

CHAPTER 698—H. F. No. 1182

An act relating to the furnishing of security by depositories of public funds; amending Minnesota Statutes 1953, Section 118.01.

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

Section 1. Minnesota Statutes 1953, Section 118.01, is amended to read:

118.01 Depository bonds. Any bank or trust company authorized to do a banking business in this state, designated as a depository of county, city, village, borough, town, or school district funds as provided by law may, in lieu of the corporate or personal surety bond required to be furnished to secure such funds, deposit with the treasurer of the municipality making such designations, such bonds, certificates of indebtedness, or warrants, except bonds secured by real estate, as are legally authorized investments for savings banks under the laws of the state, or the bonds of any of the insular possessions of the United States, or the bonds of any state, or its agency, the payment of the principal and interest of which, or either, is provided for otherwise than by direct taxation, or notes secured by first mortgages of future maturity, upon which interest is not past due, on improved real estate free from delinquent taxes, within the county wherein the bank or trust company is located, or within counties immediately adjoining such county in the state of Minnesota. The total in amount of such collateral computed at its market value shall be at least ten percent more than the limit of deposit which would be permitted if a corporate or personal surety bond was furnished. The depository may in its discretion furnish both a bond and collateral aggregating the required amount. Any collateral so deposited shall be accompanied by an assignment thereof to the municipality designating such depository, which assignment shall recite that such depository shall pay over to the treasurer or his order on demand or, if a time deposit, when due, free of exchange or any other charges, all moneys deposited therein at any time during the period such collateral shall be so deposited and to pay the interest thereon when due at the agreed rate; and that, in case of any default upon the part of the depository, the governing body of the municipality making the designation shall have full power and authority to sell such collateral, or as much thereof as may be necessary to realize the full amount due the municipality and to pay over any surplus to the depository or its assigns. A depository may in its discretion deposit collateral of a value less than the total designation and may from time to time, during the period of its designation, deposit additional col-

lateral and make withdrawals of excess collateral or substitute other collateral for that on deposit or any part thereof. Authority is vested in the treasurer to return the collateral to the depository when the trust so created is terminated and he shall, in the case of a reduction of the deposit, permit the depository to withdraw the excess portion thereof. All interest on the collateral so deposited when collected shall be paid to the depository so long as it is not in default. Before any collateral is deposited with the treasurer it shall first be approved by the same authority that designated the depository, but no such authority shall be necessary for the withdrawal of collateral. The closing of a depository shall be deemed a default upon the part of the depository and no demand upon the part of the municipality or its treasurer shall be necessary to establish such default. If a depository shall close, any time deposit placed therein shall immediately become due and payable. If both bond and collateral are furnished by a depository, all or any part of the collateral may be withdrawn without in any way impairing the full force and effect of the bond unless it shall contain a provision that the collateral shall not be withdrawn without the consent of the surety thereon. If a corporate surety bond is furnished by a depository, it shall be in a penal sum not to exceed the amount designated as the limit of deposit therein, notwithstanding any other provisions of law to the contrary. At no time shall the treasurer maintain a deposit in any depository against collateral in excess of 90 percent of the market value thereof. Any provision of law authorizing any county, city, village, borough, town, or school district to designate banks as depositories shall be construed to include trust companies authorized to do a banking business. All bonds furnished under the provisions of this section shall be approved by the governing body of the municipality making such designation and filed in the office of the county auditor as provided by section 127.07, and all collateral deposited under the provisions of this section shall be approved by the governing body of the municipality making such designation and after such approval deposited with the treasurer of such municipality, unless the governing body of such municipality shall by resolution fix and determine some other place for the safe-keeping of such collateral. Such collateral shall not be redeposited in the bank or trust company furnishing the same.

Any banking corporation pledging such securities, at any time it deems it advisable or desirable, may substitute obligations of the United States of America for all or any part of the securities pledged. The collateral so substituted shall be approved by the governing body of the county, city, village,

borough, town, or school district making such designation at its next official meeting.

Such securities so substituted shall, at the time of substitution, have a market value sufficient, together with the market value of the original securities for which no substitution is made, to equal or exceed \$110 for every \$100 of public deposits.

In the event of such substitution the holder or custodian of the securities shall, on the same day, forward by registered or certified mail to the public corporation and the depository bank, a receipt specifically describing and identifying both the securities so substituted and those released and returned to the depository bank.

Approved April 26, 1957.

CHAPTER 699—H. F. No. 1239

An act relating to special assessments in cities of the second, third, and fourth class, villages, boroughs, and certain towns; amending Minnesota Statutes 1953, Section 429.061, Subdivision 2.

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

Section 1. **Adoption of assessment.** Minnesota Statutes 1953, Section 429.061, Subdivision 2, is amended to read:

Subd. 2. **Adoption of assessment.** At such meeting or at any adjournment thereof the council shall hear and pass upon all objections to the proposed assessment, if any, and may amend the proposed assessment as to any parcel and by resolution adopt the same as the special assessment against the lands named in the assessment roll. Notice of any adjournment of the hearing shall be adequate if the minutes of the meeting so adjourned show the time and place when and where the hearing is to be continued, or if three days notice thereof be published in the newspaper. The assessment, with accruing interest, shall be lien upon the property included therein, concurrent with general taxes, and shall be payable in equal annual installments extending over such period, not exceeding 30 years, as the council determines. The first installment shall be payable on the first Monday in January next following the adoption of the assessment unless the assessment is adopted too late to permit its collection during the following year. All assessments shall bear interest at such rate as the council determines, not exceeding six percent per annum. To