

issued in pursuance thereof, and heretofore sold, or hereafter to be sold by the county board of any such county, are hereby legalized and declared to be valid and binding obligations of said county.

Sec. 2. **Not to affect pending actions.**—This act shall not apply to or affect any action or proceedings now pending in which the validity of any such drainage proceedings or such bonds is questioned.

Sec. 3. This act shall take effect and be in force from and after its passage.

Approved April 4, 1919.

CHAPTER 181—H. F. No. 526.

An act to amend Section 6393, General Statutes 1913, as amended by Section 1 of Chapter 88, General Laws 1917, relating to investments of savings banks.

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

Section 1. **Investments of funds of savings banks and permission to participate in rediscounts of federal reserve banks.**—That section 6393, General Statutes of 1913, as amended by section 1 of chapter 88, General Laws 1917, be and the same is hereby amended so as to read as follows:

The trustees of any savings bank shall invest the moneys deposited therein only as follows:

1. In the bonds or other interest-bearing obligations of the United States, or in securities for the payment of which and interest thereon the faith of the government is pledged.

2. In the bonds of any state which has not defaulted in the payment of any bonded debt within ten years prior to the making of such investment.

3. In the bonds of any county, city, town, village, school, drainage or other district created pursuant to law for public purposes in Minnesota, or in any warrant, order, or interest-bearing obligation issued by this state, or by any city, city board, town or county therein, provided that the net indebtedness of any such municipality or district, as net indebtedness is defined by Revised Laws of 1905, section 777, and its amendments, shall not exceed ten per cent of its assessed valuation, or in the bonds of any county, city, town, village, school, drainage or other district created pursuant to law for public purposes, in Iowa, Wisconsin and North and South Dakota, or in the bonds of any city, county, town, village, school district, drainage or other district created pursuant to law for public purposes. in the United States, containing at least 3,500 inhabitants; provided that the total bonded indebtedness of any such municipality or district shall not exceed ten per cent of its assessed valuation.

4. In notes or bonds secured by mortgages or trust deeds on unencumbered real estate in Minnesota, Wisconsin, Iowa, North Dakota, South Dakota and Montana, worth when improved at least twice and when unimproved at least three times the amount loaned thereon. But not more than seventy per cent of the whole amount of the moneys of the bank shall be so loaned and such investment shall be made only on report of a committee directed to investigate the same and report its value, according to the judgment of its members, and its report shall be preserved among the bank's records.

5. In notes secured by such bonds or mortgages, as the bank under this section is authorized to invest in, but no such bond or mortgage shall be taken as collateral security for more than its par value, nor shall the aggregate amount of securities taken be less than the full amount loaned thereon, and no such loan shall be made for a longer time than one year, nor to a greater amount to any one person than three per cent of the total deposits of the bank. No such bank shall loan in the aggregate, on the security specified in this paragraph, more than one-fourth of its deposits.

6. In the bonds of any railroad company, or the successor of any railroad company, which has received a land grant from the government, and whose bonds are secured by first lien upon its railroad.

7. In the bonds of any other railroad company, which are secured by first lien upon a railroad within the United States, or in the mortgage bonds of any such company, of an issue to retire all prior mortgage indebtedness thereof, or in the bonds of any railroad company in the United States which are guaranteed or assumed by another railroad company within the United States; provided, that the railroad company, except one whose bonds are so guaranteed or assumed, either issuing, guaranteeing, or assuming any of such bonds, has not within five years prior to such investment failed in the payment of a dividend upon its entire capital stock outstanding of not less than four per cent per annum each fiscal year, and has not within such time defaulted in the payment of any part of the principal or interest of any debt incurred by it and secured by trust deed or mortgage upon its road or any part thereof, or in the payment of any part of the principal or interest of any bonds guaranteed or assumed by it. But no such bank shall loan upon or invest in railroad bonds to an amount exceeding in the aggregate twenty per cent of its deposits, nor exceeding five per cent of its deposits in the bonds issued, guaranteed or assumed by any one railroad company.

8. In the debenture stock of any railroad company owning and operating a line of road in whole or in part within the state, provided that such stock shall bear interest at the rate of at least four per cent per annum, and shall be secured by trust deed as a first

lien upon such line of railway, and that not more than five per cent of its deposits shall be invested in such stock.

9. In farm loan bonds issued by the federal land bank in the federal land bank district, of which the state of Minnesota is a part, in accordance with the provisions of an act of congress of the United States of July 17, 1916, known and designated as "The Federal Farm Loan Act."

10. *In bankers' acceptances of the kind and character following:*

a. *Bankers' acceptances of the kind and maturities made eligible by law for rediscount with or purchase by federal reserve banks, providing the same are accepted or endorsed by a bank, or a trust company incorporated under the laws of this state; or by any bank or trust company in the United States which is a member of the federal reserve system.*

b. *Not more than twenty per cent of the assets of any savings bank shall be invested in such acceptances. Not more than seven per cent of the aggregate amount credited to the depositors of any savings bank shall be invested in the acceptances of or deposited with a trust and banking company or with a national bank of which a trustee of such savings bank is a director.*

The term "authorized securities" whenever used in the Revised Laws shall be understood as referring to the securities specified in this section.

Approved April 4, 1919.

CHAPTER 182—H. F. No. 561.

An act to legalize certain proceedings heretofore taken for the drainage of lands in certain cases, and county bonds issued in connection therewith.

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

Section 1. **Certain drainage proceedings and certain county bonds legalized.**—Where the county board of any county of this state, or the judge of any of the district courts of this state, in pursuance of chapter 230 of the Laws of 1905 and the acts amendatory thereof or supplemental thereto, has located and established or attempted to locate and establish or has ordered the repair or widening or deepening or extension or has attempted to order the repair, or widening or deepening or extension of any ditch, drain or water course wholly within any county of this state, or partly within two or more counties thereof, and it has been determined by resolution adopted by said board or order made by said judge, that such ditch, drain, or water course will be of public utility and promotive of or be conducive to the public health, and that the benefits or estimated