

H. F. No. 201.

CHAPTER 70.

Relating to
annuity safe
deposit
and trust
companies.

An act to amend sections two (2) and five (5) of chapter two hundred (200) of the General Laws of 1899, being an act entitled "An act to amend chapter one hundred and seven (107) of the General Laws of 1883, as amended by chapter three (3) of the General Laws of 1885, and by chapter two hundred thirty-four (234) of the General Laws of 1889, relating to annuity, safe deposit and trust companies."

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

SECTION 1. That section four (4) of chapter one hundred and seven (107) of the General Laws of eighteen hundred and eighty-three (1883), as amended by chapter three (3) of the General Laws of eighteen hundred and eighty-five (1885), and by chapter two hundred and thirty four (234) of the General Laws of eighteen hundred and eighty-nine (1889), and by section two (2) of chapter two hundred (200) of the General Laws of eighteen hundred and ninety-nine (1899), be and the same hereby is amended, so as to read as follows:

Section 4. No such corporation hereafter organized shall be authorized to transact any business, or exercise any powers as such, until two hundred thousand (200,000) dollars of its capital stock shall have been actually paid in, of which not less than fifty thousand (50,000) dollars shall be invested and deposited as hereinafter provided. Said fifty thousand (50,000) dollars shall be invested in the bonds of the United States, or in bonds or obligations of the State of Minnesota, or in the bonds of other states, or in the bonds or obligations of the City of St. Paul, Minneapolis, or Duluth, or in the bonds or obligations of any incorporated city or village of this state, containing a population of not less than three thousand (3,000) souls, as determined by the then next preceding national or state census, which bonds or obligations have not been issued as a bonus for, or purchase of, or subscription to any railroad or other private enterprise, and whose total bonded indebtedness does not exceed ten (10) per centum of the then assessed valuation of the real and personal property of said city or village; or in the bonds or obligations of any organized county in this state con-

Amount of
capital
stock.

Character
of bonds.

taining a population of not less than ten thousand (10,000) souls, as determined by the then last census as aforesaid, which bonds have not been issued for any of the purposes aforesaid, and whose total bonded indebtedness does not exceed ten (10) per centum of the then assessed valuation of the real and personal property of such county; or in the bonds or obligations of any legally organized school district, whose total indebtedness does not exceed ten (10) per centum of the then assessed valuation of the real and personal property, of such district; or in the bonds or obligations of any city of the United States containing a population of not less than twenty-five thousand (25,000) souls, as determined by the then next preceding national or state census, which bonds or obligations have not been issued as a bonus for, or purchase of, or subscription to any railroad or other private enterprise and whose bonded indebtedness does not exceed ten (10) per centum of the then assessed valuation of the real and personal property of such city; or in the mortgage bonds of any railroad company, which are secured by a first lien, or issued to replace and retire mortgage bonds which are secured by a first lien, upon a railroad within the United States, provided said railroad company has earned and paid regular dividends of not less than four per centum per annum on its entire capital stock for at least three (3) years next preceding such investment; which shall have the approval of the public examiner. The guaranty fund of any such corporation heretofore organized, may consist of such securities as are hereinbefore authorized, or, of such as are authorized under the existing law. And any corporation which has been heretofore organized and qualified to do business under this act, that shall deposit with the state auditor as its required deposit bonds of the character aforesaid, of the par value of not less than fifty thousand (50,000) dollars, nor less than one-fourth ($\frac{1}{4}$) of its outstanding paid capital stock, shall be allowed at any time thereafter to withdraw its other deposits or securities with the state auditor so that the whole deposits of such corporation shall amount to not less than fifty thousand (50,000) dollars in such bonds, nor less than one-fourth ($\frac{1}{4}$) of its outstanding paid capital stock. And any corporation which has been heretofore, or that shall hereafter be,

Population determined by census.

Must have approval of public examiner.

Not less than \$50,000 to be deposited with state auditor.

May increase
deposit of
securities.

organized and qualified to do business under this act, shall be allowed at any time hereafter to increase its deposits of securities with the state auditor, so that the whole deposit of such corporation shall amount to two hundred thousand (200,000) dollars, such excess of deposits over and above the amount required by this act to be kept on deposit may be in bonds of the character aforesaid; or in bonds or promissory notes secured by first (1st) mortgage or deeds of trust upon unincumbered real estate worth double the amounts of the obligations so secured.

SEC. 2. That section ten (10) of chapter one hundred and seven (107) of the General Laws of eighteen hundred and eighty-three (1883), as amended by chapter three (3) of the General Laws of eighteen hundred and eighty-five (1885), and by chapter two hundred and thirty-four (234) of the General Laws of eighteen hundred and eighty-nine (1889), and by section five (5) of chapter two hundred (200) of the General Laws of eighteen hundred and ninety-nine (1899), be, and the same hereby is amended, so as to read as follows:

Must be in-
vested at
once.

Section 10. Any sum of money not less than one hundred (100) dollars, which shall be collected or received by any such corporation, heretofore or hereafter organized in its capacity of executor, administrator, or guardian, or upon any deposit under any order of any court of record, and which money shall not be required for the purposes of such trust, or is not to be accounted for, within one (1) year from date of such collection, receipt or deposits, shall be invested by such corporation as soon as practicable, and in such securities as are mentioned in section four (4) of said act, as herein amended, either then held by it or then specially procured by it; and the net interest and profits of such investments, less the reasonable charges and disbursements of said corporation, in the premises, shall be accounted for and paid over as a part of such trust; and the net accumulations of such interest and profits thereon, shall likewise be invested and reinvested as a part of such principal. And such investments shall be received and allowed by the probate, or other court, in the settlement of such trust.

Interest to
be invested.

Keep sepa-
rate book of
account.

And every such corporation shall keep, in addition to its general books of account, separate trust account

book or books, in which shall be entered and kept all trust accounts. All such trust accounts shall at all times be kept separate and distinct from the general accounts of such corporation. All funds and property received or held by such corporation in any trust capacity, as administrator, executor, guardian, receiver, assignee, or trustee, shall be entered in such trust account books and be at all times kept separate and distinct from all other funds and property of such corporation.

Funds must be entered in trust account books.

All deposits in any bank, or other institution, made by such corporation, of funds received or held by it in any such trust capacity, shall be deposited as trust funds, and not in its individual name, but as trustee, and not in any account in which any of its own funds shall be deposited.

Shall be deposited as trust fund.

Every security in which such trust funds or property shall be by such corporation invested, shall at once be indorsed and transferred to it as trustee, executor, administrator, guardian, receiver or assignee, as the case may be, and entered in the proper books of such corporation as belonging to the particular trust the funds of which shall have been invested therein. And any change in such investment shall be credited, charged, or entered under or in the account of the particular trust to which the same belong, to the end that all trust funds, securities and property shall be at all times capable of immediate identification as belonging to the trust funds of said corporation separate and distinct from its general property and funds. If any special direction, agreement or trust is imposed upon, made or conferred in and by the order, judgment or decree of any court, or by the terms and conditions of any last will and testament, or other document, contract, conveyance, or other written instrument, as to the particular manner of keeping or investing, or as to the particular manner in which, or the particular class or kinds of securities, funds or property the same shall be invested in, then the said corporation shall follow and carry out such order, judgment, decree or other appointment, contract, deed, conveyance, or other written instrument.

Securities indorsed and transferred.

Corporation shall carry out orders of court.

SEC. 3. This act shall take effect and be in force from and after its passage, and all acts or parts of acts inconsistent with this act are hereby repealed.

Approved March 19, 1903.