thereto. None of the taxes levied for payment of such bonds shall be included in computing the limitations upon the levy of any district under Minnesota Statutes, Section 275.12, or any law amendatory thereof or supplemental thereto.

Sec. 4. The agreement shall, before it becomes effective, be approved by resolution adopted by the school board of the independent school district named therein. Such resolution shall be published once in a newspaper published in such district, if there is one, or in a newspaper having general distribution in such district, and shall become effective 30 days after such publication, unless within such period a petition for referendum on the resolution shall be filed with the school board, signed by qualified voters of the school district equal in number to at least five percent of the number of the voters voting at the last annual school district election. In such case, the resolution shall not become effective until approved by a majority of the voters voting thereon at a regular or special election. After 30 days of the acceptance of the resolution by the school board of the *independent school district, or after the approval of the resolution by* referendum vote, if a referendum is held, the area vocational-technical school board shall be notified and the agreement shall be in effect, subject to the approval of the executive officer of the state board for vocational education.

Sec. 5. The agreement shall state the term of duration and provide for the method of termination and distribution of assets after payment of all liabilities of the joint board. No termination shall affect the obligation to continue to levy taxes required for payment of any bonds issued before or during the period in which the agreement of membership is in effect.

Sec. 6. This act shall be in effect on the day following its final enactment, without local approval.

Approved May 5, 1971.

CHAPTER 210—H.F.No.1464

An act relating to the state board of investment; redefining investments which can be made by the board of investment; redefining circumstances under which notice of disposition of certain securities need be given; increasing the maximum percentage of securities in any one corporation which the Minnesota supplemental

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

retirement fund may hold; amending Minnesota Statutes 1969, Sections 11.10, Subdivision 1; 11.16, Subdivisions 15 and 16; and 11.18, Subdivision 3.

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

Section 1. Minnesota Statutes 1969, Section 11.10, Subdivision 1, is amended to read:

11.10 **STATE BOARD OF INVESTMENT; REGULATION; INVESTMENT OF MONEY IN STATE TREASURY NOT CURRENTLY NEEDED.** Subdivision 1. **INVESTMENT OF TREASURY FUND.** When there shall be any money in the state treasury that is not currently needed, the state treasurer shall certify to the state board of investment the amount thereof. The board of investment may then invest said amount, or any part thereof, in the following:

(a) Treasury bonds, certificates of indebtedness, bonds or notes of the United States of America or bonds, notes or certificates of indebtedness of the state of Minnesota, all of which must mature not later than three years from date of purchase.

(b) Bonds, notes, debentures or other obligations issued by any agency or instrumentality of the United States or any securities guaranteed by the United States government, or for which the credit of the United States is pledged for the payment of the principal and interest thereof, all of which must mature not later than three years from date of purchase.

(c) Commercial paper of prime quality , or rated among the top third of the quality categories, not applicable to defaulted paper, as defined by a nationally recognized organization which rates such securities as eligible for investment in the state employees retirement fund except that ~~the~~ any non-banking issuing corporation, or parent company in the case of paper issued by operating utility or finance subsidiaries, must have total assets exceeding $500,000,000. Such commercial paper may constitute no more than 30 percent of the book value of the fund at the time of purchase, and the commercial paper of any one corporation shall not constitute more than four percent of the book value of the fund at the time of such investment.

(d) Any securities eligible under the preceding provisions, purchased with simultaneous repurchase agreement under which the securities will be sold to the particular dealer on a specified date at a predetermined price. In such instances, all maturities of United States government securities, or securities issued or guaranteed by the United States government or an agency thereof, may be purchased so long as any such securities which mature later than three years from the date of purchase have a current market value exceeding the purchase price by at least five percent on the date of purchase, and so long as such repurchase agreement involving securities extending beyond three years in maturity be limited to a period not exceeding 45 days.

Sec. 2. Minnesota Statutes 1969, Section 11.16, Subdivision 15, is amended to read:

Subd. 15. **COMMERCIAL PAPER.** Commercial paper of prime quality, or rated among the top third of the quality categories, not applicable to defaulted paper, as defined by a nationally recognized organization which rates such securities, issued by any corporation organized and operating within any of the 50 states of the United States, provided:

(a) That all such securities mature in 270 days or less;

(b) That the issuing corporation, or parent company in the case of paper issued by operating utility or finance subsidiaries, show a ratio of current assets to current liabilities, including that portion of long-term debt maturing within one year, of at least one and one-half to one; except that~~,~~ ; (1) if the issuing corporation, or parent company, has total assets exceeding $250,000,000, the ratio of current assets to current liabilities, including that portion of long-term debt maturing within one year, may be one and one-fourth to one; or (2) if the issuing corporation is a bank holding company, no current ratio test applies provided that the assets of such company exceed $250,000,000 and the consolidated assets of all banking organizations owned by such company exceed $2,000,000,000.

(c) That the net income of the issuing corporation, or parent company, average $1,000,000 or greater annually for the past five years;

(d) That the commercial paper shall, at no time, constitute more than eight percent of the book value of the investments in any one fund; and

(e) That the commercial paper of any one corporation shall not constitute more than two percent of the book value of the investments in the fund, are legal investments for the purposes of this section.

Sec. 3. Minnesota Statutes 1969, Section 11.16, Subdivision 16, is amended to read:

Subd. 16. **STATE OR MUNICIPAL SECURITIES, NOTICE OF DISPOSITION.** In the sale or ~~conveyance~~ disposition of any ~~Canadian, state, or municipal~~ securities issued by any state or municipal or political subdivision in the United States authorized by this act, the state board of investment shall give ten days' published notice of such proposed disposition in a financial publication published in a city of the first class and in a national financial publication and insofar as possible receive competitive bids therefor, provided that in sales of less than $250,000 face value of bonds of any one Minnesota municipal or political subdivision, the requirement for national publication may be waived upon resolution by the state board of investment. No published notice shall be required when a Minnesota subdivision wishes to retire, in any one year, not over $50,000 face value of its indebtedness before maturity or call date and agrees with the state board of investment to retire such securities at a price deemed reasonable by both parties, but at not less than acquisition cost or face value, whichever is lower.

Sec. 4. Minnesota Statutes 1969, Section 11.18, Subdivision 3, is amended to read:

Subd. 3. There shall be a growth share account which shall be invested in securities which are legal investments for the state employees retirement fund, except that: 100 percent of the assets in the account may be invested in corporate stocks; up to ~~four~~ six percent of the assets in the account or $15,000 in cost, whichever is greater, may be invested in the stock of any one corporation; and commercial paper may constitute 15 percent of the assets in the account, with the face amount of notes of any one corporation limited to five percent of the assets in the account or $25,000, whichever is greater. Not to exceed ten percent of the assets in the account may be invested in corporate stocks which do not conform with the dividend and earnings standards provided for investments of the state employees retirement fund. In addition to the investment standards indicated for the state employees retirement fund, the state board of investment shall consider possible growth potential and probable earnings gains of the companies in making commitments for this account.

Approved May 5, 1971.

CHAPTER 211—H.F.No.1592

[Coded]

An act relating to the state college board; establishing a cash over and short account in each of the state colleges operated by the state college board.

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