existing limitations; and the moneys collected on such tax levies, shall be used only for the payment of the bonds authorized herein.

Approved April 21, 1953.

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CHAPTER 492—H. F. No. 720

[Coded]

*An act relating to the executive council; repealing Minnesota Statutes 1949, Sections 9.01 to 9.15, and Section 9.28, as amended.*

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

Section 1. [9.011] **Members; duties, powers.** Subdivision 1. The executive council consists of the governor, secretary of state, state auditor, state treasurer, and attorney general. The governor is chairman.

Subd. 2. The executive council appoints, fixes the salary of, and removes at pleasure an executive secretary. He shall act as secretary of the state board of pardons and the state board of investment and perform such other duties as are assigned to him by the executive council.

Subd. 3. Within the limits of, and subject to the conditions of, the appropriation for salaries for the council, the executive secretary may employ such personnel as is necessary, and who may be employed in other departments of the state when so assigned.

Sec. 2. [9.021] **Meetings.** The executive council shall meet upon the call of the governor or upon the call of the executive secretary at the request of three or more members.

Sec. 3. [9.031] **Designation of depositories for state funds.** Subdivision 1. The executive council shall designate banks or trust companies within the state as depositories to receive state funds. The state treasurer is not liable for the safe-keeping of the funds so lawfully deposited. The banks or trust company so designated as depositories must:

- (1) Have been organized for at least one year; or
- (2) Have taken over or absorbed a bank or trust company that has been organized for at least one year.

Subd. 2. Except as provided in subdivision 3, a depository shall furnish and file with the state treasurer a corporate surety bond to secure state funds deposited with it. The executive council shall approve the bond.

The executive council shall not approve any depository bond until fully satisfied that the bond is in proper form, the securities sufficient, the depository prosperous and financially sound, and the capital stock claimed by it fully paid up and not impaired. Each depository bond shall provide that during the time the bond is in force the depository will pay all the state funds deposited with it to the state treasurer, free of exchange, at any place in the state designated by him. If the deposit is a time deposit it shall be paid, together with interest, only when due. At any time the executive council or the state treasurer may require a new or additional bond from any depository.

Subd. 3. In lieu of the corporate bond required in subdivision 2, a depository may deposit with the state treasurer collateral to secure state funds that are to be deposited with it. The executive council must approve the collateral.

The executive council shall not approve any collateral except;

(1) Bonds and certificates of indebtedness, other than bonds secured by real estate, that are legal investments for savings banks under any law of the state; and

(2) Bonds of any insular possession of the United States, of any state, or of any agency of this state, the payment of the principal and interest of which is provided for by other than direct taxation.

The collateral deposited shall be accompanied by an assignment thereof to the state, which assignment shall recite that:

(1) The depository will pay all the state funds deposited with it to the state treasurer, free of exchange or other charge, at any place in this state designated by him; if the deposit is a time deposit it shall be paid, together with interest, only when due; and

(2) In case of default by the depository the state may sell the collateral, or as much of it as is necessary to realize the full amount due from the depository, and pay any surplus to the depository or its assigns.

Upon the direction of the executive council, the treasurer, on behalf of the state, may reassign in writing to the depository any registered collateral pledged to the state by assignment thereon.

A depository may deposit collateral of less value than the total designation and may, at any time during the period of its designation, deposit additional collateral, withdraw excess collateral, and substitute other collateral for all or part of that on deposit, approval of the executive council is not necessary for the withdrawal of excess collateral.

If the depository is not in default the treasurer shall pay the interest collected on the deposited collateral to the depository.

Subd. 4. A depository may furnish more than one bond or both bonds and collateral to secure state funds to be deposited with it. If both bonds and collateral are furnished the

depository may withdraw all or any part of the collateral without in any way impairing the bond unless there is a provision in the bond that the collateral will not be withdrawn without the consent of the surety on the bond.

Subd. 5. The executive council shall prescribe the maximum amount that may be deposited in each depository. In no case shall the amount of the deposit exceed:

- (1) The penalty on the bonds;
- (2) 90 percent of the market value of the bonds; or
- (3) The penalty on the bonds plus 90 percent of the market value of the collateral, if both are furnished.

Subd. 6. The state treasurer may deposit in any qualified depository in the name of the state, state funds in his hands.

Subd. 7. The executive council may permit any designated depository to receive from any official, department, institution, or other agency of the state special deposits of state moneys that have not been paid into the state treasury. All moneys so deposited are deemed deposited pursuant to such designation.

Upon the direction of the state treasurer a depository may receive and carry as a special deposit departmental receipts received by the treasurer in accordance with Minnesota Statutes, Section 10.07, until the report required by that section has been filed with the state auditor and the proper entries have been made in the treasurer's records transferring these receipts to the proper funds.

Upon direction of the state treasurer a depository may receive and carry as a special deposit an amount of money withdrawn from the treasury that may be immediately required to pay principal or interest, or both, of maturing obligations of the state. Upon the direction of the treasurer the depository may pay out of such deposit the maturing obligations and surrender them to the treasurer for cancelation.

The executive council shall fix the rate of interest to be paid upon the special accounts authorized by this subdivision or may waive payment of interest if in its judgment the average amount deposited is not sufficient to justify charging interest.

Subd. 8. Depositories shall be divided into two classes to be known as active and inactive. A depository may be designated as a depository of both classes.

All state funds deposited in active depositories are subject to withdrawal by the state treasurer upon demand and no interest shall be charged on these deposits.

Surplus funds not required to meet the state's current disbursements shall be deposited for a definite period in inactive depositories and interest shall be paid on these deposits at a rate not less than one percent nor more than three percent per annum. This rate shall be fixed by the executive council in accordance with the current rate upon similar deposits.

Subd. 9. When the executive council deems necessary it may require any depository of state funds or any surety on a depository bond to furnish a sworn statement of the financial condition of the depository or surety. Failure to render a statement within a reasonable time is sufficient ground for revocation of the designation.

Any person who makes a false statement to the executive council with regard to the financial condition of a depository or the surety on a depository bond, is guilty of a gross misdemeanor.

Subd. 10. The closing of a depository is a default by the depository and no demand by the state or its treasurer is necessary to establish the default. When a depository closes, any time deposit therein is immediately due and payable.

Subd. 11. In any proceeding to wind up an insolvent depository of state funds the state is a preferred creditor.

Where a bond has been given by the depository the state may proceed either as a preferred creditor against the assets of the insolvent depository or as the obligee on the surety bond against the surety thereon or against both as the executive council deems advisable.

If the state receives or recovers any amount of its claim from the surety, the latter is not, by reason thereof, subrogated to the claim of the state against the assets of the insolvent depository as a preferred creditor.

Subd. 12. The executive council may revoke its designation of any depository at any time. Upon revocation of an active depository the treasurer shall withdraw the state funds deposited therein immediately and shall make no further deposits therein. Upon revocation of an inactive depository the treasurer shall withdraw state funds deposited therein when they become due and shall make no further deposits therein.

Sec. 4. [9.041] **Settlement of certain claims and controversies with United States.** Subdivision 1. The executive

council may consider and propose terms of settlement to the legislature of all claims and controversies between the state and the United States over lands granted to the state by the United States under any act of Congress. It may consider and propose terms of settlement of these claims separately or totally. When the legislature approves a settlement, the executive council may accept patents of land issued by the United States and may reconvey to the United States any lands that it, by unanimous vote, determines should be reconveyed to carry out the provisions of this section.

Subd. 2. The executive council shall refer its findings and conclusions to the legislature for confirmation and no adjustment or settlement of any claim by the executive council is final until ratified by the legislature. The executive council may make final settlement and adjustment of individual claims of settlers or Indian allottees, where the land in question does not exceed 100 acres.

Subd. 3. The state auditor shall report to the executive council the status of:

(1) All claims of the state against the United States for lands patented to the state by the United States under any acts or grants relating to lands; and

(2) All claims of the United States against the state for lands alleged to have been wrongfully patented or conveyed to the state by the United States.

Subd. 4. The state auditor shall expend from any fund appropriated to maintain any department of his office sums for clerk hire, travel, hotel bills, or other expenses necessary to carry out this section. The state auditor shall audit and the executive council shall approve these expenditures. A per diem expenditure may be audited and approved for these purposes.

Sec. 5. [9.051] **Timber permits, extension.** Subdivision 1. When the legislature authorizes extension of incomplete timber permits, upon application of the holders of such incomplete permits the executive council may, for good and sufficient reason and with the recommendation of the commissioner of conservation, extend the permits for such period of time as it deems advisable.

Subd. 2. Any permit extended under this section is subject to a charge of six percent per annum interest on the entire unpaid purchase price. The destruction of the timber by any cause during the time of the extension does not relieve the purchaser from payment for the destroyed timber and he is

liable to the state for the destroyed timber as provided in Minnesota Statutes, Section 90.07.

Sec. 6. [9.061] **Additional powers; relief, emergency.**  
Subdivision 1. The executive council may:

- (a) take such measures as are necessary to prevent an impending disaster that threatens to destroy life or property;
- (b) grant relief to communities stricken by disease, fire, action of the elements, or extreme economic distress; and
- (c) prevent the occurrence or spread of any disaster.

In these emergencies, the executive council may, when necessary, commandeer and use any property, vehicle, means of transportation, means of communication, or public service. The owner of any property taken shall be given a receipt for the property and be paid for its use and for any damages inflicted upon the property while in the service of the executive council.

Subd. 2. When necessary to grant relief or to prevent disaster, the executive council may use any of the facilities or offices of the state, may command the services of any state military organization, the services of the forces of the state fire marshal or any state department, and the services of employees of the state. These employees shall serve without additional pay, but all proper and necessary expenses incurred while in the performance of duty shall be paid out of funds provided in this section. Members of any state military organization shall be paid for their services while on duty as provided by the military code upon warrants drawn by the adjutant general.

Subd. 3. When an emergency exists and the attorney general certifies that money is needed, the executive council shall furnish the requested money from funds provided by this section.

Subd. 4. The executive council shall transmit to the legislature a detailed report of all its expenses and all moneys paid out not later than March first of each year in which there is a regular session. It shall transmit information and make recommendations to assist the legislature in the enactment of legislation to prevent calamities.

Subd. 5. Where an emergency exists the executive council may, within the amount appropriated to the executive council for the purposes of this section, expend such amount as is necessary.

Subd. 6. For the purpose of carrying out the provisions of this section, whenever an emergency exists, the executive council, within the limitations hereinafter prescribed, is authorized to borrow such a sum of money as shall in its judgment be necessary and sufficient. The executive council shall not expend or borrow, under authority of this section, more than \$200,000 during any fiscal year.

Subd. 7. The executive council shall have power for that purpose to issue the interest-bearing certificates of indebtedness of the state in such denominations and sums as it shall determine advisable, to bear interest at a rate not exceeding five percent per annum payable semi-annually, and to be due and payable at such times as it may designate, but none of these certificates shall be issued for a period exceeding ten years.

Subd. 8. The certificates of indebtedness issued under this section shall be made payable at such place as the executive council shall determine. There shall be attached to each certificate coupons evidencing the semiannual installments of interest to fall due on the same.

Subd. 9. The state auditor is hereby authorized and required to formally levy, and enter and collect annually, after the date of issuance of these certificates of indebtedness, a tax upon the taxable property of the state, in addition to all other taxes levied, sufficient to pay the interest annually accruing upon the certificates of indebtedness issued in pursuance of this section; and, in advance of the maturity of the principal of any of the certificates, he shall in like manner levy a tax upon the taxable property of the state sufficient to pay such principal sum when due.

Subd. 10. The executive council shall sell such certificates to such persons, associations, and corporations, including the State of Minnesota, as it deems advisable, but in no case for less than par.

Sec. 7. [9.071] **Settlement of claims; other specified powers.** The council has the powers with respect to the:

(1) Cancellation or compromise of claims due the state provided in Minnesota Statutes, Sections 10.11 to 10.15;

(2) Refunding abandoned property or funds in banks that have been taken by the state in escheat provided in Minnesota Statutes, Section 48.527;

(3) Timberlands provided in Minnesota Statutes, Sections 90.11, 90.12, 90.21;

(4) Lands acquired from the United States provided in Minnesota Statutes, Section 94.50;

(5) Lands subject to delinquent drainage assessments provided in Minnesota Statutes, Section 84A.20;

(6) Transfer of lands between departments of state government provided in Minnesota Statutes, Section 15.16;

(7) Sale or exchange of lands within national forests provided in Minnesota Statutes, Sections 92.30, 92.31;

(8) Approval of acquisition of land for camping or parking area provided in Minnesota Statutes, Section 97.48;

(9) Modification of iron leases provided in Minnesota Statutes, Section 93.191;

(10) Awarding permits to prospect for iron ore provided in Minnesota Statutes, Section 93.17;

(11) Approval of regulations for issuance of permits to prospect for minerals under state lands provided in Minnesota Statutes, Section 93.08;

(12) Rural credit deficiency fund certificates of indebtedness provided in Minnesota Statutes, Section 11.37;

(13) Construction of dams provided in Minnesota Statutes, Section 110.13.

Sec. 8. Minnesota Statutes 1949, Sections 9.01, 9.02, 9.03, 9.036, 9.04, 9.05, 9.06, 9.07, 9.08, 9.09, 9.10, 9.11, 9.12, 9.13, 9.14, 9.15, 9.28, are hereby repealed.

Approved April 21, 1953.

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#### CHAPTER 493—H. F. No. 773

*An act providing that recorded easements, restrictions or permits shall survive sales of tax-forfeited lands; amending Minnesota Statutes 1949, Section 282.01, Subdivision 6; 280.03 and 280.11.*

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

Section 1. Minnesota Statutes 1949, Section 282.01, Subdivision 6, is amended to read:

Subd. 6. **Certificate, commissioner of taxation.** When any sale has been made by the county auditor under sections 282.01 to 282.13, he shall immediately certify to the commis-