

CHAPTER 135—H.F.No.884

An act relating to township mutual fire insurance companies; amending Minnesota Statutes 1969, Section 67A.01.

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

Section 1. Minnesota Statutes 1969, Section 67A.01, is amended to read:

67A.01 INSURANCE; TOWNSHIP MUTUAL FIRE INSURANCE COMPANIES; MERGER. It shall be lawful for any number of persons, not less than 25, residing in adjoining townships in this state, who shall collectively own property worth at least \$50,000, to form themselves into a corporation for mutual insurance against loss or damage by the perils listed in section 67A.13. No such company shall operate in more than 150 townships in the aggregate at the same time; provided, that when any such company confines its operations to one county it may transact business in the whole thereof by so providing in its certificate of incorporation, and provided further that in case of merger of two or more companies having contiguous territories, the surviving company in the merger shall have the right to transact business in the entire territory of the merged companies, but the territory of the surviving company in the merger shall not be larger than 250 townships.

Approved April 22, 1971.

CHAPTER 136—H.F.No.1005

[Coded in Part]

An act relating to the savings association act; broadening the powers of associations; revising the conditions for real estate loans; relating to ownership of savings accounts; amending Minnesota Statutes 1969, Sections 51A.21, by adding subdivisions; 51A.37, Subdivision 3; and 51A.23, Subdivision 1.

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

Section 1. Minnesota Statutes 1969, Section 51A.21, is amended by adding subdivisions to read:

Changes or additions indicated by underline, deletions by ~~strikeout~~.

Subd. 16. SAVINGS ASSOCIATIONS; POWERS; LIMITED TRUSTEESHIP. Upon application to and approval by the commissioner, to act as trustee or custodian within the contemplation of the federal self-employed individuals tax retirement act of 1962, as amended, the trustee or custodian may accept such trust funds provided such funds are invested only in savings accounts or deposits in such association or in obligations or securities issued by such association. Associations exercising the powers authorized by this subdivision shall segregate all funds held in such fiduciary capacities from the general assets of the association and shall keep a separate set of books and records, showing in detail all transactions made under authority of this subdivision. Provided individual records are kept for each self-employed individual's retirement plan and each investment fund, all funds held in such fiduciary capacities by an association may be commingled for appropriate purposes of investment. In passing upon applications, the commissioner shall take into consideration the investment policies, amount, type and adequacy of reserves, fidelity bonds and any legally required deposits of the applicant, and other pertinent facts and circumstances, and may grant or refuse the application accordingly.

Subd. 17. AGENCY. To act as agent for others in any transaction incidental to the operation of its business.

Sec. 2. Minnesota Statutes 1969, Section 51A.37, Subdivision 3, is amended to read:

Subd. 3. **REAL ESTATE LOANS.** Real estate loans in any amount not exceeding the value of the security, subject to the following conditions:

(a) No association shall make a real estate loan to one borrower if the sum of (1) the amount of such loan and (2) the total balances of all outstanding real estate loans owed to such association by such borrower exceeds an amount equal to ten percent of such association's savings liability or an amount equal to the sum of such association's reserves for losses and undivided profits, whichever amount is less, except that any such loan may be made if the sum of (1) and (2) does not exceed \$100,000.

(b) An association may (1) participate with one or more financial institutions, or entities having a tax exemption under section 501(a) of the internal revenue code, in any real estate loan of the type in which such association is authorized to invest on its own account, provided that the participating interest of such association is not subordinated or inferior to any other participating interest; and (2) participate in such real estate loans with other than financial institutions or those entities described, provided that the participating interest of such association is superior to the participating interests of such other participants.

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(c) The aggregate balances outstanding of real estate loans on real estate located outside the primary lending area of an association shall at no time exceed ten percent of the assets of the association, except that (1) loans insured or guaranteed in whole or in part by the United States, or a federal agency and (2) loans in which an association owns or has purchased no more than a 75 percent participation interest shall not be subject to this restriction; and

(d) Direct reduction real estate loans on home property and not in excess of 90 percent of the value of the security, and direct reduction real estate loans on primarily residential property not in excess of 80 percent of the value of the security, including participating interests in such loans, shall average annually, based on monthly computations, at least 70 percent of assets, other than liquid assets, held by the association.

(e) Real estate loans on home property by mortgage or contract for deed, as provided in clauses (a) through (d) above with no limit on purchase or sale thereof; and may participate with other lenders in making, purchasing, or selling such loans, provided (1) the property securing same is within 100 miles of the principal office of such other lender or lenders and (2) that such other lender or lenders participate to the extent of at least 25 percent in such loan and further provided not more than 25 percent of the assets of the association licensed hereunder shall be in such loan.

(f) An association may purchase, at any sheriff's judicial, or other sale, public or private, any real estate upon which it has a mortgage, judgment, or other lien, or in which it has any interest. It may acquire title to any real estate on which it holds any lien, in full or part satisfaction thereof, and may sell, convey, hold, lease, or mortgage the same. In transactions involving the purchase by a vendee of improved real estate for home purposes, or for the construction of a home, a savings and loan association organized under the laws of this state, or of the United States of America, may, when authorized by its bylaws, acquire the title thereof, and it may give to the vendee a contract to convey the same as upon a sale thereof. Provided, that no association shall hereafter invest more than 50 percent of its assets in such contracts to convey. Upon default in the conditions of the contract, the association may terminate the interest of the vendee, his representatives or assigns by serving the notice provided by Minnesota Statutes, Section 559.21, upon such vendee, his representative or assigns.

Sec. 3. Minnesota Statutes 1969, Section 51A.23, Subdivision 1, is amended to read:

51A.23 SAVINGS ACCOUNT. Subdivision 1. **OWNERSHIP.** Savings accounts may be opened and held solely and absolutely in his own right by, or in trust or other fiduciary capacity for, any person,

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including an adult or minor individual, male or female, single or married, partnership, association, fiduciary, or corporation. Savings accounts shall be represented only by the account of each savings account holder on the books of the association, and such accounts or any interest therein shall be transferable only on the books of the association and upon proper written application by the transferee and upon acceptance by the association of the transferee as a member upon terms approved by the board of directors. The association may treat the holder of record of a savings account as the owner thereof for all purposes without being affected by any notice to the contrary unless the association has acknowledged in writing notice of a pledge of such savings account.

An association may issue savings accounts to or in the name of a minor, which shall be held for the exclusive right and benefit of the minor, free from the control or lien of all other persons, except creditors, and, together with dividends thereon, shall be paid to him, and his receipt or acquittance, in any form, shall be sufficient release and discharge of the association for withdrawal, until a guardian appointed in this state for the minor shall have delivered a certificate of his appointment.

Approved April 22, 1971.

CHAPTER 137—H.F.No.1143

An act relating to weights and measures; sale of certain small fruits by weight; amending Minnesota Statutes 1969, Section 239.511, Subdivision 1.

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

Section 1. Minnesota Statutes 1969, Section 239.511, Subdivision 1, is amended to read:

239.511 WEIGHTS AND MEASURES; SMALL FRUIT CONTAINERS. Subdivision 1. **LEGAL SIZE.** It shall be unlawful for any person to sell, offer for sale, or give away, any containers for the distribution of berries or small fruits in less quantities than one bushel, unless the containers are of the capacity of one quart, one pint, or one-half pint, or multiples of a quart standard dry measure, and all sales of raspberries, blackberries, blueberries, currants, gooseberries, strawberries, and similar berries, and all plums, cher-

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