

CHAPTER 9

EXECUTIVE COUNCIL

Sec.
 9.011 Members; duties, powers
 9.021 Meetings
 9.031 Depositories for state funds
 9.041 Settlement of certain claims and controversies with United States

Sec.
 9.051 Timber permits, extension
 9.061 Additional powers; emergencies
 9.071 Settlement of claims; other specified powers
 9.36 Rural rehabilitation revolving fund

9.01 [Repealed, 1953 c 492 s 8]

9.011 MEMBERS; DUTIES, POWERS. Subdivision 1. The executive council consists of the governor, lieutenant governor, secretary of state, state auditor, state treasurer, and attorney general. The governor is chairman.

Subd. 2. The executive council appoints, fixes the salary of, and removes at pleasure an executive secretary. He shall perform such duties as are assigned to him by the executive council.

Subd. 3. Within the limits of, and subject to the conditions of, the appropriation for salaries for the council, the executive secretary may employ such personnel as is necessary, and who may be employed in other departments of the state when so assigned.

[1953 c 492 s 1; 1959 c 693 s 5; 1961 c 561 s 4; 1973 c 394 s 1]

9.02 [Repealed, 1953 c 492 s 8]

9.021 MEETINGS. The executive council shall meet upon the call of the governor or upon the call of the executive secretary at the request of three or more members.

[1953 c 492 s 2]

9.03 [Repealed, 1953 c 492 s 8]

9.031 DEPOSITORIES FOR STATE FUNDS. Subdivision 1. The executive council shall designate banks or trust companies within the state as depositories to receive state funds. The state treasurer is not liable for the safe-keeping of the funds so lawfully deposited. The banks or trust company so designated as depositories must:

- (1) Have been organized for at least one year; or
- (2) Have taken over or absorbed a bank or trust company that has been organized for at least one year.

Subd. 2. Except as provided in subdivision 3, a depository shall furnish and file with the state treasurer a corporate surety bond to secure state funds deposited with it. The executive council shall approve the bond.

The executive council shall not approve any depository bond until 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 state treasurer, free of exchange, at any place in the state designated by him. 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 state treasurer may require a new or additional bond from any depository.

Subd. 3. In lieu of the corporate bond required in subdivision 2, a depository may deposit with the state treasurer collateral to secure state funds that are to be deposited with it. The executive council must approve the collateral.

The executive council shall not approve any collateral except:

- (1) Bonds and certificates of indebtedness, other than bonds secured by real estate, that are legal investments for savings banks under any law of the state; and
- (2) Bonds of any insular possession of the United States, of any state, or of any agency of this state, the payment of the principal and interest of which is provided for by other than direct taxation.

The collateral deposited shall be accompanied by an assignment thereof to the state, which assignment shall recite that:

(1) The depository will pay all the state funds deposited with it to the state treasurer, free of exchange or other charge, at any place in this state designated by him; if the deposit is a time deposit it shall be paid, together with interest, only when due; and

(2) In case of default by the depository the state may sell the collateral, or as much of it as is necessary to realize the full amount due from the depository, and pay any surplus to the depository or its assigns.

Upon the direction of the executive council, the treasurer, on behalf of the state, may reassign in writing to the depository any registered collateral pledged to the state by assignment thereon.

A depository may deposit collateral of less value than the total designation and may, at any time during the period of its designation, deposit additional collateral, withdraw excess collateral, and substitute other collateral for all or part of that on deposit, approval of the executive council is not necessary for the withdrawal of excess collateral.

If the depository is not in default the treasurer shall pay the interest collected on the deposited collateral to the depository.

Subd. 4. A depository may furnish more than one bond or both bonds and collateral to secure state funds to be deposited with it. If both bonds and collateral are furnished the depository may withdraw all or any part of the collateral without in any way impairing the bond unless there is a provision in the bond that the collateral will not be withdrawn without the consent of the surety on the bond.

Subd. 5. The executive council shall prescribe the maximum amount that may be deposited in each depository. In no case shall the amount of the deposit exceed:

- (1) The penalty on the bonds;
- (2) 90 percent of the market value of the bonds; or
- (3) The penalty on the bonds plus 90 percent of the market value of the collateral, if both are furnished.

Subd. 6. The state treasurer may deposit in any qualified depository, in the name of the state, state funds in his hands.

Subd. 7. The executive council may permit any designated depository to receive from any official, department, institution, or other agency of the state special deposits of state moneys that have not been paid into the state treasury. All moneys so deposited are deemed deposited pursuant to such designation.

Upon direction of the state treasurer a depository may receive and carry as a special deposit an amount of money withdrawn from the treasury that may be immediately required to pay principal or interest, or both, of maturing obligations of the state. Upon the direction of the treasurer the depository may pay out of such deposit the maturing obligations and surrender them to the treasurer for cancellation.

The executive council shall fix the rate of interest to be paid upon the special accounts authorized by this subdivision or may waive payment of interest if in its judgment the average amount deposited is not sufficient to justify charging interest.

Subd. 8. Depositories shall be divided into two classes to be known as active and inactive. A depository may be designated as a depository of both classes.

All state funds deposited in active depositories are subject to withdrawal by the state treasurer upon demand and no interest shall be charged on these deposits.

Surplus funds not required to meet the state's current disbursements shall be deposited for a definite period in inactive depositories and interest shall be paid on these deposits at a rate of not less than one percent per annum nor more than the maximum rate authorized to be paid by Minnesota state banks other than mutual savings banks. This rate shall be fixed by the executive council in accordance with the current rate upon similar deposits.

Subd. 9. When the executive council deems necessary it may require any depository of state funds or any surety on a depository bond to furnish a sworn statement of the financial condition of the depository or surety. Failure to render a statement within a reasonable time is sufficient ground for revocation of the designation.

Any person who makes a false statement to the executive council with regard to the financial condition of a depository or the surety on a depository bond is guilty of a gross misdemeanor.

Subd. 10. The closing of a depository is a default by the depository and no demand by the state or its treasurer is necessary to establish the default. When a depository closes, any time deposit therein is immediately due and payable.

Subd. 11. In any proceeding to wind up an insolvent depository of state funds the state is a preferred creditor.

Where a bond has been given by the depository the state may proceed either as a preferred creditor against the assets of the insolvent depository or as the obligee on the surety bond against the surety thereon or against both as the executive council deems advisable.

If the state receives or recovers any amount of its claim from the surety, the latter is not, by reason thereof, subrogated to the claim of the state against the assets of the insolvent depository as a preferred creditor.

Subd. 12. The executive council may revoke its designation of any depository at any time. Upon revocation of an active depository the treasurer shall withdraw the state funds deposited therein immediately and shall make no further deposits therein. Upon revocation of an inactive depository the treasurer shall withdraw state funds deposited therein when they become due and shall make no further deposits therein.

[1953 c 492 s 3; 1965 c 32 s 1; 1965 c 45 s 1]

9.035 [Expired]

9.036 [Repealed, 1953 c 492 s 8]

9.04 [Repealed, 1953 c 492 s 8]

9.041 SETTLEMENT OF CERTAIN CLAIMS AND CONTROVERSIES WITH UNITED STATES. Subdivision 1. The executive council may consider and propose terms of settlement to the legislature of all claims and controversies between the state and the United States over lands granted to the state by the United States under any act of Congress. It may consider and propose terms of settlement of these claims separately or totally. When the legislature approves a settlement, the executive council may accept patents of land issued by the United States and may reconvey to the United States any lands that it, by unanimous vote, determines should be reconveyed to carry out the provisions of this section.

Subd. 2. The executive council shall refer its findings and conclusions to the legislature for confirmation and no adjustment or settlement of any claim by the executive council is final until ratified by the legislature. The executive council may make final settlement and adjustment of individual claims of settlers or Indian allottees, where the land in question does not exceed 100 acres.

Subd. 3. The state auditor shall report to the executive council the status of:

(1) All claims of the state against the United States for lands patented to the state by the United States under any acts or grants relating to lands; and

(2) All claims of the United States against the state for lands alleged to have been wrongfully patented or conveyed to the state by the United States.

Subd. 4. The state auditor shall expend from any fund appropriated to maintain any department of his office sums for clerk hire, travel, hotel bills, or other expenses necessary to carry out this section. The state auditor shall audit and the executive council shall approve these expenditures. A per diem expenditure may be audited and approved for these purposes.

[1953 c 492 s 4]

9.05 [Repealed, 1953 c 492 s 8]

9.051 TIMBER PERMITS, EXTENSION. Subdivision 1. When the legislature authorizes extension of incomplete timber permits, upon application of the holders of such incomplete permits the executive council may, for good and sufficient reason and with the recommendation of the commissioner of natural resources, extend the permits for such period of time as it deems advisable.

Subd. 2. Any permit extended under this section is subject to a charge of six percent per annum interest on the entire unpaid purchase price. The destruction of the timber by any cause during the time of the extension does not relieve the purchaser from payment for the destroyed timber and he is liable to the state for the destroyed timber as provided in Minnesota Statutes, Section 90.301, Subdivision 1.

[1953 c 492 s 5; 1969 c 1129 art 3 s 1]

9.06 [Repealed, 1953 c 492 s 8]

9.061 ADDITIONAL POWERS; EMERGENCIES. Subdivision 1. The executive council may:

(a) take such measures as are necessary to prevent an impending disaster that threatens to destroy life or property;

(b) grant relief to communities stricken by disease, fire, action of the elements, or extreme economic distress; and

(c) prevent the occurrence or spread of any disaster.

In these emergencies, the executive council may, when necessary, commandeer and use any property, vehicle, means of transportation, means of communication, or public service. The owner of any property taken shall be given a receipt for the property and be paid for its use and for any damages inflicted upon the property while in the service of the executive council.

Subd. 2. When necessary to grant relief or to prevent disaster, the executive council may use any of the facilities or offices of the state, may command the services of any state military organization, the services of the forces of the state fire marshal or any state department, and the services of employees of the state. These employees shall serve without additional pay, but all proper and necessary expenses incurred while in the performance of duty shall be paid out of funds provided in this section. Members of any state military organization shall be paid for their services while on duty as provided by the military code upon warrants drawn by the adjutant general.

Subd. 3. When an emergency exists and the attorney general certifies that money is needed, the executive council shall furnish the requested money from funds provided by this section.

Subd. 4. The executive council shall transmit to the legislature a detailed report of all its expenses and all moneys paid out not later than March first of each year in which there is a regular session. It shall transmit information and make recommendations to assist the legislature in the enactment of legislation to prevent calamities.

Subd. 5. Where an emergency exists the executive council may expend such sums of money as are necessary therefor, but not to exceed \$2,000,000 in any one fiscal year, and such sums of money are hereby appropriated annually from the general fund in the state treasury for such purpose. For the purpose of supplying any deficiency that may arise in the general fund by reason of the appropriation made by this subdivision, the treasurer may temporarily borrow from other public funds a sum not exceeding \$2,000,000 in addition to any other temporary borrowing otherwise authorized by law in any year; provided, that no funds shall be so impaired thereby that all proper demands thereon cannot be met.

Subd. 6. [Repealed, 1965 c 830 s 2]

Subd. 7. [Repealed, 1965 c 830 s 2]

Subd. 8. [Repealed, 1965 c 830 s 2]

Subd. 9. [Repealed, 1965 c 830 s 2]

Subd. 10. [Repealed, 1965 c 830 s 2]

[1953 c 492 s 6; Ex1959 c 87 s 1; 1965 c 830 s 1; 1969 c 399 s 11]

9.07 [Repealed, 1953 c 492 s 8]

9.071 SETTLEMENT OF CLAIMS; OTHER SPECIFIED POWERS. The council has the powers with respect to the:

(1) Cancellation or compromise of claims due the state provided in sections 10.11 to 10.15;

(2) Timberlands provided in sections 90.031, 90.041, 90.151;

(3) Lands acquired from the United States provided in section 94.50;

(4) Lands subject to delinquent drainage assessments provided in section 84A.20;

(5) Transfer of lands between departments of state government provided in section 15.16;

(6) Sale or exchange of lands within national forests provided in sections 92.30, 92.31;

(7) Approval of acquisition of land for camping or parking area provided in section 97.48;

(8) Modification of iron leases provided in section 93.191;

(9) Awarding permits to prospect for iron ore provided in section 93.17;

(10) Approval of regulations for issuance of permits to prospect for minerals under state lands provided in section 93.08;

(11) Construction of dams provided in section 110.13.

[1953 c 492 s 7; 1971 c 25 s 7; 1973 c 87 s 1; 1973 c 494 s 2]

- 9.08-9.15 [Repealed, 1953 c 492 s 8]
- 9.16 [Renumbered 11.09]
- 9.17 [Expired, See 84.154, subd. 5]
- 9.18-9.27 [Repealed, 1957 c 804 s 10]
- 9.28 [Repealed, 1953 c 492 s 8]
- 9.29-9.35 [Repealed, 1957 c 804 s 10]

9.36 RURAL REHABILITATION REVOLVING FUND. Subdivision 1. The state executive council as created by Minnesota Statutes, Chapter 15 is hereby authorized and empowered to carry out the purpose and intent of Public Law 499, 81st Congress enacted May 3, 1950, and pursuant thereto to enter into agreements, contracts and covenants with the secretary of agriculture or such other federal officer or agency as may be provided to receive and administer rural rehabilitation corporation trust funds transferred to the state of Minnesota in accordance with the provisions of the aforementioned federal act.

Subd. 2. There is hereby transferred to the state executive council for use in accordance with the provisions of subdivision 1 hereof all of the assets, books, records, functions, powers and authority held or exercised under Public Law 499, 81st Congress, May 3, 1950, by the Minnesota rural rehabilitation corporation.

Subd. 3. There is hereby created in the state treasury the Minnesota rural rehabilitation revolving fund and all moneys therein are hereby appropriated annually to the executive council for the purposes of this section. There shall be deposited in such fund all trust funds transferred to the state as provided by this section, including any moneys derived therefrom. The moneys in the fund shall be paid out in the manner prescribed by law for other moneys in the state treasury.

[1961 c 755 s 1, 2; 1971 c 650 s 1]