

CHAPTER 46

BANKING DIVISION

46.01 POWERS

NOTE: Minnesota, established as a territory March 18, 1849, continued to function under the Wisconsin banking laws of 1839 which limited wild cat banking. The law was repealed by Laws 1851, Chapter 137, and during the later territorial years Minnesota had no law relating to banking. The absence of law and the unfortunate condition it engendered led the makers of the state Constitution to insert limitations and to grant privileges in Article IX which should have been left to legislative discretion. Article IX, Section 13, permitted the enactment by a two-thirds vote of a general banking law, subject to five requirements. Laws 1858, Chapter 32, purported to be a complete act relating to banking and permitted an individual, a group, or an incorporated company to establish a banking office of discount, deposit, circulation, exchange, and the making of loans. The act related largely to the control of the issue and circulation of notes. The state auditor controlled the printing, countersigning, and registration. Securities guaranteeing the value of the notes were deposited in his office. He was the only supervisory officer.

The 1858 law, as amended, remained in force until 1895. Laws 1876, Chapter 92, authorized banks to buy and sell certain evidences of indebtedness. Laws 1881, Chapter 77, required that a banking association must consist of three or more persons and have a minimum cash capital of \$25,000 as attested by the state auditor, limited the amount of loans to any one person, and required that banks have funds available at all times. In 1887 the control of banks was transferred to the public examiner, acting as a superintendent of banks.

The various banking laws were brought together in GS 1894 as Chapter 33. This was followed by complete revision in Laws 1895, Chapter 145. The revision repealed the laws relative to the issuance and circulation of notes, enlarged the power of the superintendent of banks, reduced the stockholders' liability from double to a single liability, and made many changes modernizing the banking law.

Improvements are found in RL 1905, Section 2967 to 3067, under the title "Financial Institutions." Laws 1945, Chapter 133, Section 1, specifically limits the right to engage in the banking business. Banks may now exercise savings and trust functions. The laws relating to financial institutions and their operation is found in Minnesota Statutes 1953, Chapters 46 to 59.

In a bank liquidation, of which the commissioner of banks has charge, there is among the assets a judgment in favor of the bank. During the life of the judgment it has been uncollectible and has about become outlawed. The commissioner may exercise his discretion as to whether or not it is advisable to renew the judgment, and he may do this with or without a court order. OAG Oct. 16, 1947 (29-A-6).

46.02 Superseded, 1925 c 426.

46.03 SEAL

HISTORY. 1909 c 201 s 3; 1949 c 533 s 1.

46.13 FINANCIAL INSTITUTIONS, EXAMINATIONS

HISTORY. 1909 c 201 s 14; 1917 c 299; 1919 c 136; 1923 c 247 s 1; 1937 c 276 s 1; 1941 c 488; 1951 c 309 s 1.

46.16 Repealed, 1951 c 713 s 37.

46.17 EXAMINER IN CHARGE OF LIQUIDATION, SALARY

HISTORY. 1913 c 400 s 1; 1921 c 499; 1923 c 252; 1933 c 232 s 2.