

Sec. 3. Laws 1957, Chapter 480, and Laws 1959, Chapter 605, are hereby repealed.

Sec. 4. This act is effective upon its approval by a majority of the members of the county board of Stearns county and upon compliance with Minnesota Statutes, Section 645.021.

Approved May 6, 1963.

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CHAPTER 511—S. F. No. 1584

*An act relating to depositories of public funds and depository bonds; amending Minnesota Statutes 1961, Sections 118.01, 118.10, and 118.11.*

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

Section 1. Minnesota Statutes 1961, Section 118.01, is amended to read:

118.01 **Depositories; county sanitorium commission funds.** 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, *or county sanitorium commission* 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 at 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,

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

all moneys deposited therein at any time during the period such collateral shall be 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 collateral 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, or *county sanitorium commission* 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 124.05, 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

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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, or county sanitorium commission 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.

*“Municipality” for the purpose of this section means county, city, village, borough, town, school district, or county sanitorium commission.*

Sec. 2. Minnesota Statutes 1961, Section 118.10, is amended to read:

**118.10 Depositories insured under federal act excused from giving security to extent of insurance coverage.** No bank or trust company authorized to do a banking business in this state, designated as a depository of state, county, village, borough, town, or school district, or county sanitorium commission funds, and cities howsoever organized, as provided by law, the deposits of which bank or trust company are insured in whole or in part under the provisions of the act of Congress of the United States of June 16, 1933, creating the federal deposit insurance corporation and the temporary federal deposit insurance fund, shall be required to furnish any corporate or personal surety bond, or deposit any collateral in lieu of bond, to secure such funds, in so far as such funds shall constitute “insured deposit liabilities” of such bank or trust company within the provisions of that act of Congress. Nothing in this section shall be construed to release any bank or trust company from furnishing surety bond or collateral for all deposits in excess of the insurance afforded by the national banking act.

Sec. 3. Minnesota Statutes 1961, Section 118.11, is amended to read:

**118.11 Limitation of deposits dependent on capital and sur-**

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**plus; application.** No designation of a bank or trust company as a depository of state, county, town, city, village, borough, or school district, or county sanitorium commission funds and no deposit of such funds in such designated depository shall be limited by the amount of the capital or surplus of such depository, but the authority designating such depository may nevertheless fix the limit of deposit to be made therein and shall require security therefor as provided by law.

This section shall apply to all cities, villages, and boroughs, however organized.

Approved May 6, 1963.

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CHAPTER 512—S. F. No. 1620

[Not Coded]

*An act relating to the salaries of the county auditor and county treasurer of Le Sueur county.*

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

Section 1. **Le Sueur county; auditor and treasurer; salaries.** Notwithstanding the provisions of any other law to the contrary, the annual salaries of the county auditor and the county treasurer of Le Sueur county shall be set by the county board of commissioners of Le Sueur county in an amount not less than \$5,100 nor more than \$7,500 per annum.

Sec. 2. The aforesaid salaries shall constitute the base salaries and said auditor and treasurer shall be entitled to any cost of living increase hereafter granted under the provisions of Minnesota Statutes, Section 375.43, and acts amendatory thereof or supplementary thereto.

Sec. 3. Nothing contained in section 1 of this act shall be construed as limiting the right of said auditor and treasurer to collect and retain fees, per diem payments, or any other payment which they are now authorized to collect in addition to the stated amount of their monthly salaries.

Sec. 4. This act becomes effective upon approval by the county board of Le Sueur county, and upon compliance with Minnesota Statutes, Section 645.021.

Approved May 6, 1963.

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