

## CHAPTER 9

### EXECUTIVE COUNCIL

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**9.01** [Repealed, 1953 c 492 s 8]

#### **9.011 MEMBERS; DUTIES, POWERS.**

Subdivision 1. **Members.** The Executive Council consists of the governor, lieutenant governor, secretary of state, state auditor, and attorney general. The governor is chair.

Subd. 2. **Executive secretary.** The Executive Council appoints, fixes the salary of, and removes at pleasure an executive secretary. The executive secretary shall perform such duties as are assigned by the Executive Council.

Subd. 3. **Employees.** 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.

**History:** 1953 c 492 s 1; 1959 c 693 s 5; 1961 c 561 s 4; 1973 c 394 s 1; 1986 c 444; 1998 c 387 art 2 s 2

**9.02** [Repealed, 1953 c 492 s 8]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.

**History:** 1953 c 492 s 2

**9.03** [Repealed, 1953 c 492 s 8]

#### **9.031 DEPOSITORIES FOR STATE FUNDS.**

Subdivision 1. **Requirements for depositories.** The Executive Council shall designate banks, trust companies, or credit unions within the state as depositories to receive state funds. The commissioner of management and budget is not liable for the safekeeping of the funds so lawfully deposited. The banks, trust companies, or credit unions so designated as depositories must:

(1) have been organized for at least one year; or

(2) have taken over or absorbed a bank, trust company, or credit union that has been organized for at least one year.

Subd. 2. **Deposits exceeding applicable deposit insurance coverage.** To the extent that state funds on deposit at the close of a depository's banking day exceed applicable deposit insurance coverage, the state shall require the depository to furnish and file with the commissioner of management and budget a corporate security bond to secure state funds deposited with it, or to deposit with the commissioner collateral security

as provided in subdivision 3. The Executive Council shall approve the bond when the council is 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 commissioner of management and budget, free of exchange, at any place in the state designated by the commissioner of management and budget. 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 commissioner of management and budget may require a new or additional bond from any depository.

Subd. 3. **Collateral.** (a) In lieu of the corporate bond required in subdivision 2, a depository may deposit with the commissioner of management and budget collateral to secure state funds that are to be deposited with it. The Executive Council must approve the collateral.

(b) 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.

(c) 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 commissioner of management and budget, free of exchange or other charge, at any place in this state designated by the commissioner of management and budget; 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.

(d) Upon the direction of the Executive Council, the commissioner of management and budget, on behalf of the state, may reassign in writing to the depository any registered collateral pledged to the state by assignment thereon.

(e) 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.

(f) If the depository is not in default the commissioner of management and budget shall pay the interest collected on the deposited collateral to the depository.

Subd. 4. **Bonds and collateral.** 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. **Maximum deposit.** The Executive Council shall prescribe the maximum amount that may be deposited in each depository. In no case shall the amount of the deposit in excess of applicable deposit insurance coverage 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. **Power to deposit.** The commissioner of management and budget may deposit in any qualified depository, in the name of the state, state funds in hand.

Subd. 7. **Special deposits; interest.** 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 commissioner of management and budget 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 commissioner of management and budget the depository may pay out of such deposit the maturing obligations and surrender them to the commissioner of management and budget 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. **Active and inactive depositories.** 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 commissioner of management and budget 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 savings banks. This rate shall be fixed by the Executive Council in accordance with the current rate upon similar deposits.

Subd. 9. **Statement of financial condition.** 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. **Closing; default.** The closing of a depository is a default by the depository and no demand by the state or its commissioner of management and budget is necessary to establish the default. When a depository closes, any time deposit therein is immediately due and payable.

Subd. 11. **Winding up.** 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. **Revoking designation of depository.** The Executive Council may revoke its designation of any depository at any time. Upon revocation of an active depository the commissioner of management and budget shall withdraw the state funds deposited therein immediately and shall make no further deposits therein. Upon revocation of an inactive depository the commissioner of management and budget shall withdraw state funds deposited therein when they become due and shall make no further deposits therein.

Subd. 13. **Required community reinvestment rating.** Banks and trust companies designated as depositories must have received ratings of "outstanding" or "satisfactory" as their most recent rating under United States Code, title 12, section 2906. If a state depository receives a rating that is below "satisfactory," the Executive Council shall revoke its designation as a depository. The Executive Council may delay the effective date of the revocation if necessary to allow a reasonable period of time to arrange for a replacement depository.

**History:** 1953 c 492 s 3; 1965 c 32 s 1; 1965 c 45 s 1; 1976 c 239 s 1; 1986 c 444; 1991 c 42 s 1; 1992 c 587 art 2 s 1; 1995 c 171 s 1; 1996 c 414 art 1 s 1; 2003 c 112 art 2 s 50; 2009 c 101 art 2 s 109; 2011 c 106 s 3,4

**9.035** [Expired]

**9.036** [Repealed, 1953 c 492 s 8]

**9.04** [Repealed, 1953 c 492 s 8]

#### **9.041 SETTLEMENT OF CLAIMS AND CONTROVERSIES WITH UNITED STATES.**

Subdivision 1. **Proposing terms; accepting patents; reconveying.** 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. **Legislative action; small claims.** 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. **Auditor's report.** 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. **Auditor's expenses.** The state auditor shall expend from any fund appropriated to maintain any department of the auditor's 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.

**History:** 1953 c 492 s 4; 1986 c 444; 1997 c 7 art 2 s 4

**9.05** [Repealed, 1953 c 492 s 8]

**9.051** [Repealed, 1975 c 106 s 7]

**9.06** [Repealed, 1953 c 492 s 8]

### **9.061 ADDITIONAL POWERS; EMERGENCIES.**

Subdivision 1. **Prevention and relief; commandeering property.** The Executive Council may:

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

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

(3) prevent the occurrence or spread of any disaster;

(4) grant relief to individuals or families adversely affected by a major disaster in conformance with federal disaster relief laws and regulations. Any grants made shall be refunded to the state if the financial assistance needed is received from any other source; and

(5) repair state property damaged by a major disaster in conformance with federal disaster relief laws and regulations.

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. **Commanding state services.** 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. **Money.** 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. **Report of expenses.** The Executive Council shall transmit to the legislature a detailed report of all its expenses and all money 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. **Spending power.** Where an emergency exists the Executive Council may expend money as necessary therefor within the limit of appropriations made to the council for this purpose.

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]

**History:** 1953 c 492 s 6; Ex1959 c 87 s 1; 1965 c 830 s 1; 1969 c 399 s 11; 1975 c 48 s 1; 1981 c 356 s 253; 1987 c 320 s 1

**9.07** [Repealed, 1953 c 492 s 8]

#### **9.071 SETTLEMENT OF CLAIMS; OTHER SPECIFIED POWERS.**

The council has the powers with respect to:

- (1) timberlands provided in sections 90.031, 90.041, and 90.151;
- (2) lands acquired from the United States provided in section 94.50;
- (3) lands subject to delinquent drainage assessments provided in section 84A.20;
- (4) transfer of lands between departments of state government provided in section 15.16;
- (5) sale or exchange of lands within national forests provided in sections 92.30 and 92.31;
- (6) approval of acquisition of land for camping or parking area provided in sections 97A.135 and 97A.141;
- (7) awarding leases to prospect for iron ore provided in section 93.17;
- (8) approval of rules for issuance of leases to prospect for minerals under state lands provided in section 93.25; and
- (9) construction of dams provided in section 103G.545.

**History:** 1953 c 492 s 7; 1971 c 25 s 7; 1973 c 87 s 1; 1973 c 494 s 2; 1985 c 248 s 70; 1986 c 386 art 4 s 1; 1990 c 391 art 8 s 1; 1995 c 186 s 5; 2000 c 495 s 1

**9.08** [Repealed, 1953 c 492 s 8]

**9.09** [Repealed, 1953 c 492 s 8]

**9.10** [Repealed, 1953 c 492 s 8]

**9.11** [Repealed, 1953 c 492 s 8]

**9.12** [Repealed, 1953 c 492 s 8]

**9.13** [Repealed, 1953 c 492 s 8]

- 9.14 [Repealed, 1953 c 492 s 8]
- 9.15 [Repealed, 1953 c 492 s 8]
- 9.16 [Renumbered 11.09]
- 9.17 [Expired, See 84.154, subd. 5]
- 9.18 [Repealed, 1957 c 804 s 10]
- 9.19 [Repealed, 1957 c 804 s 10]
- 9.20 [Repealed, 1957 c 804 s 10]
- 9.21 [Repealed, 1957 c 804 s 10]
- 9.22 [Repealed, 1957 c 804 s 10]
- 9.23 [Repealed, 1957 c 804 s 10]
- 9.24 [Repealed, 1957 c 804 s 10]
- 9.25 [Repealed, 1957 c 804 s 10]
- 9.26 [Repealed, 1957 c 804 s 10]
- 9.27 [Repealed, 1957 c 804 s 10]
- 9.28 [Repealed, 1953 c 492 s 8]
- 9.29 [Repealed, 1957 c 804 s 10]
- 9.30 [Repealed, 1957 c 804 s 10]
- 9.31 [Repealed, 1957 c 804 s 10]
- 9.32 [Repealed, 1957 c 804 s 10]
- 9.33 [Repealed, 1957 c 804 s 10]
- 9.34 [Repealed, 1957 c 804 s 10]
- 9.35 [Repealed, 1957 c 804 s 10]
- 9.36 [Repealed, 1985 c 254 s 5]