

organization engaged in the business of weather control or modification, upon such terms and conditions as may be agreed upon between them, for the purpose of modifying the weather or some condition thereof within the county; provided, the total sum spent pursuant to such contracts by any county may not exceed the sum of \$5,000 per year. The board of county commissioners is authorized to make all necessary appropriations to carry out the provisions of this subdivision.

Sec. 3. This act takes effect as to any county named in section 1, when approved by the board of county commissioners of that county and upon compliance with Minnesota Statutes, Section 645.021.

Approved May 27, 1969.

CHAPTER 772—H. F. No. 1163

An act relating to banks and banking; amending Minnesota Statutes 1967, Sections 45.04, Subdivision 1; 48.14; 48.24, Subdivision 6; 48.25; 48.44; 48.61; and 48.81.

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

Section 1. Minnesota Statutes 1967, Section 45.04, Subdivision 1, is amended to read:

45.04 Banks and banking; regulation; bank applications. Subdivision 1. **Filing; fee; hearing.** The incorporators of any bank proposed to be organized under the laws of this state shall execute and acknowledge an application, in writing, in the form prescribed by the department of commerce, and shall file the same in its office, which application shall be signed by two or more of the incorporators, requesting a certificate authorizing the proposed bank to transact business at the place and in the name stated in the application. At the time of filing the application the applicant shall pay a filing fee of ~~\$100~~ *\$1,000*, which shall be paid into the state treasury and credited to the general revenue fund and shall pay to the commissioner of banks the sum of ~~\$100~~ *\$500* as a fee for investigating the application which shall be turned over by him to the state treasurer and credited by the treasurer to the general revenue fund of the state. Thereupon the commission shall fix a time, within 60 days after the filing of the application, for a hearing at its office at the state capitol, at which hearing it shall decide whether or not the application

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shall be granted. A notice of the hearing shall be published in the form prescribed by the commission in some newspaper published in the municipality in which the proposed bank is to be located, and if there be no such newspaper, then at the county-seat of the county in which the bank is proposed to be located. The notice shall be published once, at the expense of the applicants, not less than 30 days prior to the date of the hearing. At the hearing the commission shall consider the application and hear the applicants and such witnesses as may appear in favor of or against the granting of the application of the proposed bank.

Sec. 2. Minnesota Statutes 1967, Section 48.14, is amended to read:

48.14 Examinations, reports to show names of bonded officers and employees. When an examination is made of a bank by the commissioner, or his examiner, the report of the examination made to the commissioner shall state the names of all the officers and employees of the bank so bonded or insured, and the penalty of the bonds or the amount of the insurance covering them; ~~and~~. *When blanket coverage is provided, the names of all the officers and employees need not be stated.* When the commissioner, after an investigation, finds as a fact that any bank is not adequately protected against loss by reason of the unlawful act of any officer or employee thereof, whether through the omission to secure any bond or contract of insurance, or through the insufficiency of the sureties or the insurer on the bond or policy given, or otherwise, he may require, by written order, that such bonds or contracts of insurance in favor of the bank be obtained as in his opinion would adequately protect the bank against loss by reason of the unlawful act of any of its officers or employees, and shall thereupon notify the bank, by registered mail, of his order; and, if the same is not complied with within 30 days after the date of the mailing of the order, the bank may be closed by him and, if closed, shall not be permitted to resume business until the order has been fully complied with. All such bonds or contracts of insurance shall remain in the custody of the bank protected thereby and shall be available for examination and inspection by the commissioner.

Sec. 3. Minnesota Statutes 1967, 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 indebted-

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ness of the United States, of federal land banks, of this state or of any county, *city, borough, 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.

(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.

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

Sec. 4. Minnesota Statutes 1967, Section 48.25, is amended to read:

48.25 Rate of interest on deposits. No state bank or trust company shall pay interest on deposits at a greater rate than established by *directive* of the commissioner of banks with due consideration of prevailing rates of interest and the maintenance of solvent, profitable operation of the banks, ~~by rule subject to the provisions of Minnesota Statutes, Sections 15.0411 to 15.0422,~~ but at no time to exceed the applicable maximum rate then authorized by law to be paid upon such deposits by member banks of the federal reserve system; ~~interest at that rate or less per annum may be credited or paid on savings accounts and on certificates of deposit either monthly, quarterly, semi annually, or annually.~~

Sec. 5. Minnesota Statutes 1967, Section 48.44, is amended to read:

48.44 Banks may organize as trust company. Hereafter state banks which may be organized in the manner now provided by law may be organized with the additional authority to exercise the fiduciary powers and privileges set out in section 48.38; provided, that the capital *and surplus* of any such bank shall not be less than ~~\$50,000~~ *\$200,000*, if its principal place of business is to be located in a municipality of less than 25,000 inhabitants, and that the capital *and surplus* of any such bank shall not be less than ~~\$75,000~~ *\$250,000*, if its principal place of business is to be located in a municipality of 25,000 or more but less than ~~100,000~~ *200,000* inhabitants, ~~and that the capital of any such bank shall not be less than \$100,000,~~ *if its principal place of business is to be located in a municipality of 100,000 or more but less than 200,000 inhabitants,* and that the capital *and surplus* of any such bank shall not be less than ~~\$200,000~~ *\$500,000*, if its principal place of business is to be located in a municipality of 200,000 or more inhabitants.

Sec. 6. Minnesota Statutes 1967, Section 48.61, is amended to read:

48.61 Authorized investments for state banks and trust companies. Subdivision 1. Any bank *or trust company* organized under the laws of this state is authorized to invest not to exceed ten percent of its capital in the capital stock of any agricultural credit corporation organized under the laws of this state, and entitled to discount privileges with any federal intermediate bank organized under the laws of the United States.

Subd. 2. Any such ~~a~~ bank *or trust company* may invest not to

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exceed two percent of its capital and surplus in shares of stock in small business investment companies organized under the provisions of the small business investment act of 1958.

Sec. 7. Minnesota Statutes 1967, Section 48.81, is amended to read:

48.81 Investment powers; limitation. Any trust company may acquire, use, and improve, and for that purpose mortgage, lease, sell, and convey, such real and personal property as may be necessary for the transaction of its business. Any estate or interest in real estate which it may acquire by virtue of the foreclosure of any mortgage, trust deed, or other security, or by the settlement of any obligation or otherwise, in the course of its legitimate business, it may sell or continue to hold and use as deemed for its interests or those of the estate or trust to which the same belongs, and to that end it may become the purchaser at any foreclosure or judicial sale to which it is a party as trustee or otherwise. It may also accept or make any deed, mortgage, or other instrument necessary for the transaction of its business, may loan money and secure such loans by mortgage, trust deed or pledge, purchase notes, bonds, mortgages, and other evidences of indebtedness, and securities, and sell and assign the same, and convert them into cash or into other authorized securities, or securities and property not herein expressly prohibited, *provided that the investment of funds owned by a trust company, as distinguished from funds held by it in trust, shall be restricted to authorized securities.* It may guarantee a title to securities sold and transferred by it; may become sole surety upon any bond provided that, as to trust companies organized after April 10, 1965, such pertain to its own fiduciary activities and may maintain and operate safe deposit vaults. It shall invest none of its capital or surplus in real estate except as herein authorized, nor any of its deposits, trust funds or property therein except as so authorized, or under or by virtue of an express contract, judgment, or other instrument conferring or imposing special power and authority so to do.

Approved May 27, 1969.

CHAPTER 773—H. F. No. 1168

[Coded]

An act relating to ambulance services and the licensing thereof; prescribing standards and penalties.

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