

CHAPTER 140—H. F. No. 474

An act relating to authorized securities amending Minnesota Statutes 1941, Section 50.14, Subdivision 7 as amended by Laws 1943, Chapter 635, Section 6, as amended by Laws 1943, Chapter 197.

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

Section 1. Minnesota Statutes 1941, Section 50.14, Subdivision 7, as amended by Laws 1943, Chapter 635, Section 6, as amended by Laws 1943, Chapter 197, is amended to read as follows:

Subd. 7. Authorized securities. Class six shall be the "eligible obligations" of "qualifying railroad corporations," both as hereinafter defined.

(A) A "qualifying railroad corporation" shall be one which at the time of investment

- (1) Shall have been incorporated under the laws of the United States or of any state thereof or of the District of Columbia, and
- (2) Shall own or operate within the United States not less than 500 miles of standard gauge railroad lines exclusive of sidings, or shall have had, for its five preceding fiscal years, average gross railway operating revenues of at least \$10,000,000 annually, or shall own or operate railroad terminal property located in a city within the United States having at least 200,000 population, and
- (3) Shall not have been in default in the payment of any part of the principal or interest owing by it upon any part of its funded indebtedness, at any time during its current fiscal year and its five consecutive fiscal years immediately prior thereto, except that if the corporation shall have been reorganized in receivership or bankruptcy within such period such corporation shall not have been in such default since the effective date of reorganization, and
- (4) Shall not have fixed interest obligations in excess of 60 per cent of the total sum of (a) its fixed interest obligations, (b) obligations, if any, bearing interest on a contingent basis, (c) preferred stock, if any, at par or stated value, (d) common stock at par or stated value and (e) earned surplus, and

- (5) *Shall have had net earnings (a) in its five fiscal years immediately preceding time of purchase, of an average annual amount not less than 1½ times the fixed charges of the year immediately preceding time of purchase, and (b) in four of its five fiscal years immediately preceding time of purchase and in its fiscal year immediately preceding time of purchase, not less than the fixed charges of those respective years, except that if the corporation shall have been reorganized in receivership or bankruptcy within such period, its net earnings for each year shall have been not less than the fixed charges of the reorganized company. As used herein "net earnings" shall be defined as gross operating and non-operating income of a railroad corporation or its predecessor corporation, minus traffic and transportation expenses, maintenance, depreciation, rent of equipment and joint facilities, and other operating expenses, and taxes excluding income and profits taxes. As used herein "fixed charges" shall be defined as interest on debt on which there is an unqualified obligation to pay interest, leased line rentals and amortization of debt discount and expense, except that if a corporation has been reorganized in receivership or bankruptcy within five years prior to time of purchase "fixed charges" shall be the fixed charges of the reorganized company.*

(B) *"Eligible obligations" shall be bonds, notes or other obligations which*

- (1) *Shall have been issued by a qualifying railroad corporation, or shall have been assumed or guaranteed as to principal and interest by a qualifying railroad corporation, and*
- (2) *Shall bear interest at a fixed rate, and*
- (3) *Shall have a definite maturity date, and*
- (4) *Shall be secured by either (a) a lien upon railroad lines which shall be a first lien upon at least two-thirds of the total mileage covered by such lien and upon at least 100 miles of main lines or (b) a first mortgage or lien on railroad terminal property and assumed or guaranteed as to principal and interest by two or more qualifying railroad corporations.*

(C) *No such bank shall invest in securities of Class Six to an amount exceeding in the aggregate 15 per cent of its*

deposits; nor in securities of Class Six secured by lien upon railroad lines, issued, guaranteed, or assumed by any one railroad corporation to an amount exceeding two per cent of its deposits; nor in securities of Class Six secured by lien upon any one railroad terminal property to an amount exceeding one per cent of its deposits.

Sec. 2. Application. *The requirements set forth herein governing investments in securities under this subdivision shall affect only those securities acquired after the effective date of this act.*

Approved March 24, 1945.

CHAPTER 141—H. F. No. 642

An act to provide for the licensing of baby chick auctions.

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

Section 1. Permit required for sale of baby chicks. That before any baby chicks are offered for sale at any auction or auction barn or community sale, except public sales conducted by farmers selling baby chicks hatched on their own farms, a permit shall be obtained for the conduct of such auction from the Minnesota Poultry Improvement Board.

Sec. 2. Application for permit. Any person who desires to offer baby chicks for sale at auction, as defined in section one hereof, shall apply for a permit so to do to the Minnesota Poultry Improvement Board, on a form which shall be prescribed by said board. The application shall be signed by the person who proposes to conduct such sale, together with the person who owns the property in or on which such sale is to be conducted, if the person who proposes to conduct such sale does not own such property. The application shall designate the date of the proposed sale, the number and breeds of chicks which are to be offered for sale and the name and post office address of the person or persons by whom such chicks were hatched. The application shall be accompanied by a fee in the sum of fifteen dollars for each and every day or fraction thereof during which or on which it is proposed to sell such baby chicks. The Minnesota Poultry Improvement Board is hereby authorized in its discretion to grant or deny the permit requested in such application; and, as a prerequisite to the