

than 10,100 according to the 1950 federal census and operating under a home rule charter and holding a city election biennially, the board of park commissioners shall consist of six members who shall hold office for the period of six years from and after the date of their election and qualification and until their successors are duly elected and qualify, and in such cities changing from annual to biennial elections a sufficient number of members shall be elected at the first biennial election hereafter or following such change and for such terms to provide a full board of six members, with terms of two members expiring on the date of the first following election, the term of two members expiring on the date of the second following election and the term of two members expiring on the date of the third following election.

Approved April 7, 1955.

CHAPTER 383—H. F. No. 715

An act relating to the department of civil service, pertaining to salaries; amending Minnesota Statutes 1953, Section 43.08.

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

Section 1. Minnesota Statutes 1953, Section 43.08, is amended to read:

43.08 **Salaries.** The salaries of the members of the staff of the state department of civil service shall be fixed in accordance with the salary schedules established as authorized by this chapter.

Approved April 7, 1955.

CHAPTER 384—H. F. No. 737

An act relating to the commitment and provisional discharge of patients of state mental hospitals; amending Minnesota Statutes 1953, Section 525.753, Subdivision 4.

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

Section 1. Minnesota Statutes 1953, Section 525.753, Subdivision 4 is amended to read:

Subd. 4. **Provisional discharge.** The superintendent

of any state hospital to which any patient who is mentally ill, senile, or inebriate is committed or transferred may provisionally discharge such patient; and, unless such patient is readmitted to a state hospital within 12 months after the date of such provisional discharge, or unless proceedings were commenced for the appointment of a guardian for such patient, or unless the period of the provisional discharge is extended by the superintendent, the provisional discharge becomes absolute and operates to restore such patient to capacity. *If, while on provisional discharge or extended provisional discharge, a patient is discharged as provided in section 253.16, the discharge shall be absolute and shall operate to restore such patient to capacity.*

Notice of the expiration of the 12 months' period or of the extended period shall be given by the superintendent to the committing court and to the *commissioner of public welfare.*

Approved April 7, 1955.

CHAPTER 385—H. F. No. 819

An act relating to taxes on and measured by net income; amending Minnesota Statutes 1953, Sections 290.01, Subdivision 21 and 290.21.

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

Section 1. Minnesota Statutes 1953, Section 290.01, Subdivision 21, is amended to read:

Subd. 21. **Dividends.** (1) The term "dividends" means any distribution made by a corporation to its shareholders, whether in money or in other property, (a) out of its earnings or profits accumulated after December 31, 1932, or (b) out of the earnings or profits of the taxable year (computed as of the close of the taxable year without diminution by reason of any distributions made during the taxable year), without regard to the amount of the earnings and profits at the time the distribution was made. Dividends paid in property other than cash shall be included in the recipient's income at the fair market value of such property on the date the action ordering their distribution was taken, or if no such action was taken, on the date of the actual payment or credit thereof to the shareholder.

(2) For the purposes of this section every distribution is presumed to be made out of earnings or profits to the extent