

Commerce

CHAPTER 45

DEPARTMENT OF COMMERCE

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45.01 DEPARTMENT ESTABLISHED; COMMISSION. The department of commerce shall be under the supervision and control of a commission composed of a commissioner of banks, a commissioner of insurance, and a commissioner of securities. The commission shall be organized in three divisions: a banking division in charge of the commissioner of banks; an insurance division in charge of the commissioner of insurance; and a securities division in charge of the commissioner of securities. The commission shall adopt a seal with the words "Department of Commerce of Minnesota" and such design as the commission shall prescribe engraved thereon, by which seal the commission shall authenticate its signatures and proceedings.

[1925 c. 426 art. 8 s. 1; 1925 c. 192 s. 26; 1927 c. 66 s. 13] (53-28) (3996-26)

45.02 COMMISSIONERS; APPOINTMENT; TERMS; VACANCIES; SALARIES. The governor, by and with the advice and consent of the senate, shall appoint the members of the commission. The term of each member shall be six years. In case of a vacancy it shall be filled for the unexpired portion of the term. Each member of the commission, before entering upon the discharge of his duties, shall take, subscribe, and file with the secretary of state, the oath of office prescribed by the constitution, and shall give bond to the state, the commissioner of banks in the amount of \$50,000, the commissioner of insurance in the amount of \$25,000, and the commissioner of securities in the amount of \$10,000, conditioned for the faithful discharge of his duties during his continuance in office and for the payment without delay to the officer or person entitled by law thereto of all moneys which shall come into his hands by virtue thereof.

A majority of the commission shall constitute a quorum.

Each commissioner shall receive a salary of \$4,500 per year, payable semi-monthly, and each shall devote his entire time to the duties of his office.

[1925 c. 426 art. 8 s. 2] (53-29)

45.03 POWERS AND DUTIES OF COMMISSIONERS. The commissioner of banks, the commissioner of insurance, and the commissioner of securities, respectively, shall have and possess all the rights and powers and perform all the duties which, prior to the enactment of Laws 1925, Chapter 426, were vested by law in the superintendent of banks, the commissioner of insurance, and the state securities commission, respectively, except that applications for registrations of securities and brokers' licenses under Laws 1925, Chapter 192, and all matters pertaining to such registrations and licenses, application for the organization and establishment of new financial institutions under Laws 1919, Chapter 86, and acts amendatory thereof, applications by insuring companies for licenses to carry on business within the state, and all matters pertaining to such licenses, and applications for the consolidation of insuring companies transacting business within the state, shall be determined by the commission in the manner provided by the laws defining the powers and duties of the superintendent of banks, the commissioner of insurance, and the state securities commission, respectively, or, in the absence of any law prescribing the procedure, then by such reasonable procedure as the commission may prescribe; provided, that the commissioner of securities and the commissioner of insurance shall have power to suspend any registration or license issued in their respective divisions pending the final determination of any matter by the commission. The commission shall

review, and may affirm, reverse, modify, amend, or abrogate all quasi-judicial acts of a single commissioner upon written request and application of the party aggrieved, this review to be held after such reasonable notice as the commissioner shall prescribe. The commissioner of banks shall be chairman, and the commissioner of securities shall be secretary, of the commission. The commission shall have power to provide for stated meetings, and special meetings may be called by the chairman, or by the other two members. The commission may confer upon the secretary authority to fix a time for hearings in accordance with such rules as may be adopted.

[1925 c. 426 art. 8 s. 3] (53-30)

45.04 BANK APPLICATIONS, APPROVAL. The incorporators of any bank proposed to be organized under the laws of this state shall execute and acknowledge an application, in writing, in the form prescribed by the department of commerce, and shall file the same in its office, which application shall be signed by two or more of the incorporators, requesting a certificate authorizing the proposed bank to transact business at the place and in the name stated in the application. At the time of filing the application the applicant shall pay a filing fee of \$25.00, which shall be paid into the state treasury and credited to the state securities commission fund. Thereupon the commission shall fix a time, within 30 days after the filing of the application, for a hearing at its office at the state capitol, at which hearing it shall decide whether or not the application shall be granted. A notice of the hearing shall be published in the form prescribed by the commission in some newspaper published in the municipality in which the proposed bank is to be located, and if there be no such newspaper, then at the county-seat of the county in which the bank is proposed to be located. The notice shall be published once, at the expense of the applicants, not less than ten, nor more than 20, days prior to the date of the hearing. At the hearing the commission shall consider the application and hear the applicants and such witnesses as may appear in favor of or against the granting of the application of the proposed bank.

If, upon the hearing, it shall appear to the department of commerce that the application should be granted, it shall, not later than 30 days after the hearing, and after the applicants have otherwise complied with the provisions of law applicable to the organization of a bank, including the provisions herein contained, make and file in the office of the commissioner of banks its order, in writing, directing him to issue the certificate of authorization as provided by law. If the department of commerce shall decide that the application should not be granted, it shall deny the application and make its order, in writing, to that effect, and file the same in the office of the commissioner of banks, and forthwith give notice thereof by registered mail to one of the incorporators named in the application for the proposed bank, addressed to the incorporator at the address stated in the application, and thereupon the commissioner of banks shall refuse to issue the certificate of authorization, which is prescribed by law, to the proposed bank.

[1919 c. 86 s. 1; 1921 c. 498 s. 1] (3997)

45.05 NOTICE AND HEARING, WHEN NOT GIVEN. The department of commerce may, at its discretion, dispense with the notice and hearing provided for by section 45.04 in cases where application is made for the incorporation of a new bank to take over the assets of one or more existing banks, or where the application contemplates the reorganization of a national bank into a state bank in the same locality; provided, this act shall not increase the number of banks in the community affected.

[1929 c. 146] (3997-1)

45.06 EXPENSES OF ORGANIZATION AND INCORPORATION OF BANKS LIMITED. The expenses of organization and incorporation of any such banks shall not exceed the necessary legal expenses incurred in drawing articles of incorporation, publication and recording thereof, and the incorporators shall, prior to the issuance of the certificate of authorization provided for by law, file with the commissioner of banks a verified statement showing the amount of expense incurred in the organization of the bank.

[1919 c. 86 s. 2] (3998)

45.07 CHARTERS ISSUED, CONDITIONS. If the applicants are of good moral character and financial integrity, if there is a reasonable public demand for this bank in this location, if the organization expenses being paid by the subscribing shareholders do not exceed the necessary legal expenses incurred in drawing incor-

poration papers and the publication and the recording thereof, as required by law, if the probable volume of business in this location is sufficient to insure and maintain the solvency of the new bank and the solvency of the then existing bank or banks in the locality without endangering the safety of any bank in the locality as a place of deposit of public and private money, and if the department of commerce is satisfied that the proposed bank will be properly and safely managed, the application shall be granted otherwise it shall be denied. In case of the denial of the application, the department of commerce shall specify the grounds for the denial and the supreme court, upon petition of any person aggrieved, may review by certiorari any such order or determination of the department of commerce.

[1919 c. 86 s. 3] (3999)

45.08 DEFINITIONS. Subdivision 1. **Words, terms, and phrases.** Unless the language or context clearly indicates that a different meaning is intended, the word defined in subdivision 2, for the purposes of sections 45.04 to 45.07, shall be given the meaning subjoined to it; and the word defined in subdivision 3, for the purposes of chapters 46 to 77, shall be given the meaning subjoined to it.

Subdivision 2. **Bank.** The word "bank" means any savings bank or bank of discount or deposit or trust company organized under the laws of this state.

Subdivision 3. **Department.** The word "department" means the department of commerce of the State of Minnesota.

[1919 c. 86 s. 4; 1925 c. 261] (4000)