

This section shall apply to all cities, however organized.

Sec. 8. Minnesota Statutes 1976, Section 118.16, is amended to read:

118.16 **FAILURE TO PAY SALES AND USE TAXES.** Notwithstanding any law or regulation to the contrary, no banking or thrift institution shall act as a depository for any public funds if ~~such~~ the banking or thrift institution does not pay sales and use taxes pursuant to chapter 297A to the state of Minnesota.

Sec. 9. Minnesota Statutes 1976, Section 118.17, is repealed.

Sec. 10. This act is effective the day following final enactment.

Approved April 5, 1978.

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#### CHAPTER 748-H.F.No.1520

*An act relating to financial institutions; changing powers of savings and loan associations; amending Minnesota Statutes 1976, Section 51A.21, Subdivision 16.*

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 1976, Section 51A.21, Subdivision 16, is amended to read:

Subd. 16. **LIMITED TRUSTEESHIP.** Upon application to and approval by the commissioner, to act as trustee or custodian within the contemplation of the federal self-employed individuals tax retirement act of 1962, as amended, and also within the contemplation of the employee retirement income security act of 1974, as amended. A \$100 filing fee shall accompany such application. The trustee or custodian may accept such trust funds provided such funds are invested only in savings accounts or deposits in such association or in obligations or securities issued by such association. Associations exercising the powers authorized by this subdivision shall segregate all funds held in such fiduciary capacities from the general assets of the association and shall keep a separate set of books and records, showing in detail all transactions made under authority of this subdivision. Provided individual records are kept for each self-employed individual's or other permitted retirement plan and each investment fund, all funds held in such fiduciary capacities by an association may be commingled for appropriate purposes of investment. In passing upon applications, the commissioner shall take into consideration the investment policies, amount, type and adequacy of reserves, fidelity bonds and any legally required deposits of the applicant, and other pertinent facts and circumstances, and may grant or refuse the application accordingly.

Sec. 2. **EFFECTIVE DATE.** This act is effective the day following its final enactment.

Approved April 5, 1978.

Changes or additions indicated by underline deletions by ~~strikeout~~