

by the number of installments and shall provide that if the insured obligor is disabled, as defined in the policy, for a period of more than 14 days, benefits shall commence as of the first day of disability. The premium or identifiable charge for such insurance shall not exceed that filed by the insurer with the insurance division of the department of commerce. Such charge, computed at the time the loan is made for the full term of the loan contract on the total amount required to pay principal and charges, may be deducted from the proceeds or may be included as part of the principal of any loan. If a borrower procures insurance by or through a licensee, the statement required by section 56.14 of this chapter shall disclose the cost to the borrower and the type of insurance, and the licensee shall cause to be delivered to the borrower a copy of the policy, certificate, or other evidence thereof, within a reasonable time. No licensee shall decline new or existing insurance which meets the standards set out herein nor prevent any obligor from obtaining such insurance coverage from other sources. If the loan contract is prepaid in full by cash, a new loan, renewal, refinancing, or otherwise (except by the insurance) any life, accident and health insurance procured by or through a licensee shall be canceled and a refund of the unearned premium or identifiable charge shall be rebated. Notwithstanding any other provision of this chapter, any gain or advantage to the licensee or to any employee, affiliate, or associate of the licensee from such insurance or the sale or provision thereof shall not be deemed to be additional or further charges in connection with such loan; nor shall any of the provisions pertaining to insurance contained in this section be deemed prohibited by any other provision of this chapter.

Sec. 2. *This act becomes effective June 1, 1963.*

Approved March 22, 1963.

CHAPTER 118—S. F. No. 26

[Not Coded]

An act relating to the reorganization, administration, and operation of a hospital district in the county of Rice.

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

Section 1. **County of Rice; reorganization of hospital district.**
Subdivision 1. Any hospital district however organized, created, or established and operating within the county of Rice may be reorganized and operate pursuant to the provisions of this act, upon compliance with subdivision 2.

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Subd. 2. In order to effect such reorganization, the existing hospital board of the district may file its assent with the county board and the county board may adopt a resolution stating that such reorganization is effective and may assign a name to the reorganized district, which may be the former name or a new name selected by the county board.

Subd. 3. For the purpose of this act, the term "municipality" shall include cities, villages, and towns.

Sec. 2. **Hospital board; appointment; terms.** Subdivision 1. The hospital district shall be governed by a board of directors of nine voting members, hereinafter called "hospital board", who shall be residents of the district, appointed by the county board. The members of the hospital board shall be selected from the several municipalities forming a part of the district, on the basis of population, so that, as nearly as practicable, the most populous municipality shall have numerical representation in proportion to its share of the total district population.

Subd. 2. One third of the members of the first hospital board shall be appointed for a term to expire one year from May 1 next following such appointment, one third for a term to expire two years from such date, and one third for a term to expire three years from such date. Successors to the original board members shall each be appointed for terms of three years. All members shall hold office until their successors are appointed and qualify. Terms of all members shall expire on May 1. In case of a vacancy on the hospital board, whether due to death, removal from the district, inability to serve, resignation, or other cause the county board, at its next regular or special meeting, shall make an appointment to fill such vacancy for the then unexpired term. Tenure of each board member is limited to three successive three year terms, or a total of nine successive years, but a member may be reappointed after one year without board membership.

Subd. 3. In addition to voting members, the hospital board may add ex officio members to the board, but without voting privilege.

Subd. 4. All members of the hospital board at the time the hospital district is reorganized shall continue in office until the members of the first board of the reorganized district are appointed and qualify.

Sec. 3. **Officers of the board.** Subdivision 1. At the first meeting of the hospital board, and thereafter at its first regular meeting after May 1, the board shall elect, from their number, a

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chairman, a vice-chairman, a secretary, and a treasurer. Each officer shall hold office for one year.

Subd. 2. An officer may be reelected to serve in the same office three successive years, after which he is ineligible for reelection to that office until one year has elapsed.

Subd. 3. The chairman shall preside at all meetings of the hospital board and shall perform all duties usually incumbent upon such an officer. The vice-chairman shall preside in the absence of the chairman. The secretary shall record the minutes of all meetings of the board and shall be the custodian of all books and records of the district. The treasurer shall be the custodian of moneys received by the district and shall see that they are properly accounted for. The board may appoint deputies who shall perform any and all functions and duties of any officer, subject to the supervision and control of such officer.

Sec. 4. **Meetings of the board.** Regular meetings of the hospital board shall be held at least once a month, at such time and place as the board shall by resolution determine. Special meetings may be held at any time upon the call of the chairman or of any two other members, upon written notice mailed to each member three days prior to the meeting, or upon such other notice as the board, by resolution, may provide, or without notice, if each member is present or files with the secretary a written consent to the holding of the meeting, which consent may be filed before or after the meeting. Any action within the authority of the board may be taken by the vote of a majority of the members present at a regular or adjourned meeting or at a duly called special meeting if a quorum is present. A majority of all the members of the board shall constitute a quorum, but a lesser number may meet and adjourn from time to time.

Sec. 5. **The hospital district and its powers.** Subdivision 1. The hospital district reorganized pursuant to this act is a body corporate and politic, shall have perpetual succession, may contract and be contracted with, may sue and be sued, may, but shall not be required to, use a corporate seal, may acquire such real and personal property as it may require, by purchase, gift, devise, lease, condemnation, or otherwise, and may hold, manage, control, sell, convey, or otherwise dispose of such property as its interests require. Laws relating to competitive bidding applicable to the county of Rice are applicable to the hospital district. All of the assets, real and personal, of the preexisting district, including all property held by the county for the use and benefit of the preexisting district, shall pass to the reorganized district, and all legally valid and enforceable claims and contract obligations of the preexisting district shall be assumed by

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the reorganized district. All taxable property in the district shall continue to be taxable for the payment of any bonded debt theretofore incurred by or on behalf of the preexisting district. Any properties, real, personal, or mixed, which are acquired, owned, leased, controlled, used, or occupied by the district shall be exempt from general property taxation by the state or any of its political subdivisions but nothing herein shall prevent the levy of special assessments for public improvements benefiting such property.

Subd. 2. The hospital district shall have all the powers necessary and convenient to provide for the acquisition, betterment, operation, maintenance, and administration of such hospital, including nursing home facilities, as the hospital board shall determine to be necessary and expedient. The enumeration of specific powers herein does not restrict the power of the board to take any action which, in the reasonable exercise of its discretion, it deems necessary or convenient for the furtherance of the purpose for which the district exists and which is not prohibited by law, whether or not the power to take such action is implied from any of the powers herein expressly granted.

Subd. 3. Specifically, the district, acting through its hospital board, may:

(1) Employ nursing, administrative, and other personnel, legal counsel, engineers, architects, accountants, and other qualified persons, who may be paid for their services by monthly salaries, hourly wages, and pension benefits, or by such fees as may be agreed on;

(2) Cause reports, plans, studies, and recommendations to be prepared:

(3) When acquiring real and personal property as authorized in subdivision 1, contract for the acquisition by option, contract for deed, conditional sales contract, or otherwise, or exercise the powers of eminent domain in accordance with Minnesota Statutes 1961, Chapter 117;

(4) Construct, equip, and furnish necessary buildings and grounds and maintain the same;

(5) Adopt rules and regulations for the operation and administration of any and all hospital and nursing home facilities under its control, and for the admission of persons thereto;

(6) Impose and collect charges for all services and facilities provided and made available by it;

(7) Levy taxes as hereinafter prescribed;

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(8) Borrow money and issue bonds as hereinafter prescribed;

(9) Procure insurance against liability of the district or its officers and employees, or both, for torts committed within the scope of their official duties, whether governmental or proprietary, and against damage to or destruction of any of its facilities, equipment, or other property;

(10) Sell or lease any of its facilities or equipment as may be deemed expedient;

(11) Cause audits to be made of its accounts, books, vouchers, and funds by competent public accountants; or

(12) Require a corporate surety bond from such officers and employees of the district, and in such amount, as the board shall determine, and authorize payment of the premiums therefor.

Subd. 4. Nothing contained in section 5 shall be construed to authorize the district or its hospital board to at any time sell, lease or otherwise transfer the management, control or operation of the hospital, including nursing home facilities.

Sec. 6 Payment of expenses; taxation. Subdivision 1. Expenses of acquisition, betterment, administration, operation, and maintenance of any hospital, including nursing home facilities, operated by the hospital district, shall be paid from the revenue derived therefrom and, to the extent necessary, from ad valorem taxes levied by the hospital board upon all taxable property situated within the district and, to the extent determined from time to time by the county board of Rice county, from appropriations made by said board in accordance with the provisions of Minnesota Statutes 1961, Section 376.08, or any future laws authorizing such appropriations. Any moneys so appropriated by such county board for the acquisition or betterment of facilities of the hospital district may be transferred, in the discretion of the hospital board, to a sinking fund for bonds issued for that purpose. The hospital board may agree to repay to the county any sums so appropriated, out of the net revenues to be derived from operation of its facilities, subject to such terms as may be agreed upon. No taxes levied by the hospital district in any year, other than taxes levied for payment of bonded indebtedness, shall exceed a total of five mills, provided that such limitation may be exceeded if the amount proposed to be levied in excess of such millage against property in any municipality within the district added to the levy of such municipality would not cause such municipal levy to exceed the limitations of Minnesota Statutes 1961, Section 275.10 or 275.11.

Subd. 2. On or before October 10 of each year the hospital

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board shall determine the total amount required to be raised from ad valorem tax levy in order to meet estimated expenses during the ensuing year and shall cause such amount to be certified to the county auditor to be extended upon the tax rolls.

Subd. 3. The county auditor shall determine the millage levy required and certify the same to the county treasurer for collection with other taxes. The county treasurer shall make settlement of such taxes with the treasurer of the hospital district in the same manner as other taxes are distributed to political subdivisions. The levies authorized by this section shall be in addition to any other taxes authorized by law.

Sec. 7. **Bonds.** The hospital district may borrow money by the issuance of general obligation bonds for the acquisition and betterment of hospital, including nursing home facilities (including the provision of an adequate working capital for such hospital or nursing home), for refunding its outstanding bonds, or for funding valid outstanding orders, under the procedure and subject to all of the limitations and conditions set forth in Minnesota Statutes 1961, Chapter 475, and any future laws amending or supplementing the same, for the issuance of bonds by municipalities. No bonds of a hospital district shall be deemed to be excluded from its net debt by virtue of the provisions of Minnesota Statutes 1961, Section 475.51, Subdivision 4 (5). Taxes shall be levied by the district for the payment of its bonds and interest thereon in accordance with Minnesota Statutes 1961, Sections 475.61 and 475.74, and such taxes shall not be included in computing the limitations upon the levy of taxes by any municipality included within the district. An election shall be required prior to the issuance of any but refunding bonds. The hospital board shall be deemed the governing body of the district and shall be authorized to provide for the submission of the question of issuance of bonds to the voters of the district at any regular or special election. The bonds of the hospital district shall not constitute indebtedness for any purpose of Rice county, a municipality whose territory is included therein. The interest on such bonds shall be exempt from taxation by the state or any of its political subdivisions.

Sec. 8. **Annexation of territory.** Any municipality whose territory is contiguous to the hospital district may, by resolution of its governing body, request its territory be annexed thereto. Annexation shall be effected by a resolution of the hospital board. All annexed territory shall be subject to taxation as other property in the district for the payment of bond principal and interest becoming due after the annexation, including bonds authorized or issued before or after the annexation. If the hospital district has outstanding bonds

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or has voted bonds to be thereafter issued, the annexation shall not be requested unless approved by a majority of the electors of the municipality voting thereon at a general or special election. Approval by the hospital board may be conditioned upon contributions by or on behalf of the municipality to be annexed, to the capital improvement fund or the bond sinking fund of the hospital district, of the share applicable to the annexed territory of capital costs previously incurred by the district, having regard to any contributions previously made thereto by municipalities in the district or their inhabitants and principal and interest previously paid on bonds of the district. Any municipality requesting to be so annexed may appropriate money, may authorize, issue and sell bonds, or may accept and expend contributions in paying its proportionate share.

Sec. 9. **Powers supplementary.** The powers granted herein are supplementary to and not in substitution for any other powers possessed by counties or municipalities in connection with the acquisition, betterment, administration, operation, and maintenance of hospitals and nursing homes or the creation of hospital districts.

Sec. 10. **Approval.** This act shall become effective upon its approval by a majority of the county board of the county of Rice and upon compliance with all other provisions of Minnesota Statutes 1961, Section 645.021.

Approved March 29, 1963
by Governor Rolvaag.

CHAPTER 119—S. F. No. 344

An act relating to taxation of motor vehicles; amending Minnesota Statutes 1961, Section 168.013, Subdivision 1.

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

Section 1. Minnesota Statutes 1961, Section 168.013, Subdivision 1 is amended to read:

Subdivision 1. **Motor vehicles; taxation; computation.** Motor vehicles, except as set forth in section 168.012, using the public streets or highways in the state, shall be taxed in lieu of all other taxes thereon, except wheelage taxes, so-called, which may be imposed by any borough, city or village, as provided by law, and except gross earnings taxes paid by companies subject or made subject thereto, and shall be privileged to use the public streets and highways, on the basis and at the rate for each calendar year as follows:

1. On passenger automobiles, house trailers, ambulances, and

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