306.38 EXPENDITURES AND INVESTMENTS.

Subdivision 1. **Investment and income.** Except as provided in subdivision 2, the principal of the care and improvement fund shall remain intact, and may be invested in the securities in which savings banks are by law permitted to invest, and not otherwise. The fund trustees, on January 1 and July 1, in each year, shall turn over to the association all income arising from the fund. The income must be used solely for the care, maintenance, and improvement of the cemetery and the avenues leading. If a part of the income remains unexpended and unappropriated for one year after being paid to the association, it must be returned to the trustees of the fund and become a part of the principal.

Subd. 2. **Investments by certain associations.** (a) A cemetery association governed by sections 306.31 to 306.40, organized under state law, including a private cemetery association that maintains a public cemetery of at least 20 acres in or adjacent to any city of the first class and that has provided for a permanent care and improvement fund administered, whether in one trust or more than one trust, by one or more trust companies acting as trustee or trustees of the fund under section 306.32, when the aggregate principal of the fund reaches $100,000 or more may act as provided in paragraph (b).

(b) The cemetery association may, by a resolution adopted by a vote of at least two-thirds of the members of its board of trustees at an authorized meeting of its board, authorize the trust company or trust companies acting as trustee or trustees in investing, reinvesting, exchanging, and managing the fund, to acquire every kind of investment, including, but not by way of limitation, bonds, debentures, and other corporate obligations, and corporate stocks, that an ordinarily prudent person of discretion and intelligence, who is a trustee of the property of others, would acquire as a trustee.

History: *(7592) RL s 2957; 1959 c 640 s 2; 1976 c 239 s 89; 1988 c 469 art 5 s 1*