

any cigarettes on any such car without first having obtained the license herein provided.

Subd. 3. **Enforcement.** The commissioner of *taxation*, his assistants and employees shall enforce the provisions of this section, and the fees collected shall be paid into the state treasury by the commissioner.

Subd. 4. **Violations.** Any person violating any of the provisions of this section shall be guilty of a misdemeanor.

Approved March 18, 1955.

CHAPTER 197—H. F. No. 770

An act prescribing qualifications for the judge of probate; amending Minnesota Statutes 1953, Section 525.04.

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

Section 1. Minnesota Statutes 1953, Section 525.04, is amended to read:

525.04 **Judge; election, qualifications, bond.** There shall be elected in each county a probate judge who *shall be learned in the law, except that probate judges now in office shall be considered learned in the law insofar as being eligible to continue in office and to be re-elected to same.* Before he enters upon the duties of his office *he* shall execute a bond to the state in the amount of \$1,000, approved by the county board and conditioned upon the faithful discharge of his duties. Such bond with his oath shall be recorded in the office of the register of deeds and filed in the office of the secretary of state after approval as to form by the attorney general. The premiums on such bond and the expenses of such recording and filing shall be paid by the county. An action may be maintained on such bond by any person aggrieved by the violation of the conditions thereof.

Approved March 18, 1955.

CHAPTER 198—H. F. No. 814

An act relating to taxes on and measured by net income; amending Minnesota Statutes 1953, Section 290.16, Subdivision 8.

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

Section 1. Minnesota Statutes 1953, Section 290.16, Subdivision 8, is amended to read:

Subd. 8. For the purpose of this section

(1) In determining the period for which the taxpayer has held property received on an exchange there shall be included the period for which he held the property exchanged, if, under the provisions of *this chapter*, the property received has, for the purpose of determining gain or loss from a sale or exchange, the same basis in whole or in part in his hands as the property exchanged, and, in the case of such exchanges after March 1, 1954, if the property exchanged at the time of such exchange was a capital asset as defined in section 290.16, subdivision 3 (1) or property described in section 290.16, subdivision 9 (1) and (2). For the purposes of this paragraph, an involuntary conversion described in section 290.13, subdivision 5, shall be considered an exchange of the property converted for the property acquired.

(2) In determining the period for which the taxpayer has held property however acquired there shall be included the period for which such property was held by any other person, if under the provisions of *this chapter*, such property has, for the purpose of determining gain or loss from a sale or exchange, the same basis in whole or in part in his hands as it would have in the hands of such other person.

(3) In determining the period for which the taxpayer has held stock or securities received upon a distribution where no gain was recognized to the distributee, there shall be included the period for which he held the stock or securities in the *distributing* corporation prior to the receipt of the stock or securities upon such distribution.

(4) In determining the period for which the taxpayer has held stock or securities the acquisition of which (or the contract or option to acquire which) resulted in the nondeductibility (under section 290.09 (4) third sentence relating to wash sales) of the loss from the sale or other disposition of substantially identical stock or securities, there shall be included the period for which he held the stock or securities the loss from the sale or other disposition of which was not deductible.

(5) In determining the period for which the taxpayer has held stock or securities acquired from a corporation by the exercise of rights to acquire such stock or securities, there shall be included only the period beginning with the date upon which the right to acquire was exercised.

(6) In determining the period for which the taxpayer has held a residence, the acquisition of which resulted, under section 290.13, in the nonrecognition of the gain or any part thereof realized from the sale or exchange of another residence, there shall be included the period for which such other residence was held as of the date of such sale or exchange. *For purposes of this paragraph, the term "sale or exchange" includes an involuntary conversion occurring after December 31, 1950 and before January 1, 1955.*

(7) *In determining the period for which the taxpayer has held a commodity acquired in satisfaction of a commodity futures contract there shall be included the period for which he held the commodity futures contract if such commodity futures contract was a capital asset in his hands.*

Approved March 18, 1955.

CHAPTER 199—H. F. No. 895

An act relating to the special fund of firemen's relief associations in cities of the second class; amending Minnesota Statutes 1953, Section 424.165, Subdivision 1.

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

Section 1. Minnesota Statutes 1953, Section 424.165, Subdivision 1, is amended to read:

424.165 Special fund, maintenance. Subdivision 1. **Surcharge.** When the balance in the special fund of any firemen's relief association in any city of the second class is less than \$50,000 as determined by any such association's board of trustees, which fact shall be duly certified to by the *public examiner*, such board of trustees may thereupon file its duly verified petition for relief, accompanied by such certificate, with the commissioner of insurance. The commissioner of insurance shall thereupon order and direct a surcharge to be collected of two percent of the fire, lighting and sprinkler leakage gross premiums, less return premiums, on all direct business received by any foreign or domestic fire insurance company on property in such city of the second class, or by its agents for it, in cash or otherwise, until the balance in the special funds of such relief association amounts to \$50,000 and for a period of 15 days thereafter. As soon as the balance in said special fund amounts to \$50,000 the board of trustees of such relief association shall certify that fact to the commissioner of insurance and the commissioner of insurance shall forthwith issue his order ordering and directing that the col-