

right to alter, amend, repeal, or suspend at any time the whole or any part or portion hereof.

Sec. 25. [256A.25] **Compliance with federal program; lack of federal funds.** The various terms and provisions hereof, including the amount of medical assistance paid hereunder, are intended to comply with and give effect to the program set out in Public Law 86-778 of the United States. In the event federal funds shall not be available or shall be inadequate to pay in full the federal share of all medical assistance contemplated hereunder, then and in such case, and until federal funds are available in full, the county agency of each county may reduce its payments by an amount equal to such deficiency.

Sec. 26. [256A.26] **Appropriation of federal funds.** All federal funds made available for the purposes hereof are hereby appropriated to the state agency to be disbursed and paid out in accordance with the provisions hereof.

Sec. 27. [256A.27] **Enrollment fees, premiums or charges.** No enrollment fee, premium, or similar charge shall be required as a condition of eligibility for medical assistance hereunder.

Sec. 28. [256A.28] **Unlicensed facilities.** No payments may be made hereunder for care in any private or public institution, including but not limited to hospitals and nursing homes, not licensed by the state or operated by it.

Sec. 29. [256A.29] **Severability.** The various provisions of this act shall be severable. The invalidity of any part hereof shall not affect the remainder.

Sec. 30. There is hereby appropriated from the general revenue fund in the state treasury not otherwise appropriated to be expended by the department of public welfare for the purposes specified in this act the sum of \$750,000 to be available for the fiscal year ending June 30, 1965.

Sec. 31. This act shall become effective on July 1, 1964.

Approved May 10, 1963.

CHAPTER 596—S. F. No. 986

[Coded in Part]

An act relating to special powers of industrial loan and thrift companies; amending Minnesota Statutes 1961, Section 53.04.

Changes or additions indicated by italics, deletions by strikeout.

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

Section 1. Minnesota Statutes 1961, Section 53.04, is amended to read:

53.04 Industrial loan and thrift companies; special powers. Industrial loan and thrift companies, in addition to the general and usual powers incidental to ordinary corporations in this state, which are not specifically restricted in this chapter, shall have the following special powers, which powers must be set forth in their articles of incorporation or amendments thereto:

(1) The right to discount or purchase notes, bills of exchange, acceptances or other choses in action;

(2) The right to loan money upon the security of co-makers, personal chattels or other property, exclusive of real estate, for a period not to exceed ~~24~~ 36 months; to deduct in advance interest on such loans for the period of such loans at the rate of not in excess of eight percent discount per annum; to require as a condition to the making of such a loan that the borrower purchase and pledge with the company, as security for the loan, a certificate of indebtedness of the company in the same amount as the loan secured thereby, providing for payments in equal weekly, bi-weekly, or monthly instalments, with or without interest, extending over substantially the period of the loan, payments thereon not to be construed as payments on the loan secured thereby; to charge for a loan exceeding \$50 made pursuant to this subdivision, \$1 for each \$50, or fraction thereof, loaned, for expenses, including any examination or investigation of the character and circumstances of the borrower, co-maker or security, and drawing and taking the acknowledgment of necessary papers, or other expenses incurred in making the loan; provided, that no fee collected hereunder shall exceed \$10; and, provided, that for a loan exceeding \$500, one percent additional of the amount loaned in excess of \$500 may be charged for these expenses, not exceeding a total fee of \$15; if any such loan made pursuant to this clause is \$50 or less, the charge shall not be more than \$1; and no such charge shall be collected unless a loan shall have been made. The borrower may repay the entire balance of such loan at any time before maturity and upon such prepayment the industrial loan and thrift company shall forthwith refund to the borrower a portion of the interest or discount. The amount of such refund shall represent at least as great a proportion of the total interest or discount as the sum of the periodical time balances after the date of prepayment bears to the sum of all the periodical time balances under the schedule of payments in the original loan contract.

Changes or additions indicated by *italics*, deletions by ~~strikeout~~.

For the purpose of calculating such refunds, the commissioner of banks shall furnish a chart giving effect hereto for the use of such companies, which chart shall be followed in calculating refunds;

(3) To impose a handling charge of five cents for each default in the payment of \$1, or fraction thereof, at the time any periodical instalment on a certificate of indebtedness assigned as collateral security for the payment of a loan made pursuant to the foregoing provisions becomes due; provided, that this handling charge shall not be cumulative; that the aggregate of the handling charges collected in connection with any such loan of \$50, or less, shall not exceed 50 cents, and that the aggregate of handling charges collected in connection with any such loan of more than \$50 shall not exceed one percent of the loan and shall in no event exceed \$5;

(4) The right, with the consent of the department of commerce, to sell and issue for investment or to be pledged as security for a loan made contemporaneously therewith or otherwise, certificates of indebtedness, under any descriptive name, which may bear such interest, if any, as their terms may provide, and which may require the payment to the company of such amounts, from time to time as their terms may provide, and permit the withdrawal of amounts paid upon the same, in whole or in part, from time to time, and the credit of amounts thereon upon such conditions as may be set forth therein; and no such certificate of indebtedness shall have a surrender value which is less than the total amount paid to the company therefor; and

(5) Upon the maturity of a note, the borrower may, at his option, surrender the certificate of indebtedness pledged to secure the same, in which event the amounts, if any, paid on the certificate of indebtedness, less such handling charges as are authorized by this chapter, shall be applied to reduce the balance owing on the note.

Sec. 2. [53.10] Insurance in connection with loans. Any *policy or certificate of insurance procured by a licensee in connection with any loan or transaction subject to Minnesota Statutes, Chapter 53, for which the premium has been paid by the obligor out of the proceeds of the loan or transaction, shall contain the amount and description of the coverage, all of the terms and conditions, the period of time for which it is written, the premium therefor, and shall be delivered to the obligor within a reasonable time. No policy or certificate providing life insurance or accident and health benefits shall be written for a term extending more than 15 days beyond the maturity of the related obligation and shall not provide benefits greater than the initial amount of such obligation.*

If the coverage provides accident and health benefits, the policy

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or certificate shall contain a provision 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.

In case there are multiple obligors under a transaction subject to such chapter, no policy or certificate of insurance providing life insurance or accident and health benefits shall be procured by or through a licensee upon more than one of such obligors.

If an obligation is prepaid in full by cash, a new loan, refinancing, or otherwise, any policy or certificate of insurance providing life insurance or accident and health benefits procured by or through a licensee and for which the premium has been paid by the obligor out of the proceeds of the obligation shall be cancelled upon surrender of the policy, certificate or other evidence and the unearned premium refunded unless the obligor shall request in writing that such insurance be continued in force, and a copy of such written request shall be delivered to the insured at time of signature.

No licensee shall decline to accept a policy of insurance furnished by the borrower from another source.

Approved May 10, 1963.

CHAPTER 597—S. F. No. 1070

An act relating to motor vehicles; amending Minnesota Statutes 1961, Section 168.011, Subdivision 16.

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

Section 1. Minnesota Statutes 1961, Section 168.011, Subdivision 16, is amended to read:

Subd. 16. **Motor vehicles; farm trucks; gross weight.** "Gross weight" means the actual unloaded weight of the vehicle, either a truck or tractor, or the actual unloaded combined weight of a truck-tractor and semi-trailer, fully equipped for service, plus the weight of the maximum load which the applicant has elected to carry on such vehicle or combined vehicles. The term gross weight applied to a truck occasionally used for towing a trailer means the unloaded weight of the truck, fully equipped for service, plus the weight of the maximum load which the applicant has elected to carry on such truck, but not including the weight of such part of the trailer and its load as may rest upon the truck. The term gross weight applied to school buses means the weight of the vehicle fully equipped with all fuel tanks full of fuel, plus the weight of the passengers and their baggage

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