

CHAPTER 442—S. F. No. 882

An act relating to authorized investments of life insurance companies; amending Minnesota Statutes 1953, Section 61.12.

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

Section 1. Minnesota Statutes 1953, Section 61.12, is amended to read:

61.12 Real estate holdings. Subdivision 1. **Purposes.** Except as provided in subdivisions 2 and 3, every such life insurance company may acquire, hold and convey real property only for the following purposes and in the following manner:

(1) Such as shall be requisite for convenient accommodation in the transaction of its business;

(2) Such as shall have been mortgaged to it in good faith by way of security for loans previously contracted, or for moneys due;

(3) Such as shall have been conveyed to it in satisfaction of debts previously contracted in the course of its dealings;

(4) Such as shall have been purchased at sales on judgments, decrees or mortgages obtained or made for such debts.

All the real property specified in clauses (2), (3), and (4), which shall not be necessary for its accommodation in the convenient transaction of its business, shall be sold and disposed of within five years after the company shall have acquired title to the same, or within five years after the same shall have ceased to be necessary for the accommodation of its business, and it shall not hold this property for a longer period unless it shall procure a certificate from the commissioner of insurance that its interest will suffer materially by the forced sale thereof, in which event the time for the sale may be extended to such time as the commissioners shall direct the certificate.

Subd. 2. Building projects. In order to promote and supplement public and private efforts to provide an adequate supply of decent, safe, and sanitary dwelling accommodations for persons of low and moderate income; to relieve unemployment; to alleviate the shortage of rental residences; and to assist in relieving the emergency in the housing situation in cities and their environs in this country through investment of funds, any domestic life insurance company, prior to De-

ember 1, 1951, may purchase or lease from any owner or owners (including states and political subdivisions thereof), real property in, or within ten miles from, any city having a population of 25,000 or more in any state in which such company is licensed to transact the business of life insurance; and on any real property so acquired, or on real property so located and acquired otherwise in the conduct of its business, such company may erect apartment, tenement, or other dwelling houses, not including hotels, but including accommodations for retail stores, shops, offices, and other community services reasonably incident to such projects; or, to provide such housing or accommodations, may construct, reconstruct, improve, or remove any buildings or other improvements thereon. Such company may thereafter own, improve, maintain, manage, collect or receive income from, sell, lease, or convey any such real property and the improvements thereon. The aggregate investment by any such domestic life insurance company in all such projects, including the cost of all real property so purchased or leased and the cost of all improvements to be made upon such real property and upon real property otherwise acquired, shall not, at the date of purchase or other acquisition of such real property, exceed ten per cent of the total admitted assets of such company on the last day of the previous calendar year. The purchase or lease of, or investment in, any such housing projects shall be subject to the approval of the commissioner of insurance.

Subd. 3. Acquisition. Any domestic life insurance company may acquire real property other than property to be used primarily for agricultural, horticultural, ranch, mining, recreational, amusement, hotel, club, or church purposes, as an investment for the production of income, and improve or otherwise develop, and lease, sell, and convey the same, subject to the following conditions and limitations: (1) the cost of each parcel of real property acquired pursuant to this subdivision, including the estimated cost to the company of the improvement or development thereof, when added to the book value of all other real property then held by it pursuant to this subdivision, shall not exceed three per cent of its admitted assets as of the end of the preceding calendar year, and (2) the cost of each parcel of real property acquired pursuant to this subdivision, including the estimated costs to the company of the improvement or development thereof, shall not exceed *four-tenths* of one per cent of its admitted assets as of the end of the preceding calendar year. Each parcel of real property held by the company under this subdivision shall be valued on its books as of the end of each calendar year at an amount that will include a write-down of the cost of such property,

including all improvements or development costs, at a rate that will average not less than two per cent per annum of such cost for each year or part thereof that the property has been so held, and (2) if, as of the end of any calendar year, the aggregate net income before depreciation from all the properties held by the company under this subdivision, less the sum of all previous write-downs applied with respect to such properties, shall exceed four per cent per annum on the total book value of all such properties for the entire period during which such properties have been so held, the amount of such excess shall be applied, in such amounts as to such properties as the company shall determine, as a further write-down of such total book value. In order to enable the commissioner to obtain comparable information from all companies with respect to their operations under this subdivision and to determine compliance therewith, he may, by regulation, prescribe a uniform classification of all items of investment, income and expense, and a uniform method of reporting such operations. As amended Laws 1947, chapter 227, section 1; Laws 1947, chapter 439, section 2.

Approved April 15, 1955.

CHAPTER 443—S. F. No. 883

An act relating to the regulatory powers of the Minnesota potato development commission; amending Minnesota Statutes 1953, Section 21.39, Subdivision 1.

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

Section 1. Minnesota Statutes 1953, Section 21.39, Subdivision 1, is amended to read:

21.39 Orders of commission; provisions, termination.
Subdivision 1. In accordance with the provisions, restrictions, and limitations set forth herein any order issued by the commission pursuant to sections 21.31 to 21.46 may contain any or all of the following provisions, but no others:

(1) Provisions for entering into contracts with corporations, organizations, or agencies which have facilities, personnel, or knowledge which in the opinion of the board of control would make such corporation, organization, or agency competent to carry out the program or portions thereof outlined by the board of control and recommend to the commission payment for such services from the funds collected by the board under the commission's order.