

Section 1. **St. Louis county; transfer of funds.** All transfers of funds by the board of education for the unorganized school territory of St. Louis county, from the capital outlay fund and the debt redemption fund to the general revenue fund made prior to July 1, 1960, and the expenditure of said moneys is hereby legalized and validated.

Sec. 2. This act shall become effective only after its approval by a majority of the members of the county board of St. Louis county, and a majority of the members of the county board of education for the unorganized school territory of St. Louis county, and upon compliance with the provisions of Laws 1959, Chapter 368.

Approved April 11, 1961.

CHAPTER 298—H. F. No. 820

An act relating to banks and banking; amending Minnesota Statutes 1957, Sections 47.23, Subdivision 1; 48.153; 48.22 as amended; 48.48; 48.82; 50.14, Subdivision 5 as amended; and 50.14, Subdivision 13.

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

Section 1. Minnesota Statutes 1957, Section 47.23, Subdivision 1, is amended to read:

47.23 Savings departments. Subdivision 1. Except as specifically authorized by other laws of this state, no individual, partnership, unincorporated association, or corporation, other than a savings bank, safe deposit company, or trust company, holding an effective certificate of authority or license issued by the commissioner of banks and subject to and complying with all of the provisions of law relating to such savings banks, safe deposit companies, and trust companies, respectively, shall in any manner display or make use of any sign, symbol, token, letterhead, card, circular, or advertisement stating, representing, or indicating that he, it, or they, are authorized to transact the business which a savings bank, safe deposit company, or trust company usually does, or under these provisions is authorized to do; nor shall any such individual, partnership, unincorporated association, or corporation use the words "savings" or "trust" or "safe deposit" alone or in combination in title or name or otherwise, or in any manner solicit business or make loans or

Changes or additions indicated by italics, deletions by strikeout.

solicit or receive deposits or transact business as a savings bank, safe deposit company, or trust company; except that a state bank, or trust company, regularly incorporated and authorized to do business under the laws of this state, may establish and maintain a savings department under the supervision of the commissioner of banks, and may solicit and receive deposits in this savings department and advertise the same as such, and every such trust company having a savings department ~~may~~ shall use in its name or title, in addition to the word "trust", the words "savings". ~~or "savings bank"~~ Savings deposits received by ~~any such a~~ trust company using the word "savings" or "savings bank" in its name or title shall be invested only in authorized securities, as defined by law, and the trust company shall keep on hand, at all times, such securities as deposits in savings bank may be invested in ~~to~~ an amount at least equal to the amount of the deposits, and these securities shall be the representative of, and the fund for, applicable first and exclusively to the payments of, the savings deposits. Deposits received by the trust company subject to its right to require notice of withdrawal evidenced by passbooks or by *written receipt or agreement* shall be deemed savings deposits.

Sec. 2. Minnesota Statutes 1957, Section 48.22, as amended by Laws 1959, Chapter 88, Section 7, is amended to read:

48.22 Cash reserves. Subdivision 1. Requirements. It shall always keep a reserve equal to 15 percent of its demandable liabilities and 5 percent of its time deposits if located in a reserve city; if not located in a reserve city, it shall always keep a reserve equal to 12 percent of its demandable liabilities and 5 percent 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 \$100,000. 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. Failure to meet requirements. *If on any one day, such reserve shall not meet requirements, it shall not constitute a violation for the purposes of section 48.22 provided that the average reserve for the period starting the*

Changes or additions indicated by italics, deletions by ~~strikeout~~.

first day of the same week and ending on the last day thereof, shall equal or exceed minimum requirements as provided in subdivisions 1 and 3 of this section. For each such weekly period in which the average reserve shall become deficient, such bank shall pay a fine of \$50.00 or an amount equivalent to 8 percent per annum based on the average deficiency for such period, whichever is greater. Such fine shall be payable to the commissioner on his making a request for payment.

Subd. 2. 3. 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 reserves 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, nor more than those required of member banks of the Federal Reserve System on the date that the order is made by the commissioner.

Sec. 3. Minnesota Statutes 1957, Section 48.48, is amended to read:

48.48 Reports to commissioner. *Subdivision 1.* At least three times in each year, and at any other time when so requested by the commissioner, every bank shall, within seven *fifteen days of the date of notice*, make and transmit to him, in such form ~~and within such time~~ as he shall prescribe, a report, verified by its president or vice-president and by its cashier, and attested by at least two of its directors, stating in detail, under appropriate heads, *as required by the commissioner*, its assets and liabilities at the close of business on the day specified in the request; ~~if upon special request; otherwise on the last business day of the preceding month.~~ This statement shall be published once at the expense of the bank in a newspaper of the county of its location, and proof thereof filed immediately with the commissioner. A bank located in a municipality, the corporate limits of which extend into two or more counties, may publish its report in a newspaper of either of the counties.

Subd. 2. *For failure to send such reports to the commissioner in the time specified, such bank shall forfeit to the state the sum of \$25.00 for each day of such delay and shall*

Changes or additions indicated by italics, deletions by strikeout.

pay the accumulated sum to the commissioner on his making a formal demand for payment.

Sec. 4. Minnesota Statutes 1957, Section 48.82, is amended to read:

48.82 Deposits of trust and other funds received. Any trust company may ~~take and hold on deposit or for act as a depository or accept for~~ safe-keeping money, bonds, stocks, and other securities or personal property which any public officer, or any trustee or other legal representative, or any public or private corporation or person, ~~may desire, or~~ shall be authorized, ordered, or otherwise required by law to deposit in a bank or other safe depository, or to pay into any court of record; and the same may, instead thereof, be paid into or deposited with any such trust company, and, where ~~the~~ *such* deposit is made pursuant to order of court, in such as the court shall designate, and take the receipt of the trust company therefor; and thereupon the depositor and his sureties shall be relieved from liability thereafter accruing so long as these deposits continue. *Such deposits shall not include checking or savings accounts, certificates of deposit or other liability not relating to its fiduciary activities, except as may be authorized by Section 47.23 and Sections 48.69 to 48.73 inclusive.*

Sec. 5. Minnesota Statutes 1957, Section 50.14, Subdivision 5, as amended by laws 1959, Chapter 88, Section 15, is amended to read:

Subd. 5. Class four shall be (a) notes or bonds secured by mortgages or trust deed on unencumbered real estate in Minnesota, Wisconsin, Iowa, North Dakota, South Dakota, Missouri, Nebraska, Colorado, Kansas, Oklahoma, Texas, and Montana, Michigan, Illinois, and Indiana, worth at least twice the amount loaned thereon.

(b) Notes or bonds secured by mortgages or trust deed on unencumbered real estate in paragraph (a) where such notes or bonds do not exceed ~~70~~ *80* percent of the appraised value of the security for the same, provided that such notes or bonds are payable in instalments aggregating not less than five percent of the original principal per annum in addition to the interest; or, are payable on a regular amortization basis in equal instalments, including principal and interest, such instalments to be payable monthly in such amounts that the debt will be fully paid in not to exceed ~~20~~ *30* years if the security in non-agricultural real estate, and

Changes or additions indicated by *italics*, deletions by ~~strikeout~~.

such instalments to be payable annually or semi-annually in such amounts that the debt will be fully paid in not to exceed 25 years if the security is agricultural real estate.

(c) Nor more than 50 percent of the whole amount of the moneys of the bank shall be so loaned and such investments shall be made only on report of a committee directed to investigate the same and report its value, according to the judgment of its members, and its report shall be preserved among the bank's records.

Sec. 6. Minnesota Statutes 1957, Section 50.14, Subdivision 13, is amended to read:

Subd. 13. Class twelve shall be (a) bonds and obligations of the Federal Home Loan Banks established by Act of Congress known as the Federal Home Loan Bank Act, approved July 23, 1932, and Acts amendatory thereto, and in bonds and obligations of the Home Owners' Loan Corporation established by Act of Congress known as the Home Owners' Loan Act of 1933, and Acts amendatory thereto.

(b) Certificates of deposits of any bank or trust company, however organized, the deposits of which are insured in whole or in part by the Federal Deposit Insurance Corporation, to the extent that such certificates of deposit are fully insured.

(c) *Loans secured by its own passbooks or other evidences of indebtedness.*

Sec. 7. Minnesota Statutes 1957, Section 48.153, is amended to read:

48.153 Instalment loans, interest in advance. Any bank ~~or trust company~~ organized under the laws of this state, or any national banking association doing business in the state, making any loan of money not exceeding \$3,000 repayable in instalments, may make a charge for such loan computed at a rate not exceeding six percent per annum upon the total amount of the loan from the date thereof until the stated maturity date of the final instalment thereof, which shall not exceed three years from the date of the loan, notwithstanding that such loan is required to be repaid in instalments or that the loan is secured by mortgage, pledge, or other collateral or by a deposit account opened concurrently with the making of the loan and assigned as collateral security therefor, which deposit account may evidence deposits made or required to be made periodically, with or without interest, throughout the

Changes or additions indicated by italics, deletions by strikeout.

term of said loan. If the charge so computed shall be less than \$3, the amount so charged may nevertheless be \$3. Any charge authorized by sections 48.153 to 48.157 may be deducted in advance from the proceeds of such loan or may be included in the principal amount of the note or other instrument evidencing said loan and the aggregate amount thereof be payable in instalments.

Approved April 11, 1961.

CHAPTER 299—H. F. No. 852

An act relating to qualification of wholesale beer licensees; amending Minnesota Statutes 1957, Section 340.403, Subdivision 3.

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

Section 1. Minnesota Statutes 1957, Section 340.403, Subdivision 3, is amended to read:

Subd. 3. **License granted.** Upon the filing of an application, the approval of the bond, and the payment of the license fee, the commissioner shall grant the license unless it shall appear that the applicant: (1) is not a citizen of the United States; or (2) is not over 21 years of age; or (3) has been convicted of a felony under the laws of this state; or (4) has had his license revoked within a period of one year prior to the filing of his application; or (5) *has not been a resident of Minnesota or has not been qualified as a corporation to do business in Minnesota for more than 90 days prior to application.* In the event the applicant is a corporation its managing officers must possess the qualifications herein stated *in respect to (1), (2), (3), and (4).*

No wholesale malt beverage license shall be granted to any person unless he shall have within the state of Minnesota warehouse space either owned or leased by him and shall have adequate delivery facilities to perform the function of wholesaling malt beverages. Provided that the requirements of this subdivision as to residence and warehouse space shall not apply to any wholesaler in an adjoining state which permits Minnesota resident licensees to deliver malt beverages to retailers without warehousing in that state or to any whole-

Changes or additions indicated by italics, deletions by strikeout.