

S. 29° - 25' E. - 240 feet, thence S. 55° - 41' E. - 85 feet, thence S. 5° - 56' E. 70 feet and there terminating.

Approved March 22, 1967.

CHAPTER 102—H. F. No. 646

An act relating to banks and banking; amending Minnesota Statutes 1965, Sections 46.07; 46.131, Subdivisions 6 and 7; 48.03, Subdivision 1; 48.22, Subdivisions 1 and 2; 48.24, Subdivisions 4 and 6; 48.62; and 48.86.

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

Section 1. Minnesota Statutes 1965, Section 46.07, is amended to read:

46.07 Banks and banking; records and reports. *Subdivision 1.* The commissioner of banks shall keep all proper records and files pertaining to the duties and work of his office, and report to the governor biennially, previous to the opening of the regular biennial session of the legislature, touching his official acts, giving general information as to banking conditions within the state, and the conditions as to other corporations to which his duties relate and making such recommendations and suggestions as he may deem proper. The report shall contain a list of state banks, trust companies, building and loan associations, and other financial corporations within the state, their capital stocks and surplus funds; also a list of suspended banks and financial corporations and a list of charter applications, together with their disposition, for the biennial period, but the report shall not contain a detailed statement of the condition of each bank or other financial corporation.

Subd. 2. *The commissioner shall divulge facts and information obtained in the course of examining financial institutions under his supervision only when and to the extent that he is required or permitted by law to report upon or take special action regarding the affairs of any such institution, or to testify in any criminal proceeding or in a court of justice, except that he may, in his discretion, furnish information as to matters of mutual interest to an official or or examiner of the Federal Reserve System or of the Federal Deposit Insurance Corporation. The commissioner shall not be required to disclose the name of any debtor of any financial institution under his supervision, or anything relative to the private accounts, ownership,*

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

or transactions of any such institution, or any fact obtained in the course of any examination thereof, except as herein provided.

Sec. 2. Minnesota Statutes 1965, Section 46.131, Subdivision 6, is amended to read:

Subd. 6. Total assessments to be paid by credit unions shall be allocated as follows:

(a) ~~Credit unions with assets under \$25,000, shall each pay an annual assessment of \$10 plus an examination fee of 40 cents per \$100 of assets, with a minimum examination fee of \$20. Credit unions with assets under \$50,000 as of the end of the calendar year immediately preceding that in which the assessment is levied shall pay an annual assessment of \$10. Credit unions with assets under \$100,000, but with assets of \$50,000 or more, as of the end of the calendar year immediately preceding that in which the assessment is levied shall pay an annual assessment of \$50. Credit unions with assets under \$25,000 shall pay, in addition to the foregoing assessment, an examination fee of 40 cents per \$100 of assets with a minimum examination fee of \$20.~~

(b) Credit unions examined during their first year of operation shall not be required to pay such ~~annual assessments~~ *examination fee*.

(c) The normal share of the total assessment allocation to all credit unions shall be increased by the total amount not allocated to credit unions under ~~\$25,000~~ *\$100,000* by paragraph (a), which total accumulated amount shall be allocated to the remaining credit unions as provided in subdivision 4.

Sec. 3. Minnesota Statutes 1965, Section 46.131, Subdivision 7, is amended to read:

Subd. 7. Such assessments shall be levied on July 1, 1965, and at the beginning of each fiscal period beginning July 1 and ending June 30 thereafter, and shall be based on the total *estimated* expense as herein referred to during ~~the previous respective calendar years~~ *such period*.

Sec. 4. Minnesota Statutes 1965, Section 48.03, Subdivision 1, is amended to read:

48.03 Stock list; stockholders' liability. Subdivision 1. The president and cashier of any bank of discount and deposit shall at all times keep an accurate verified list of all its stockholders, with the amount of stock held by each, the dates of all transfers and names of transferees, and ~~on May first,~~ *shall* annually file a copy

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~~thereof~~ of such list as it appears on the date of the annual stockholders meeting with the commissioner.

Sec. 5. Minnesota Statutes 1965, Section 48.22, Subdivision 1, 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 five 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 ~~five~~ *three* percent of its time deposits; which shall be in cash, cash items in process of collection and balances due on demand from solvent banks in the United States or its territories. 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.~~

Sec. 6. Minnesota Statutes 1965, Section 48.22, Subdivision 2, is amended to read:

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 *each biweekly* period ending on the last business day of each *alternate calendar week weeks* and to include the actual number of such business days, shall equal or exceed minimum requirements as provided in subdivisions 1 and 3. ~~The required reserve balance of each bank at the close of business each day shall be based on the available reserve at the opening of business of the same day. The cash reserves of each bank shall be the amount available at the end of the day for which such reserve is maintained. The amount of the reserve required for such day under subdivision 1 shall be based upon the total deposits at the close of the previous business day.~~ By appropriate action of the board of directors at the ~~regular annual~~ *any* meeting, a bank, with subsequent 30 days notice to the commissioner as to the effective date, may exercise the option of adopting a ~~weekly biweekly~~ period for the purpose of this subdivision which will end on Wednesday of ~~each week~~ *alternate calendar weeks*. At such a meeting and with the previous approval of the commissioner, a bank may establish a ~~weekly biweekly~~ period other than provided herein and with such effective date as the commissioner may prescribe. For each such ~~weekly biweekly~~ period in

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which the average reserve shall become deficient, such ~~banks~~ *bank* shall pay a fine of \$50 or an amount equivalent to eight 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.

Sec. 7. Minnesota Statutes 1965, Section 48.24, Subdivision 4, is amended to read:

Subd. 4. Except as provided by subdivision 2 of this section, the total liability of any officer or ~~director~~ of a bank shall never exceed ten percent of the same aggregate amount stated in subdivision 1.

Conditional sales contracts owned and guaranteed by the person discounting same, when such person is an officer or ~~director~~ of the bank, not to exceed ~~30~~ 20 percent of the capital and surplus, taken from any such person, shall not constitute a liability within the meaning of this section, but the actual liabilities on such conditional sales contracts are not to be considered to be otherwise affected thereby.

Sec. 8. Minnesota Statutes 1965, Section 48.24, Subdivision 6, is amended to read:

Subd. 6. The discount of the following classes of paper shall not be regarded as creating liability within the meaning of this section:

(1) Bonds, orders, warrants, or other evidences of indebtedness of the United States, of federal land banks, of this state or of any county, town, village, or school district in this state, or of the bonds, representing general obligation of any other state in the United States, or 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, or debentures and other obligations of the federal intermediate credit banks established by act of congress known as the federal intermediate credit banks act, approved March 4, 1923, and acts amendatory thereto, in obligations issued by the banks for cooperatives or any of them, 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, in exchange for mortgages on homes, or contracts for deed, or real estate held by it.

(2) Bills of exchange drawn in good faith against actually existing values, including bills which are secured by shipping documents conveying or securing title to goods shipped, and which are not to be surrendered until such bills are paid in cash or solvent credits.

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(3) Paper based upon the collateral security of warehouse receipts covering agricultural or manufactured products stored in elevators or warehouses under the following conditions:

First, when the actual market value of the property covered by such receipts at all times exceeds by at least ten percent the amount loaned thereon, and

Second, when the full amount of every such loan is at all times covered by fire insurance in duly authorized companies, within the limit of their ability to cover such amounts, and the excess, if any, in companies having sufficient paid-up capital to authorize their admission, and payable, in case of loss, to the bank or holder of the warehouse receipt.

(4) Total loans to an obligor secured by either certification of deposit, or savings certificates or both, or any such bank to the extent of the total of such certificates pledged as security.

(5) Debentures issued under the authority of the federal national mortgage association.

(6) *Obligations representing loans from one business day to the next to any state bank or national banking association of excess reserve balances from time to time maintained under the provisions of Minnesota Statutes, Section 48.22, or of section 19 of the Federal Reserve Act, as amended, 12 U.S.C. sections 461 et seq.*

Sec. 9. Minnesota Statutes 1965, Section 48.62, is amended to read:

48.62 Banks may issue notes or debentures. With the approval of the commissioner any banking institution may, at any time, through action of its board of directors and without requiring any action of its stockholders, issue and sell its capital notes or debentures. These capital notes or debentures shall be subordinate and subject to the claims of depositors and may be subordinated and subjected to the claims of other creditors.

In determining whether the capital of any banking institution is impaired, outstanding capital notes or debentures, legally issued by the institution and sold by it to the reconstruction finance corporation, shall not be considered as liabilities of the institutions, but for all other purposes they shall be, and shall be considered as, liabilities of the institution.

No capital notes, or debentures, shall be retired or paid by any such institutions if this retirement or payment would impair the capital of the institution.

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These capital notes or debentures shall in no case be subject to any assessment. The holders of the capital notes or debentures shall not be held individually responsible, as holders, for any debts, contracts, or engagements of the institutions, and shall not be held liable for assessments to restore impairments in the capital of the institution.

Any required reserve established for the retirement of capital notes or debentures may be considered as surplus, and the term "surplus" in any laws of this state pertaining to state banks shall be deemed to include such reserve, if an agreement is filed with the commissioner to transfer such reserve to surplus upon the request of the commissioner after the capital notes or debentures have matured.

Sec. 10. Minnesota Statutes 1965, Section 48.86, is amended to read:

48.86 Trust funds; investment of accumulations. Any amount not less than \$500 received by any trust company as executor, administrator, guardian, or other trustee, or by order of court, not required for the purposes of such trust, or not to be accounted for within one year, it shall invest as soon as practicable in authorized securities either then held by it or specially procured by it; and the income, less its proper charges, shall become part of the trust estate, and the net accumulations thereon shall be likewise invested, accounted for, and allowed in the settlement of such trust.

Except as may be otherwise provided in the governing will, trust agreement, court order or other instrument, any amount ~~not to exceed \$10,000 in any one a~~ trust account, may be invested in certificates of deposit or savings accounts in ~~the same any bank or banks, provided that such certificates of deposit or savings accounts whose deposits are fully insured by the federal deposit insurance corporation and at receive~~ the prevailing rate of interest on such certificates or savings accounts. ~~Any amount may be invested in certificates of deposit or savings accounts in any other bank or banks provided such certificates of deposit or savings accounts are fully insured by the federal deposit insurance corporation and receive the prevailing rate of interest on such certificates or savings accounts.~~

Sec. 11. *This act shall take effect in accordance with the provisions of Minnesota Statutes 1965, Section 645.02 except that section 4 shall take effect on January 1, 1968.*

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