

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

Section 1. Minnesota Statutes 1967, Section 352.73, Subdivision 4, is amended to read:

Subd. 4. **State employees retirement; supplemental benefit; appropriation.** Such sums of money as may be necessary to pay the supplemental retirement benefits provided in subdivisions 1 to 3 are hereby *annually* appropriated for such purposes to the state employees retirement fund from any moneys in the state treasury not otherwise appropriated.

Approved May 6, 1969.

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CHAPTER 294—S. F. No. 602

[Coded in Part]

*An act relating to public depositories; authorizing certain public bodies to use certain banking institutions as public depositories; amending Minnesota Statutes 1967, Section 118.01.*

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

Section 1. **[118.005] Public depositories; designation; protection of deposit.** *Subdivision 1. Except as otherwise provided by law, the governing body of every public authority, public corporation, public commission, special district, or other political subdivision or agency of the state, or any of its subdivisions which has the power to receive and disburse funds, shall designate as a depository of such funds such national or state banks as it may deem proper.*

*Subd. 2. In the event the bank selected as a depository is a member of the Federal Deposit Insurance Corporation the custodian of such funds may deposit an amount not to exceed the maximum amount of insurance on such deposits. In the event it is desired to deposit a greater amount in any bank, prior to such deposit the governing body or officer shall require the bank to furnish a bond, executed by a corporate surety company authorized to do business in the state in a sum at least equal to the estimated sum to be deposited in excess of the maximum amount of insurance. In lieu of such bond, the depository shall assign to the custodian of such funds collateral security in accordance with Minnesota Statutes, Section 118.01.*

Sec. 2. Minnesota Statutes 1967, Section 118.01, is amended to read:

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

**118.01 Depository bonds.** Any bank or trust company authorized to do a banking business in this state, designated as a depository of funds of county, city, village, borough, town, school district, ~~or county sanatorium commission funds~~ *public authority, public corporation, public commission, special district, other political subdivision, or agency of the state or of its subdivisions*, 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,~~ *the custodian of such funds*, 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, 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 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

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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, school district, or county sanatorium commission~~ *municipality* 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 re-deposited 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 ~~treasurer of the county, or by the governing body of the city, village, borough, town, school district, or county sanatorium commission~~ *municipality* 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

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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 sanatorium commission~~ *public authority, public corporation, public commission, special district, other political subdivision, or agency of the state or of its subdivisions.*

Approved May 6, 1969.

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CHAPTER 295—S. F. No. 603

[Not Coded]

*An act relating to education; providing for the transfer of certain funds from the county of Hennepin to Independent School District No. 280, Richfield.*

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

Section 1. **Hennepin county and independent school district No. 280; transfer of funds.** The county of Hennepin shall pay to Independent School District No. 280, Richfield, \$18,303.35 from the accumulated funds in the school account of the unorganized territory of Hennepin county.

Sec. 2. This act shall be effective when approved by the governing bodies of the county of Hennepin and Independent School District No. 280, and upon compliance with Minnesota Statutes, Section 645.021.

Approved May 6, 1969.

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CHAPTER 296—S. F. No. 604

[Coded]

*An act relating to public health; limiting the sale, display, and use of certain kinds of glue or cement; prescribing penalties.*

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

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