

## CHAPTER 274—S. F. No. 273.

*An act entitled, "An act to enlarge the powers of state banks having a capital of not less than fifty thousand dollars: authorizing such state banks to act as agent, attorney in fact, depositee of trust and other funds, assignee, receiver, representative of estates and trustee, and to transact other business; authorizing such state banks to use the words 'trust' or 'trust company', 'savings' or 'savings bank', and to omit the word 'state' in their corporate names: and prescribing the conditions on which such powers and privileges may be exercised and providing that certain acts shall be unlawful."*

Be it enacted by the Legislature of the State of Minnesota:

**Section 1. Application.**—Any state bank having a capital of not less than fifty thousand dollars and having its principal place of business in any municipality of less than twenty-five thousand inhabitants; and any state bank having a capital of not less than seventy-five thousand dollars and having its principal place of business in a municipality of twenty-five thousand or more, but less than one hundred thousand inhabitants; and any state bank having a capital of not less than one hundred thousand dollars and having its principal place of business in a municipality of one hundred thousand or more, but less than two hundred thousand inhabitants; and any state bank having a capital of not less than two hundred thousand dollars and having its principal place of business in a municipality of two hundred thousand inhabitants or more, may exercise the powers and privileges conferred by this Act, in addition to all other powers granted by law, upon complying with the conditions and requirements of this Act.

**Sec. 2. To get certificate from Superintendent of Banks.**—In order to exercise the powers herein conferred, any such bank shall invest and keep invested in one or more of the first, second, third, fourth, seventh and eighth classes of authorized securities, at least fifty per cent of its capital if its capital be less than two hundred thousand dollars, or at least twenty-five per cent of its capital if its capital be two hundred thousand dollars or more, which securities in the amounts above provided shall be duly assigned, transferred to and deposited with the Superintendent of Banks, and shall be maintained unimpaired as a guaranty fund for the integrity of its trusts and for the faithful discharge of its duties, in connection therewith, with the right to the bank to collect the income thereof and to substitute other like authorized securities of equal amount and value. The Superintendent of Banks shall carefully examine the securities offered for deposit, and if they comply with all the provisions of law applicable thereto, and if the bank making such deposit shall possess the qualifications stated in Section 1 of this Act, he

shall issue to such bank a certificate stating that it is qualified to exercise the powers herein conferred, and upon the issuance of such certificate and while the same remains in force, such bank may exercise the powers and privileges conferred by this Act.

In case of any increase in the capital of any bank which has qualified hereunder, such certificate shall be and become revoked, and such bank shall not thereafter exercise the powers herein conferred until it shall have deposited the required proportion of its capital in authorized securities and received a new certificate that it is qualified hereunder.

**Sec. 3. Powers and duties.**—Any such bank which has complied with the terms of this Act and holds a certificate as above provided may exercise the following powers and privileges:

**FIRST:** It may take and hold in trust any real or personal property, wherever situated, by order, judgment or decree of any court, or by gift, grant, assignment, transfer, devise, legacy or bequest from, or by lawful contract, with, any public or private corporation or any individual or copartnership, and manage the same upon the terms and conditions therein declared or imposed; it may act as agent for the signature, countersignature, registration, transfer or redemption of certificates of stock, bonds, coupons or other evidences of indebtedness, and as Trustee under mortgages in the form of trust deeds, and may otherwise act as general or special agent or attorney in fact in the acquisition, management, sale, assignment, transfer, encumbrance, conveyance, or other disposition of any real or personal property, in the collection of rents, payment of taxes, and generally as the representative of any person, corporation, or copartnership; it may guarantee the title to securities sold and transferred by it.

**SECOND.** It may take and hold on deposit or for safe keeping, money, bonds, stocks, or other securities, or personal property, which any public officer or any trustee or other legal representative or any public or private corporation or any person may desire or may be authorized, ordered, or otherwise required by law to deposit in a safe depository or to pay into any court of record, and the same may, instead thereof, be deposited with such bank, and where the deposit is made pursuant to order of court in such bank as the court shall designate and depositor takes the receipt of such bank therefor, thereupon the depositor and his sureties shall be relieved from liability thereafter accruing on account thereof so long as such deposits continue.

**THIRD.** It may act as assignee under any assignment for the benefit of creditors, or be appointed as a trustee, receiver, guardian, executor or administrator, and may accept and perform

any other lawful trust conferred by any court or by any corporation or individual. In the acceptance and performance of any such trust no oath or security shall be required.

**FOURTH.** Whenever any judge or court having jurisdiction deems it expedient, such judge or court may direct any executor, administrator, guardian, assignee, receiver, or other trustee to deposit with such bank any securities belonging to the trust subject to the order of such trustee when countersigned by the judge of such court, and the court may fix the security to be given by such trustee with reference only to the remainder of the trust estate. No such securities shall be withdrawn nor any part of the principal or interest thereof collected except by an officer of such bank without the order of a judge of such court duly entered and certified, upon satisfactory proof that additional security has been furnished by the trustee or that the estate or fund has been so reduced that such deposit is no longer required.

**FIFTH.** It may invest all moneys received by it in trust, in authorized securities, and shall be responsible to the owner or cestui que trust for the validity, regularity, quality, value and genuineness of such investments and securities at the time made and for the safe keeping of such securities and the evidences thereof. Whenever special directions are given in any order, judgment, decree, will or other written instrument, as to the particular manner or the particular class or kind of securities or property in which any investment shall be made, it shall follow such direction, and in such case it shall not be further responsible by reason of the performance of such trust.

It may, in its discretion, retain and continue any investment and security or securities coming into its possession in any fiduciary capacity. For the faithful performance of its duties and the discharge of its trust, it shall be entitled to reasonable compensation or such amount as has been or may be agreed upon by the parties and all necessary expenses with legal interest thereon.

No compensation or commission paid or agreed to be paid to it for the negotiation of any loan or the execution of any trust shall be deemed interest within the meaning of the law, nor shall any excess thereof over the legal rate be deemed usury.

**SIXTH.** Any amount not less than one hundred dollars received by it as representative or trustee or by order of the court not required for the purposes of such trust and not to be accounted for within one year, it shall invest as above provided in authorized securities then held by it or specially procured by it.

**SEVENTH.** It may invest its funds in authorized securities as defined by law, and the provisions of Section 6358 of the

General Statutes of 1913, limiting the amount of liability of any person, corporation, or copartnership, with reference to a percentage of the capital and surplus of such bank, shall not apply to its investments in authorized securities.

**Sec. 4. To keep record of trust accounts.**—Besides its general books of account, it shall keep separate books of account for all trust accounts. All funds and property held by it in a trust capacity shall at all times be kept separate from its own funds and property, and all trust funds deposited or held in trust by the bank awaiting investment shall be carried in a separate account, and shall not be used by the bank in the conduct of its business, and all deposits made by it of such trust funds in any other banking institutions shall be deposited as trust funds, to its credit as trustee, and not otherwise. Every security in which trust funds are invested shall at once, upon receipt thereof, be endorsed or transferred to it as executor, administrator, guardian, receiver, assignee, or other trustee, as the case may be, and not in blank or otherwise, and immediately entered in the proper books as belonging to the particular trust whose funds have been invested therein. Any change in such investment shall be fully specified in and under the account of the particular trust to which it belongs so that all trust funds and property can be readily identified at any time by any person. It shall be unlawful for any bank to lend any officer, director or employe any funds held in trust, under the powers conferred by this Act. Any officer, director or employe to whom such a loan is made shall be guilty of larceny of the amount of such loan from the time of the making thereof.

**Sec. 5. Shall be subject to orders of court.**—Every such corporation shall be subject at all times to the orders of any court from which it shall have accepted any trust or appointment, and shall render to such court such itemized and verified accounts and reports as may be required by law or the court. In addition to other reports required by law, it shall render to the Superintendent of Banks, at such times as he may direct, full and itemized reports of investments, trust funds and other business performed under the provisions hereof, and a condensed statement of such report, either separately stated or consolidated with the other reports required of it by law, shall be published as required by law.

**Sec. 6. Corporate name.**—Any such bank which has qualified and obtained a certificate as provided in this Act, may use in its corporate name or title, in addition to the word "bank" or other words now permitted by law, the words "trust" or "trust company" and may display and make use of signs, symbols, tokens, letter heads, cards, circulars and advertisements stating or indicating that it is authorized to transact the busi-

ness authorized by this Act, and any such bank using the words "trust" or "trust company" is not required to use the word "state" in its corporate name.

**Sec. 7. Banks may be designated as savings banks.**—Any state bank which has qualified under this Act and obtained the certificate herein provided, and which has established and maintains a savings department, may use in its name or title, in addition to other words permitted by law, the words "savings" or "savings bank." Savings deposits received by any such state bank using the words "savings" or "savings bank" in its corporate name or title, shall be invested only in authorized securities as defined by law, and such bank shall keep on hand at all times, in addition to the securities required to be deposited under the provisions of Section 2 hereof, such securities as deposits in savings banks may be invested in to an amount at least equal to such savings deposits, and such securities to the amount of such deposits shall be representative of and the fund for and applicable first and exclusively to the payment of such savings deposits. Deposits received by such bank subject to its right to require notice of withdrawal evidenced by pass books, shall be deemed savings deposits.

**Sec. 8. May cease operations—Duties of Superintendent of Banks.**—Any state bank which has qualified hereunder may at any time notify the Superintendent of Banks in writing that it intends to cease to operate under the provisions of this Act, and thereupon the certificate issued to it as above provided shall be cancelled and revoked, and such bank shall thereafter exercise no power or privilege except those permitted to state banks which have not qualified hereunder, and the securities deposited with the Superintendent of Banks as provided in Section 2 hereof shall forthwith be reassigned and returned to such bank; provided that no part of such deposited securities shall be so returned until such bank shall have eliminated from its corporate name the words "trust," "trust company," or "savings" nor until it has ceased to hold any trust or trust office authorized by this Act, nor until all its accounts in any such trust shall have been settled and allowed and all property held in trust by it delivered to the persons entitled thereto, nor until all liabilities incurred by it as trustee, agent, or otherwise, under the provisions of this Act, and which it could not have incurred unless qualified hereunder, shall have been discharged; provided further that if the amount of all such liabilities or the maximum limit thereof has been or can be definitely ascertained, the Superintendent of Banks, may retain only such part of the deposited securities as shall be at least equal to and as shall be in his opinion sufficient to liquidate the same. If any such bank so surrendering its powers hereunder shall have heretofore used the word "savings"

in its corporate name, the provisions of Section 7 hereof, relating to the investment of savings deposits and the rights of such depositors, shall remain operative as to all savings deposits on hand at the date of surrendering such certificate and until such savings deposits shall have been paid to the persons entitled thereto.

Sec. 9. This Act shall take effect and be in force from and after its passage.

Approved April 16, 1923.

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#### CHAPTER 275—S. F. No. 299.

*An act to amend Section 4001 General Statutes for 1913 as amended by Chapter 381 of the Laws of Minnesota for 1921, relating to the state board of control.*

Be it enacted by the Legislature of the State of Minnesota:

Section 1. Membership of Board of Control.—That Section 4001 General Statutes 1913 as amended by Chapter 381 General Laws of 1921, be, and the same is hereby, amended so as to read as follows:

Sec. 4001. The State Board of Control, shall consist of *four* members at least *one* of whom shall be a woman, appointed by the Governor, with the consent of the Senate, each for the term of six years and until their successors qualify. Provided, however, *that when the term of one of the members expires on Dec. 31, 1924, that no appointment shall be made and the board shall thereafter consist of three members only. Not more than two (2) Commissioners shall belong to the same political party.* Vacancies shall be filled by like appointment for the unexpired terms. The members whose term first expires shall be chairman. The Governor may remove any member for malfeasance or non-feasance in office or for any cause which renders him incapable or unfit to discharge his official duties.

Sec. 2. This act shall take effect and be in force from and after its passage.

Approved April 16, 1923.

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#### CHAPTER 276—S. F. No. 323.

*An act authorizing the county boards of any county now or hereafter having a population of over one hundred and fifty thousand (150,000) and not more than two hundred and twenty-five thousand (225,000) inhabitants and an assessed valuation of over two hundred and fifty million (250,000,000) dollars, exclusive of money and credits, to appropriate and expend not exceeding ten*