

sive on all parties for the purposes of the jurisdiction of the court. In case such judgment is not removed, by demand of either party, to the municipal court within five days after the entry thereof, as provided in this chapter, and the judgment remains unsatisfied, the judgment, on order of the judge shall be docketed in the municipal court by the clerk and shall thereupon be, and be enforced as, the judgment of the municipal court, or the judge may retain jurisdiction for the collection and satisfaction of the judgment by payment to him, but no execution shall issue from the conciliation court.

By its terms, the judgment may provide for its satisfaction by payment into court, either in a lump sum or in instalments and in such amounts and at such times as to the judge may under the circumstances of the case seem just and reasonable.

The conciliation court shall be subject to the direction of the judge thereof, but the judges of the municipal court may prescribe rules as to procedure, methods of producing evidence, and general conduct of the case, and the trial thereof, under the provisions of this section, and for carrying out all the provisions of this chapter.

Approved April 8, 1949.

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#### CHAPTER 331—H. F. No. 1029

*An act relating to the salary of chief of police in a city of the first class and repealing Minnesota Statutes 1945, Section 436.03.*

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

Section 1. **Repeal.** Minnesota Statutes 1945, Section 436.03, is hereby repealed.

Approved April 8, 1949.

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#### CHAPTER 332—H. F. No. 1054

*An act relating to capital losses for income tax purposes; amending Minnesota Statutes 1945, Section 290.16, Subdivision 9.*

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

Section 1. Minnesota Statutes 1945, Section 290.16, Subdivision 9, is amended to read :

**Subd. 9. Adjustment of basis; limitation of capital losses.** (1) For the purposes of this subdivision, the term "property used in the trade or business" means property used in the trade or business of a character which is subject to the allowance for depreciation provided in Section 290.09, (6), held for more than six months, and real property used in the trade or business, held for more than six months, which is not (A) property of a kind which would properly be includible in the inventory of the taxpayer if on hand at the close of the taxable year, or (B) property held by the taxpayer primarily for sale to customers in the ordinary course of his trade or business.

*For the purposes of this subdivision, livestock used for draft, dairy, or breeding purposes and held for more than six months, shall not be considered to be held by the taxpayer primarily for sale to customers in the ordinary course of his trade or business, irrespective of whether such livestock was raised or otherwise acquired; and livestock which had been used for draft, dairy, or breeding purposes and held for more than six months, shall be considered to be held by the taxpayer primarily for sale to customers in the ordinary course of his trade or business, irrespective of whether such livestock was raised or otherwise acquired if such livestock is not sold within two months after its use for draft, dairy or breeding purposes has been discontinued.*

(2) If, during the taxable year, the recognized gains upon sale or exchanges of property used in the trade or business, plus the recognized gains from the compulsory or involuntary conversion (as a result of destruction in whole or in part, theft or seizure, or an exercise of the power of requisition or condemnation or the threat or imminence thereof) of property used in the trade or business and capital assets held for more than six months into other property or money, exceed the recognized losses from such sales, exchanges, and conversions, such gains and losses shall be considered as gains and losses from sales or exchanges of capital assets held for more than six months. If such gains do not exceed such losses, such gains and losses shall not be considered as gains and losses from sales or exchanges of capital assets. For the purposes of this paragraph :

(A) In determining under this paragraph whether gains exceed losses, the gains and losses described therein shall be included only if and to the extent taken into account in computing net income, except that subdivisions 4 and 5 shall not apply.

(B) Losses upon the destruction, in whole or in part, theft or seizure, or requisition or condemnation of property used in the trade or business or capital assets held for more than six months shall be considered losses from a compulsory or involuntary conversion.

Sec. 2. This act shall apply to all taxable years beginning after December 31, 1944.

Approved April 8, 1949.

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CHAPTER 333—H. F. No. 1247

*An act relating to real estate acquired or held by insurance companies; amending Minnesota Statutes 1945, Section 60.49.*

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

Section 1. Minnesota Statutes 1945, Section 60.49, is amended to read :

60.49. **Real Estate.** The real estate acquired or held by any domestic company for the convenience and accommodation of its business shall not exceed in value 25 per cent of its cash assets; nor shall any foreign company acquire or hold for like purposes real property in this state in greater proportion. *Any domestic insurance company, after having secured approval of the commissioner of insurance therefor, may also acquire and hold real estate for the sole purpose of providing necessary homes and living quarters for its employees. Such real estate shall never exceed three per cent of the company's cash assets as shown by its annual statement last filed with the commissioner of insurance. All real property which shall not be necessary for its accommodation in the convenient transaction of its business, or the housing of its employees, shall be sold and disposed of within five years after the same shall have*