

(SENATE AUTHORS: LILLIE, Daley and Wiger)

DATE	D-PG	OFFICIAL STATUS
03/17/2011	548	Introduction and first reading Referred to State Government Innovation and Veterans
05/03/2011	1670	Comm report: To pass
	1707	Second reading
05/04/2011	1746	HF substituted on General Orders HF1117

A bill for an act  
relating to state government; changing bond requirements for state depositories;  
amending Minnesota Statutes 2010, section 9.031, subdivisions 2, 5.  
BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 2010, section 9.031, subdivision 2, is amended to read:

Subd. 2. ~~Bond~~ Deposits exceeding applicable deposit insurance coverage. ~~Except as provided in subdivision 3, a depository shall furnish and file with the commissioner of management and budget a corporate surety bond to secure state funds deposited with it.~~  
To the extent that state funds on deposit at the close of a depository's banking day exceed applicable deposit insurance coverage, the state shall require the depository to furnish and file with the commissioner of management and budget a corporate security bond to secure state funds deposited with it, or to deposit with the commissioner collateral security as provided in subdivision 3. The Executive Council shall approve the bond:  
~~The Executive Council shall not approve any depository bond until~~ when the council is fully satisfied that the bond is in proper form, the securities sufficient, the depository prosperous and financially sound, and the capital stock claimed by it fully paid up and not impaired. Each depository bond shall provide that during the time the bond is in force the depository will pay all the state funds deposited with it to the commissioner of management and budget, free of exchange, at any place in the state designated by the commissioner of management and budget. If the deposit is a time deposit it shall be paid, together with interest, only when due. At any time the Executive Council or the commissioner of management and budget may require a new or additional bond from any depository.

Sec. 2. Minnesota Statutes 2010, section 9.031, subdivision 5, is amended to read:

- 2.1 Subd. 5. **Maximum deposit.** The Executive Council shall prescribe the maximum  
2.2 amount that may be deposited in each depository. In no case shall the amount of the  
2.3 deposit in excess of applicable deposit insurance coverage exceed:
- 2.4 (1) the penalty on the bonds;
- 2.5 (2) 90 percent of the market value of the bonds; or
- 2.6 (3) the penalty on the bonds plus 90 percent of the market value of the collateral, if  
2.7 both are furnished.