

will be expedited thereby. The motion may be submitted on pleadings mailed to the court without the necessity of personal appearance.

Sec. 4. Minnesota Statutes, 1979 Supplement, Section 518.156, Subdivision 1, is amended to read:

518.156 COMMENCEMENT OF CUSTODY PROCEEDING: Subdivision 1. In a court of this state which has jurisdiction to decide child custody matters, a child custody proceeding is commenced:

(a) By a parent

(1) By filing a petition for dissolution or legal separation; or

(2) Where a decree of dissolution or legal separation has been entered or where none is sought, by filing a petition or motion seeking custody of the child in the county where the child is permanently resident or where he is found or where an earlier order for custody of the child has been entered; or

(b) By a person other than a parent, by filing a petition or motion seeking custody of the child in the county where the child is permanently resident or where he is found or where an earlier order for custody of the child has been entered.

Sec. 5. **EFFECTIVE DATE.** Sections 1 to 4 are effective the day after final enactment.

Approved April 23, 1980

CHAPTER 599—H.F.No. 1302

An act relating to commerce; permitting banks, trust companies and mutual savings banks to take junior liens under certain circumstances; requiring availability of bank ownership information; requiring the commissioner of banks to report on federal usury preemption; providing a federal preemption override; establishing certain time price differentials on retail installment sales of mobile homes; exempting certain insurance contracts, employee benefits and rights of action from garnishment or attachment; amending Minnesota Statutes 1978, Sections 48.19, Subdivision 1; 50.14, Subdivision 5; and 168.72; 550.37, by adding subdivisions; and Chapter 47, by adding sections; repealing Minnesota Statutes, 1979 Supplement, Section 48.185, Subdivision 2.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 1978, Section 48.19, Subdivision 1, is amended to read:

48.19 LOANS ON REAL ESTATE RESTRICTED. Subdivision 1. **RESTRICTIONS; EXCEPTION.** No bank or trust company shall make any loan upon the security of real estate unless it is a first lien thereon, except that a bank

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or trust company may take a junior lien: (a) upon real estate to secure a loan previously contracted; ~~or~~ (b) upon farm real estate to secure a loan made to a farmer who resides in a county which due to weather conditions is a declared federal disaster area at the time the loan contract is signed; or (c) upon real estate to secure a loan if the total unpaid aggregate of all outstanding liens against the same real estate does not exceed 80 percent of its appraised value. Before any such loans are made the value of the real estate shall be determined by an appraisal made by a committee appointed by the board of directors, which appraisal shall be made a matter of record; except that the board may accept an appraisal made by or for an agency of the United States government when such agency is guaranteeing or insuring the loan or any part thereof.

A bank may take additional liens on the same security and these shall be considered to be part of the same mortgage lien thereon providing it has been established that there are no intervening liens.

Loans in which the small business administration cooperates through agreements to participate, on an immediate or deferred basis under the federal small business act or loans or obligations secured or guaranteed by the United States or any department, bureau, board, commission, or establishment of the United States, including any corporation wholly owned directly or indirectly by the United States, shall not be subject to the restrictions or limitations of this section imposed upon loans secured by real estate.

Sec. 2. Minnesota Statutes 1978, Section 50.14, Subdivision 5, is amended to read:

Subd. 5. (1) Class four shall be:

(a) Notes or bonds secured by mortgages or trust deeds on unencumbered real estate, whether in fee or in a leasehold of a duration not less than ten years beyond the maturity of the loan, in any state of the United States, worth at least twice the amount loaned thereon;

(b) Notes or bonds secured by mortgages or trust deeds on unencumbered real estate in clause (1) (a) where ~~such the~~ notes or bonds do not exceed 80 percent of the appraised value of the security for the same, provided that ~~such the~~ notes or bonds are payable in instalments aggregating not less than five percent of the original principal ~~per annum~~ a year in addition to the interest; or, are payable on a regular amortization basis in equal instalments including principal and interest, ~~such these~~ instalments to be payable monthly in ~~such~~ amounts that the debt will be fully paid in not to exceed 30 years if the security is non-agricultural real estate, and ~~such these~~ instalments to be payable annually or semi-annually in ~~such~~ amounts that the debt will be fully paid in not to exceed 25 years if the security is agricultural real estate. A construction loan ~~shall be~~ is deemed amortized as required by this clause if the first instalment thereon ~~shall be~~ is payable not later than 18 months after the date of the first advance in the case of residential construction or not later than 36 months after the date of the first advance in the case of nonresidential construction; and

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(c) Notes or bonds secured by mortgages or trust deeds on unencumbered real estate in clause (1) (a) which are in an original principal amount of \$100,000 or more and which do not exceed 95 percent of the appraised value of the security for the same which may be payable in ~~such~~ the manner as the trustees of the bank ~~shall~~ prescribe, provided that construction loans made by a savings bank pursuant to this clause (1) (c) ~~shall~~ do not exceed in the aggregate five percent of the assets of the savings bank.

(2) Class four investments shall be made only on report of a committee directed to investigate the same and report its value, according to the judgment of its members, and its report shall be preserved among the bank's records.

(3) Notwithstanding anything to the contrary in clause (1) (b), a mutual savings bank organized under the laws of this state may invest in notes or bonds secured by mortgages or trust deed where ~~such~~ the notes or bonds do not exceed 95 percent of the appraised value of the security for the same. Except as modified herein, the other provisions of clause (1) (b) ~~shall~~ apply.

(4) For purposes of this subdivision, real estate ~~shall be~~ is deemed unencumbered if the only existing mortgage or lien against the real estate is a first mortgage lien in favor of the savings bank making a second mortgage loan or if the total unpaid aggregate of all outstanding liens against the same real estate does not exceed 80 percent of its appraised value.

Sec. 3. Minnesota Statutes 1978, Chapter 47, is amended by adding a section to read:

[47.202] COMMISSIONER'S REPORT ON FEDERAL PREEMPTION. The commissioner of banks shall, in his next annual report to the legislature, as required by section 47.20, subdivision 12, include an analysis of the effect of the provisions of P. L. 96-211, Title V, Part A on real estate lending in Minnesota.

Sec. 4. Minnesota Statutes 1978, Chapter 47, is amended by adding a section to read:

[47.203] FEDERAL PREEMPTION OVERRIDE. The provisions of Pub. L. 96-211, Title V, Part A, Section 501(a)(1), do not apply with respect to a loan, mortgage, credit sale or advance made in this state after the effective date of this section; nor with respect to a loan, mortgage, credit sale or advance secured by real property located in this state and made after the effective date of this section.

Sec. 5. Minnesota Statutes 1978, Section 168.72, is amended to read:

168.72 TIME PRICE DIFFERENTIALS. Subdivision 1. MOTOR VEHICLES. (a) The time price differential authorized by sections 168.66 to 168.77 in a retail installment sale shall not exceed the following rates:

Class 1. Any motor vehicle designated by the manufacturer by a year model of the same or not more than one year prior to the year in which the sale is made — \$8 per \$100 per year.

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Class 2. Any motor vehicle designated by the manufacturer by a year model of two or three years prior to the year in which the sale is made — \$11 per \$100 per year.

Class 3. Any motor vehicle not in Class 1 or Class 2 — \$13 per \$100 per year plus a flat charge of \$3 for each such retail installment sale.

(b) ~~Such~~ The time price differential shall be computed on the principal balance as determined under section 168.71(b) and shall be computed at the rate indicated on contracts payable in successive monthly installment payments substantially equal in amount extending for a period of one year. On contracts providing for installment payments extending for a period less than or greater than one year, the time price differential shall be computed proportionately.

(c) When a retail installment contract provides for unequal or irregular installment payments, the time price differential ~~shall be~~ is at the effective rate provided in subsection (a) hereof, having due regard for the irregular schedule of payment.

(d) The time price differential ~~shall be~~ is inclusive of all charges incident to investigating and making the contract, and for the extension of the credit provided for in the contract and no fee, commission, expense or other charge whatsoever shall be taken, received, reserved or contracted for except as provided in sections 168.66 to 168.77.

Subd. 2. MOBILE HOMES. (a) Notwithstanding any other law to the contrary the time price differential authorized by sections 168.66 to 168.77 in a retail installment sale of a mobile home, as defined in section 168.011, subdivision 8, shall not exceed 12 percent per year or at a rate of not more than 4-1/2 percent in excess of the discount rate on 90 day commercial paper in effect at the Federal Reserve bank in the Federal Reserve district encompassing Minnesota, whichever is greater.

(b) This subdivision supersedes the provisions of subdivision 3 for purposes of determining the lawful time price differential in a retail installment sale of a mobile home if the sale is made between the effective date of this subdivision and July 31, 1983.

Subd. 3. A sale of a mobile home made after July 31, 1983, is governed by the provisions of subdivision 1 for purposes of determining the lawful time price differential rate. A retail installment sale of a mobile home that imposes a time price differential rate that is greater than the rate permitted by this subdivision is lawful and enforceable in accordance with its terms until the indebtedness is fully satisfied if the rate was lawful when the sale was made.

Sec. 6. Minnesota Statutes 1978, Section 550.37, is amended by adding a subdivision to read:

Subd. 22. Rights of action for injuries to the person of the debtor or of a relative whether or not resulting in death.

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Sec. 7. Minnesota Statutes 1978, Section 550.37, is amended by adding a subdivision to read:

Subd. 23. The debtor's aggregate interest not to exceed in value \$4,000 in any accrued dividend or interest under or loan value of any unmatured life insurance contract owned by the debtor under which the insured is the debtor or an individual of whom the debtor is a dependent.

Sec. 8. Minnesota Statutes 1978, Section 550.37, is amended by adding a subdivision to read:

Subd. 24. The debtor's right to receive a payment under a stock bonus, pension, profit sharing, annuity, or similar plan or contract on account of illness, disability, death, age, or length of service, to the extent reasonably necessary for the support of the debtor and any dependent of the debtor.

Sec. 9. **REPEALER.** Minnesota Statutes, 1979 Supplement, Section 48.185, Subdivision 2, is repealed.

Sec. 10. **REPEALER.** Section 5, subdivision 2 is repealed effective July 31, 1983.

Sec. 11. **EFFECTIVE DATES.** Sections 1, 2, 3, 5, subdivisions 1 and 3, 6, 7, 8 and 9 are effective the day following final enactment. Section 4 is effective December 31, 1981.

Approved April 23, 1980

CHAPTER 600—H.F.No. 1453

An act relating to retirement; changing the provisions governing and the coverage of various state and local public employee retirement plans; authorizing the payment of severance pay to retiring employees; amending Minnesota Statutes 1978, Sections 352.90; 352.91, Subdivisions 1 and 2, and by adding a subdivision; 352B.08, Subdivision 2; 356.24; 473.417, as amended; and Minnesota Statutes, 1979 Supplement, Sections 43.051, Subdivision 3; and 465.72; and Laws 1953, Chapter 91, Section 1, Subdivision 7, as amended; Laws 1955, Chapter 151, Sections 1, Subdivision 5, as amended; 3, Subdivision 2; 13, as amended; and 16; and repealing Laws 1959, Chapter 131, Section 25, as amended; and Laws 1969, Chapter 641, Section 5.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes, 1979 Supplement, Section 43.051, Subdivision 3, is amended to read:

Subd. 3. Notwithstanding the provisions of subdivision 1, any employee of the state of Minnesota in a covered classification as defined in section 352.91, who is a member of the special retirement program for correctional personnel established pursuant to sections 352.90 to 352.95, shall may elect or be required to

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