

(b) Schools of nursing accredited by the State Board of Nursing or an equivalent public board of another state or foreign country;

(c) Public schools;

(d) Private schools complying with the requirements of Extra Session Laws 1959, Chapter 71, Article I, Section 10, Subdivision 2;

(e) Private and parochial non-profit schools exempt from taxation under the Constitution of Minnesota;

(f) Private trade schools which are exempt from taxation under Minnesota Statutes 1957, Section 290.05;

(g) Schools exclusively engaged in training physically handicapped persons for the state of Minnesota;

(h) Schools now or hereafter licensed by boards authorized under Minnesota law to issue such licenses, except schools licensed under Minnesota Statutes 1957, Chapter 141; and

(i) Schools and educational programs conducted by firms, corporations or persons for the training of their own employees, for which no fee is charged.

(j) Schools engaged exclusively in the teaching of purely avocational or recreational subjects.

Sec. 9. [142.09] **Application.** This act is not intended to repeal any of the provisions of Minnesota Statutes, Chapter 141.

Sec. 10. This act shall be effective September 1, 1961.

Approved April 20, 1961.

CHAPTER 740—S. F. No. 668

[Coded in Part]

An act relating to common law declaration of trust; enacting a common law declaration of trust, and amending Minnesota Statutes 1957, Sections 501.01, 60.29 Subdivision 1., and 60.30 Subdivision 1.

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

Changes or additions indicated by italics, deletions by strikeout.

Section 1. Minnesota Statutes 1957, Section 501.01, is amended to read:

501.01 Abolished in part. Uses and trusts, except as authorized and modified in this chapter *and except as authorized by law*, are abolished; and every estate and interest in lands shall be deemed a legal right, cognizable as such in the courts of law, except when otherwise provided by statute.

Sec. 2. [318.01] Common law declaration of trust, organization; scope of business. *Two or more persons, whether residents of this state or not, may organize and associate themselves together for the purpose of transacting business in this state under what is commonly designated or known as a "declaration of trust" or "business trust"; provided, however, no such association shall ever be permitted or authorized to transact in this state any business of insurance except the kind of business of insurance specified in Minnesota Statutes 1957, Section 60.29, Subdivision 1 (7), and all acts amendatory thereof; and further provided, however, no such association shall ever be permitted or authorized to transact a banking or security business, of any kind, in this state.*

Sec. 3. [318.02] Filing a declaration of trust and issuance of certificate to association. *Every such association hereafter organized for the purpose of transacting business in this state shall, prior to transacting any business in this state, file in the office of the secretary of state a true and correct copy of the "declaration of trust" under which the association proposes to conduct its business, which copy shall be sworn to, as being a true and correct copy, by the chairman of the board of trustees named in such declaration of trust. The "declaration of trust" may provide that the duration of such association shall be perpetual. Upon the filing of the copy of the "declaration of trust" and the payment of a filing fee of \$150 to the secretary of state, the secretary of state shall issue to the trustees named in the said "declaration of trust" a certificate showing that such "declaration of trust" has been duly filed in his office; whereupon, such association shall be authorized to transact business in this state; provided that all other applicable laws have been complied with. The "declaration of trust" may be amended as provided in the "declaration of trust" or in any amendments thereto but all amendments to the "declaration of trust" shall be filed in the office of the secretary of state upon the payment*

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of a filing fee of \$50 to the secretary of state and all amendments shall become effective at the time of said filing. When such copy of the "declaration of trust" and any amendments thereto shall have been filed in the office of the secretary of state it shall constitute public notice as to the purposes and manner of the business to be engaged in by such association.

Sec. 4. [318.03] Qualification with securities division. *Before any person may offer for sale, barter or sell any unit, share, contract, note, bond, mortgage, oil or mineral lease or other security of an association doing business under what is known as a "declaration of trust" or "business trust" in this state, such person shall register such securities pursuant to the provisions of Minnesota Statutes 1957, Chapter 80, and all acts amendatory thereof, which registration shall be applied for and granted under the same conditions as like registrations are applied for and granted to corporations.*

Sec. 5. [318.04] Qualification with insurance division. *Any such association permitted by section 2 to organize to transact in this state the kind of business of insurance permitted by section 2 shall set out in its "declaration of trust" the kind of business of insurance that it shall transact in this state; and before filing with the secretary of state the copy of the "declaration of trust" and any amendments thereto pursuant to section 3 there shall be endorsed upon the "declaration of trust" and any amendments thereto the approval of the commissioner of insurance; and it shall be subject to the same insurance laws of this state and regulations of the commissioner of insurance that an insurance corporation transacting the same kind of business of insurance is subject to except as otherwise provided by law; and it shall obtain from the commissioner of insurance a certificate of authority as an insurer which certificate of authority shall be issued by the commissioner of insurance upon compliance with all the applicable insurance laws of this state and regulations of the commissioner of insurance.*

Sec. 6. [318.05] Unlawful to transact business prior to compliance. *No person may transact or conduct any business, within this state, under any "declaration of trust" or "business trust," or like association hereafter organized, without first complying with the provisions and requirements of sections 2 and 3 and in addition thereto complying with the provisions and requirements of sections 4 and 5 when applicable.*

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Sec. 7. [318.06] **Penalties.** *Any person who shall violate any of the provisions of sections 2 to 6 shall be deemed guilty of a felony and, upon conviction thereof, shall be punished by a fine not exceeding \$1,000 or by imprisonment in the state prison not exceeding two years.*

Sec. 8. Minnesota Statutes 1957, Section 60.29, Subdivision 1., is amended to read:

60.29 Capital stock required; business which may be transacted. Subdivision 1. **Scope.** Insurance corporations shall be authorized to transact in any state or territory in the United States, in the Dominion of Canada, and in foreign countries, when specified in their charters or certificates of incorporation, either as originally granted or as thereafter amended, any of the following kinds of business, upon the stock plan, or upon the mutual plan when the formation of such mutual companies is otherwise authorized by law; *and business trusts as authorized by law of this state shall only be authorized to transact in this state the following kind of business hereinafter specified in paragraph (7) hereof when specified in their "declaration of trust":*

(1) To insure against loss or damage to property on land and against loss of rents and rental values, leaseholds of buildings, use and occupancy and direct or consequential loss or damage caused by fire, smoke or smudge, water or other fluid or substance, lightning, windstorm, tornado, cyclone, earthquake, collapse and slippage, rain, hail, frost, snow, freeze, change of temperature, weather or climatic conditions, excess or deficiency of moisture, floods, the rising of waters, oceans, lakes, rivers or their tributaries, bombardment, invasion, insurrection, riot, civil war or commotion, military or usurped power, electrical power interruption or electrical breakdown from any cause, railroad equipment, motor vehicles or aircraft, accidental injury to sprinklers, pumps, conduits or containers or other apparatus erected for extinguishing fires, explosion, whether fire ensues or not, except explosions on risks specified in Subdivision 1, clause (3); provided, however, that there may be insured hereunder the following: (a) explosion of any kind originating outside the insured building or outside of the building containing the property insured, (b) explosion of pressure vessels which do not contain steam or which are not operated with steam coils or steam jackets, and (c) risks under home owners multiple peril policies;

(2) (a) To insure vessels, freight, goods, wares,

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merchandise, specie, bullion, jewels, profits, commissions, bank notes, bills of exchange, and other evidences of debt, bottomry and respondentia interest, and every insurance appertaining to or connected with risks of transportation and navigation on and under water, on land or in the air;

(b) To insure all personal property floater risks;

(3) To insure against any loss from either direct or indirect damage to any property or interest of the assured or of another, resulting from the explosion of or injury to (a) any boiler, heater or other fired pressure vessel; (b) any unfired pressure vessel; (c) pipes or containers connected with any of said boilers or vessels; (d) any engine, turbine, compressor, pump or wheel; (e) any apparatus generating, transmitting or using electricity; (f) any other machinery or apparatus connected with or operated by any of the previously named boilers, vessels or machines; and including the incidental power to make inspections of and to issue certificates of inspection upon, any such boilers, apparatus, and machinery, whether insured or otherwise;

(4) To make contracts of life and endowment insurance, to grant, purchase, or dispose of annuities or endowments of any kind; and, in such contracts, or in contracts supplemental thereto to provide for additional benefits in event of death of the insured by accidental means, total permanent disability of the insured, or specific dismemberment or disablement suffered by the insured;

(5) (a) To insure against loss or damage by the sickness, bodily injury or death by accident of the assured or his dependents;

(b) To insure against the legal liability, whether imposed by common law or by statute or assumed by contract, of any employer for the death or disablement of, or injury to, his or its employee;

(6) To guarantee the fidelity of persons in fiduciary positions, public or private, or to act as surety on official and other bonds, and for the performance of official or other obligations;

(7) To insure owners and others interested in real estate against loss or damage, by reason of defective titles, encumbrances, or otherwise;

(8) To insure against loss or damage by breakage of glass, located or in transit;

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(9) (a) To insure against loss by burglary, theft, or forgery;

(b) To insure against loss of or damage to moneys, coins, bullion, securities, notes, drafts, acceptance or any other valuable paper or document, resulting from any cause, except while in the custody or possession of and being transported by any carrier for hire or in the mail;

(c) To insure individuals by means of an all risk type of policy commonly known as the "Personal Property Floater" against any kind and all kinds of loss of or damage to, or loss of use of, any personal property other than merchandise;

(d) To insure against loss or damage by water or other fluid or substance;

(10) To insure against loss from death of domestic animals and to furnish veterinary service;

(11) To guarantee merchants and those engaged in business, and giving credit, from loss by reason of giving credit to those dealing with him; this shall be known as credit insurance;

(12) To insure against loss or damage to automobiles or other vehicles or aircraft and their contents, by collision, fire, burglary, or theft, and other perils of operation, and against liability for damage to persons, or property of others, by collision with such vehicles or aircraft, and to insure against any loss or hazard incident to the ownership, operation, or use of motor or other vehicles or aircraft;

(13) To insure against liability for loss or damage to the property or person of another caused by the insured or by those for whom the insured is responsible, including insurance of medical, hospital, surgical, funeral or other related expense of the insured or other person injured, irrespective of legal liability of the insured, when issued with or supplemental to policies of liability insurance;

(14) To insure against loss of or damage to any property of the insured, resulting from the ownership, maintenance or use of elevators, except loss or damage by fire;

(15) To make contracts providing that upon the death of the assured a funeral benefit will be paid in money, the aggregate amount of which shall not exceed \$150 upon any one life; provided, that any corporation that has been licensed

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to do business for three successive years may make contracts not to exceed \$300 upon any one life; provided, that any corporation licensed under this chapter, which now or hereafter has paid-up capital of \$15,000, and maintains with the commissioner a deposit of \$15,000, may make life insurance contracts not to exceed \$600 on any one life and with or without indemnity for total and permanent disability such as are usually contained in life insurance contracts; no such insurance company shall be operated, directly or indirectly, in affiliation or connection with any funeral director or undertaking establishment, or contract, by assignment or otherwise, to pay such insurance or its benefits, or any part of either, to any funeral director or undertaking establishment predetermined or designated by it, so as to deprive the family or representatives of the deceased policyholder from, or in any way to control them in, obtaining for his funeral and burial, funeral services and supplies in the open market; and, nothing herein contained shall apply, nor shall it be construed to apply, in any way to any cooperative burial association.

Sec. 9. Minnesota Statutes 1957, Section 60.30, Subdivision 1., is amended to read:

60.30 Insurance corporations. Subdivision 1. Corporations may be formed for carrying on any one branch of the business of insurance authorized by law, or any two or more branches thereof, which are permitted by law to be transacted by one company; *and business trusts as authorized by law of this state may be formed for carrying on the kind of business of insurance specified in Minnesota Statutes 1957, Section 60.29, Subdivision 1 (7), and all acts amendatory thereof.*

Approved April 20, 1961.

CHAPTER 741—S. F. No. 836

[Not Coded]

An act relating to the public employees retirement association; providing survivorship benefits in certain cases.

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

Section 1. Public employees retirement; survivorship benefits. Notwithstanding the provisions of Minnesota Statutes 1957, Chapter 353, and any act amendatory thereof

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