427.02 DEPOSITORIES.

The council of any city in this state, but not including cities when governed under a charter adopted under and pursuant to the Constitution of the state of Minnesota, article IV, section 36, article XI, section 4, or article XII, section 5, and sections 410.03 to 410.24, and all acts supplemental thereto, in which charter the matter of designating depositories for city funds and the protection thereof is provided for, or in which charter it shall hereafter be provided for, shall have the power and authority to designate or redesignate at the beginning of each calendar year, or from time to time, the banks or other legal depositories of any city in which the treasurer of the city shall deposit and keep the moneys of the city, designating in each instance the maximum amount which may at any time be kept in any one of these depositories, which maximum amount shall in no case exceed 25 percent of the paid-up capital and surplus of the depository, unless the depository shall deposit with the treasurer of the city United States government bonds to secure the deposit of the funds of the city; and, in that event, the amount so deposited shall not exceed the amount of the United States government bonds so deposited. No depository shall deposit United States government bonds which mature within one year from the date such bonds were first considered as a part of the bank's reserve and which reserves are required by section 48.221. The council of each city shall, at all times, designate depositories in the city, or elsewhere in the United States, sufficient for the depository of all funds which are likely to be in the hands of the treasurer of the city at any one time and shall, so far as consistent with the best interest of the city, designate these depositories in the city and require from these depositories good and sufficient bonds payable to the city in a penal sum not to exceed the amount designated as the limit of deposit therein, and conditioned for the safekeeping and payment of funds so deposited, or, in lieu thereof, good and sufficient collateral as provided for by section 118A.03.

History: *(1327) 1907 c 17 s 1; 1933 c 179; 1935 c 124 s 1; 1969 c 78 s 2; 1971 c 24 s 50; 1987 c 384 art 2 s 1; 1996 c 399 art 2 s 12; 1997 c 7 art 1 s 139; art 4 s 2*