

Subd. 3. **Bond, oath.** Any county surveyor appointed or elected after July 1, 1961, before entering upon his duties shall give bond to the county, approved by the county board, in the sum of \$2,000 conditioned for the faithful discharge of his duties, which bond, with his oath, together with a certified copy of his registration as a land surveyor or his certificate of election shall be filed for record with the register of deeds.

Subd. 4. **Residence of surveyor.** Notwithstanding any other provision of law any land surveyor appointed by a board of county commissioners as a county surveyor or any land surveyor designated by the board to perform the duties of county surveyor need not be a resident of the county in which he is appointed as county surveyor or designated to perform the duties of county surveyor. Any county engineer may be elected or appointed county surveyor provided he is registered in Minnesota as a land surveyor.

Sec. 2. Minnesota Statutes 1957, Section 389.01 is repealed.

Approved April 14, 1961.

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CHAPTER 380—H. F. No. 229

*An act relating to game wardens, certain teachers, highway patrolmen, state employees, and public employees retirement funds; defining lawful investments; amending Minnesota Statutes 1957, Sections 352.06, 97.65, 135.04, Subdivision 4; 172.05, and 353.06.*

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

Section 1. Minnesota Statutes 1957, Section 352.06, is amended to read:

**352.06 Investment board to invest funds.** *Subdivision 1. Securities generally, standard.* The retirement board shall, from time to time, certify to the state board of investment for investment such portions of the retirement fund as in its judgment may not be required for immediate use. The state board of investment shall thereupon invest the sum so certified in such securities as are duly authorized legal investments ~~for savings banks and trust companies,~~ *as defined in this section, provided, however, that any investments shall be made with the exercise of that degree of judg-*

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*ment and care, under circumstances then prevailing, which men of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation but for investment, considering the probable safety of their capital as well as the probable income to be derived. The state board of investment shall have authority to sell, convey, and exchange such securities and invest and reinvest the funds when it deems it desirable to do so. ~~and~~ The board shall sell ~~any~~ such securities upon request of the retirement board when such retirement board determines that funds are needed for its purposes.*

**Subd. 2. United States government bonds or notes.** *Bonds, notes, mortgages, or other obligations of the United States, or those guaranteed by, or for which the credit of the United States is pledged for the payment of the principal and interest or dividends thereof are legal investments for the purposes of this section.*

**Subd. 3. Bonds of Minnesota or other states.** *Bonds or other evidences of indebtedness of this state, and full faith and credit obligations of, or obligations unconditionally guaranteed as to principal and interest by any other state of the United States are legal investments for the purposes of this section.*

**Subd. 4. Obligations of Canada.** *Bonds, debentures, notes, or other full faith and credit obligations issued, guaranteed, or assumed as to both principal and interest by the government of the Dominion of Canada, or by any province of Canada; provided that the principal and interest thereof shall be payable in United States funds, either unconditionally or at the option of the holder are legal investments for the purposes of this section.*

**Subd. 5. Municipal obligations of Minnesota.** *Bonds, notes, or obligations of any municipal or political subdivision of this state, issued pursuant to a law of this state; provided that the issuer has not, within ten years prior to the making of the investment, been in default for more than three months in the payment of any part of the principal or interest on any debt evidenced by its bonds, notes, or obligations; and provided further, if the bonds are revenue bonds, the revenues of the obligor, other than for payment of operation and maintenance expenses, are pledged wholly to the payment of the interest on and principal of such indebtedness, and the obligor has been completely self-supporting for a period of five*

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*years next preceding the date of investment are legal investments for the purposes of this section.*

**Subd. 6. Municipal obligations of other states.** *Bonds, notes, or other obligations issued, guaranteed, or assumed by any municipal or political subdivision of any other state of the United States; provided, (a) that any such municipal or political subdivision, or the total of its component parts, shall have a population as shown by the last preceding federal census of not less than 10,000, and (b) the issuer, guarantor, or assumer of such bonds, notes, or other obligations: (i) shall have pledged its faith and credit for the payment of the principal and interest of such bonds, notes, or other obligations; (ii) shall have the power to levy taxes on the taxable real property therein for the payment of both principal and interest of such bonds, notes, or other obligations without limitation of rate or amount; (iii) shall not within ten years prior to the making of the investment have defaulted in payment of principal or interest of any debt evidenced by its bonds, notes, or other obligations for more than 90 days are legal investments for the purposes of this section.*

**Subd. 7. Municipal obligations of Canada.** *Bonds, debentures, notes, or other obligations issued, guaranteed, or assumed as to both principal and interest by any city of Canada which has a population of not less than 100,000 inhabitants; provided that the principal and interest thereof shall be payable in United States funds, either unconditionally or at the option of the holder; and provided further that all the conditions as prescribed in subdivision 6 (b) of this article have likewise been met are legal investments for the purposes of this section.*

**Subd. 8. Obligations insured by international bank for reconstruction and development.** *Bonds, notes, or other obligations issued, assumed, or unconditionally guaranteed by the International Bank for Reconstruction and Development are legal investments for the purposes of this section.*

**Subd. 9. Obligations insured by agency of United States.** *Bonds, debentures, or other obligations issued by any agency or instrumentality of the United States are legal investments for the purposes of this section.*

**Subd. 10. Public housing obligations.** *Obligations of any public housing authority or urban redevelopment authority issued pursuant to the laws of this state relating to*

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*the creation or operation of a public housing or urban redevelopment authority are legal investments for the purposes of this section.*

**Subd. 11. Obligations of state, municipal, or public authority.** *Obligations of any state, municipal, or public authority issued pursuant to the laws of any state of the United States; provided that for each of the five years next preceding the date of investment the income of such authority available for fixed charges shall have been not less than 1-1/5 times its average annual fixed charges requirements over the life of such obligations are legal investments for the purposes of this section.*

**Subd. 12. Corporate obligations.** *Bonds, notes, debentures, equipment obligations, or any other type of absolute obligation of any corporation organized and operating within any of the 50 states of the United States or in Canada, provided that obligations of Canadian corporations shall be payable in United States dollars, are legal investments for the purposes of this section; provided, however, that no bonds, notes, debentures, or railroad equipment obligations may be purchased of any corporation with assets of less than ten million dollars, nor shall the book value of the outstanding capital stock of such corporation at the time of such investment be equal to less than 50 percent of its total funded debt. For a period of five fiscal years next preceding the date of such investment, the net pretax earnings of such corporation shall have been each year not less than 1.5 times the annual interest charges on its total funded debt applicable to that period, and for such period the gross operating revenues of any such corporation shall have averaged per year not less than one million dollars; provided that the investment in such securities shall not exceed 40 percent of the total assets of the fund at any time. All such corporate bond investments shall have a rating of A or better by a recognized commercial rating agency.*

**Subd. 13. Corporate stocks.** *Preferred or common stocks of any corporation organized and operating within the United States are legal investments for the purposes of this section. The aggregate of common and preferred stock investments may not exceed 25 percent of the total assets of the fund at any time. Furthermore, the board may invest no more than five percent of the assets of the fund in common or preferred stocks in any one year, the intent of this provision being that the fund may not attain a position of 25*

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*percent in stocks within a period of less than five years. No more than one percent of the assets of the fund may be invested in the stock of any one corporation and at no time shall the fund together with other Minnesota public retirement funds own more than five percent of the voting stock of any one corporation. All such percentages shall be computed on the basis of the cost price of such stock at the time of investment.*

*No investment shall be made in the common or preferred stock of any corporation with assets of less than ten million dollars.*

*No investment shall be made in the preferred stock of any corporation unless the latter shall have had earnings available for the payment of interest and preferred dividends equal, on the average, for the last five years, to at least 1-1/2 times the aggregate of interest and preferred dividend requirements. No investment shall be made in a common stock unless the latter shall have paid cash dividends for at least five years immediately prior to purchase nor unless the aggregate earnings of such corporation available for payment of dividends on the common stock during the last five years has been at least equal to the aggregate of such cash dividends.*

**Subd. 14. Bank certificates of deposit and savings accounts.** *Certificates of deposit or savings accounts in any bank which is insured by the Federal Deposit Insurance Corporation or in any savings and loan association insured by the Federal Savings and Loan Insurance Corporation to the extent such investment is insured are legal investments for the purposes of this section. It is the intent that these investments shall be only to maintain necessary and desirable liquidity.*

**Subd. 15. Commercial paper.** *Prime quality commercial paper 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 finance subsidiaries, show a ratio of current assets to current liabilities plus long term debt, of at least 1-1/2 to 1;*
- (c) that the net income of the issuing corporation, or*

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parent company, average one million dollars or greater annually for the past five years;

(d) that commercial paper shall, at no time, constitute more than five 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.

**Subd. 16. Canadian, state, or municipal securities, notice of disposition.** *In the sale or conveyance of any Canadian, state, or municipal securities 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.*

Sec. 2. Minnesota Statutes 1957, Section 97.65, is amended to read:

**97.65 Game wardens retirement fund, investments.** *The state board of investment is hereby authorized to invest and reinvest such funds of the association as in the judgment of the officers of this association are not needed for immediate purpose, in such securities as are duly authorized or legal investments for ~~savings bank and trust companies~~ state employees retirement fund, and shall have authority to sell, convey, exchange, invest and reinvest the securities when it deems it desirable to do so and shall sell any such securities upon request from the officers of the association when such officers determine that funds are needed for its purposes so as to provide money for the payment of benefits or annuities. All of the restrictions and conditions for the purchase and sale of securities for the State Employees Retirement Fund shall apply to the purchase and sale of securities for the Game Wardens' Retirement Fund.*

Sec. 3. Minnesota Statutes 1957, Section 135.04, Subdivision 4, is amended to read:

**135.04 Subd. 4. Teachers retirement fund, investments.** *It shall be the duty of the board from time to time to certify to the state board of investment for investment as much of the funds in its hands as shall not be needed for current purposes. The state board of investment shall there-*

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upon invest *and reinvest* the sum so certified in such securities as are now or may hereafter be duly authorized legal investments for ~~savings banks and trust companies state employees retirement fund~~ and all such securities so purchased shall be deposited with the state treasurer; ~~but in the case of necessity such securities shall be sold by the state board of investment upon request of the board in order to raise money for current purposes.~~ All interest from this investment shall be credited to the fund and used for current purposes, except as hereinafter provided. *The state board of investment shall have authority to sell, convey, and exchange such securities and invest and reinvest the funds when it deems it desirable to do so, and shall sell securities upon request of the officers of the association when such officers determine funds are needed for its purposes. All of the restrictions and conditions for the purchase and sale of securities for the State Employees Retirement Fund shall apply to the purchase and sale of securities for the Teachers' Retirement Fund.*

Sec. 4. Minnesota Statutes 1957, Section 172.05, is amended to read:

**172.05 Highway patrolmen retirement fund, investments.** The state board of investment is hereby authorized to invest *and reinvest* such funds of the association as in the judgment of the officers of this association are not needed for immediate purposes, in such securities as are duly authorized or legal investments for ~~savings banks and trust companies state employees retirement fund~~, and shall have authority to sell, convey, and exchange such securities and invest and reinvest the funds when it deems it desirable to do so, and shall sell ~~any such~~ securities upon request from the officers of the association ~~so as to provide money for the payment of benefits or annuities when such officers determine funds are needed for its purposes.~~ *All of the restrictions and conditions for the purchase and sale of securities for the State Employees Retirement Fund shall apply to the purchase and sale of securities for the Highway Patrolmen's Retirement Fund.*

Sec. 5. Minnesota Statutes 1957, Section 353.06, is amended to read:

**353.06 Public employees retirement fund, investments.** The retirement board shall from time to time certify to the state board of investment for investment such portions of

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the retirement fund as in its judgment may not be required for immediate use. The state board of investment shall thereupon invest *and reinvest* the sum so certified in such securities as are duly authorized as legal investments for ~~savings banks and trust companies~~ *state employees retirement fund and shall have authority to sell, convey, and exchange such securities and invest and reinvest the securities when it deems it desirable to do so and shall sell any such securities upon request of the retirement board when necessary to provide money for the payment of refunds or annuities to members and for other lawful obligations when such funds are needed for its purposes. All of the restrictions and conditions for the purchase and sale of securities for the State Employees Retirement Fund shall apply to the purchase and sale of securities for the Public Employees' Retirement Fund.*

Approved April 14, 1961.

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CHAPTER 381—H. F. No. 263

[Coded]

*An act relating to gross earnings refunds of certain school districts; amending Extra Session Laws 1959, Chapter 71, Article V, Section 28, Subdivision 1.*

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

Section 1. Extra Session Laws 1959, Chapter 71, Article V, Section 28, Subdivision 1, is amended to read:

Sec. 28. [124.28] **Gross earnings refund.** Subdivision 1. When the properties of any district are made up, to the extent of at least 20 percent in value of property which is exempt from local taxation because taxes thereon are paid into the state treasury under the provisions of the gross earnings tax law, such district shall receive annually a refund from such gross earnings taxes in the amount that would be produced by a tax on such exempt property at the current tax rate for school purposes in the district including the rate for nonresident high school children levied by the county provided that any district which has 15 percent in value of such exempt property and presently receiving gross earnings refund shall continue to receive it until June 30, ~~1961~~ *1963. For the purpose of determining the amount of this re-*

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