

Section 1. Minnesota Statutes 1965, Chapter 250, is amended by adding a section to read:

[250.04] State hospital; crippled children; establishment of Gillette state hospital medical education and research account. *Physicians providing service at the hospital shall be permitted to bill and to receive payments under voluntary health insurance policies for such services. Such payments shall be deposited with the state treasurer in an account to be known as the Gillette state hospital medical education and research account. The primary purpose of such account shall be to carry on such medical education and research at Gillette state hospital as will enhance the care and treatment of crippled children.*

An advisory board consisting of five members of the hospital and medical staff shall be appointed by the commissioner of public welfare to recommend to him the expenditure of said funds for medical education and research and such amounts as are needed are appropriated herewith from the account.

An amount equal to all payments made in a fiscal year to the medical staff for services performed at the hospital shall be transferred from the medical education and research account to the general revenue fund of the state at the end of each fiscal year, but this account shall not be reduced below \$7500 in any fiscal year by reason of such transfers.

Sec. 2. **Effective date.** *This act is effective July 1, 1967.*

Approved May 24, 1967.

CHAPTER 795—H. F. No. 1592

[Coded]

An act establishing a Minnesota supplemental retirement fund to be administered by the state board of investment; regulating investments therein and redemptions therefrom.

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

Section 1. **[11.18] Minnesota supplemental retirement fund; establishment.** Subdivision 1. There is hereby established a Minnesota supplemental retirement fund which shall be administered by the state board of investment and shall consist of two investment accounts as provided in this section.

Changes or additions indicated by italics, deletions by strikeout.

Subd. 2. There shall be an income share account which shall be invested in securities which are legal investments for the state employees retirement fund, except that: up to two percent of the assets in the account or \$15,000 in cost, whichever is greater, may be invested in the stock of any one corporation; and commercial paper may constitute 15 percent of the assets in the account, with the face amount of notes of any one corporation limited to five percent of the assets in the account or \$25,000, whichever is greater.

Subd. 3. There shall be a growth share account which shall be invested in securities which are legal investments for the state employees retirement fund, except that: 100 percent of the assets in the account may be invested in corporate stocks; up to four percent of the assets in the account or \$15,000 in cost, whichever is greater, may be invested in the stock of any one corporation; and commercial paper may constitute 15 percent of the assets in the account, with the face amount of notes of any one corporation limited to five percent of the assets in the account or \$25,000, whichever is greater. Not to exceed ten percent of the assets in the account may be invested in corporate stocks which do not conform with the dividend and earnings standards provided for investments of the state employees retirement fund. In addition to the investment standards indicated for the state employees retirement fund, the state board of investment shall consider possible growth potential and probable earnings gains of the companies in making commitments for this account.

Subd. 4. All distributions in the nature of capital, income, or interest received by the state board of investment in respect of investments held in either account of the supplemental retirement fund shall be held and invested by the board to the credit of said account in the same manner as are moneys received by the board from participating public retirement funds.

Subd. 5. All moneys on hand in such supplemental retirement fund from time to time, except moneys appropriated under section 5, are hereby appropriated for the purchase of investments as provided in subdivisions 2, 3, and 4.

Sec. 2. **[11.19] Participation in fund.** Subdivision 1. The state board of investment shall allocate shares of participation in the supplemental retirement fund to public retirement funds created by law and authorized to participate in the supplemental retirement fund and redeem such shares of participation as provided in subdivision 2 of this section.

Subd. 2. Upon application for purchase or redemption of shares of participation in the fund by a public retirement fund, the

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board shall, on the first business day of the next month after the application is received, allocate to such public retirement fund shares of participation in the account or accounts designated in the application, or if none is designated, as it shall determine, or redeem shares of participation allocated to such public retirement fund, as the case may be. Prior to October 1, 1967, one share shall be allocated for the appropriate account for each \$10 deposited for investment by a public retirement fund. Thereafter, for the purpose of determining the number of shares or amount to which a public retirement fund depositing funds for investment or requesting the redemption of shares of participation is entitled, shares shall be valued at their respective market values as of the last business day of the month in which application for the allocation or redemption of such shares is received. The market value of shares in each account shall be determined by dividing the total market value of the account by the number of shares then outstanding in the account. The board shall allocate or redeem only full shares in the accounts.

Sec. 3. **[11.20] Prospectus.** Once on or before July 1, 1968, and annually thereafter, the board shall prepare and issue to the public retirement fund or funds authorized or required by law to participate in the Minnesota supplemental retirement fund, a prospectus for each of the accounts in such fund. The prospectus for each account shall list the current assets of the account with the purchase price, the current market value, the current dividend rate, and the Standard & Poor or Moody rating of each debt asset; except that securities guaranteed by the United States government need not be rated and cash shall be listed at par. Each prospectus shall set forth the provisions of section 1, subdivision 2 or subdivision 3, whichever relates to the account for which the prospectus is issued. The prospectuses for the accounts may be printed and distributed together. Sufficient copies of each prospectus shall be issued to each public retirement fund authorized or required by law to participate in the Minnesota supplemental retirement fund as is necessary to meet the requirements of the public retirement fund or funds prescribed by law. A copy of each prospectus shall be provided to each member of the legislature and shall be filed with the chief clerk of the house of representatives and the secretary of the senate.

Sec. 4. **[11.21] Participation by public employee retirement funds.** Any public retirement fund authorized or required by law to participate in the Minnesota supplemental retirement fund may, from time to time pursuant to law authorizing such participation, deposit funds for the purchase of shares in either supplemental retirement fund account or both, which purchase shall be credited to the name of the public retirement fund on the books of the state board of investment and confirmed in writing to the fund.

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It shall be the duty of the public retirement fund or funds to enter on its records the portion of the shares in the name of the fund which are attributable to the contribution and matching contribution of and for each participating employee. No certificates evidencing shares of participation in the supplemental retirement fund shall be issued, and the entry on the books of the state board of investment as herein provided shall be sufficient evidence of the rights of any participating public employee retirement fund in the supplemental retirement fund.

Sec. 5. **[11.22] Redemptions.** The state board of investment shall, after redeeming shares of participation pursuant to an application for redemption as provided in section 2, deliver to the public retirement fund requesting such redemption cash representing the value of the shares as computed pursuant to section 2. So much of the moneys or proceeds of investments on hand in the supplemental retirement fund from time to time as may be necessary to make such redemptions are hereby appropriated for such purpose.

Sec. 6. **[11.23] Applications for participation and redemption.** Money deposited with the state board of investment for investment in the accounts of the Minnesota supplemental retirement fund shall be accompanied by such properly executed documents, forms, and applications as may be required by the state board of investment. Requests for redemption of shares shall be made in a similar manner.

Sec. 7. **[11.24] Legal title to assets.** Subdivision 1. Legal title to the assets of the Minnesota supplemental retirement fund shall be in the state of Minnesota or the state board of investment or the nominee of either, subject to the rights set forth in this act of the public retirement fund or funds having shares in the accounts to their credit.

Subd. 2. The rights of any public employee to any shares in the supplemental retirement fund shall be as fixed by law in the statute authorizing or requiring a public employee retirement fund to purchase or order the redemption of shares on behalf of such public employee. The state board of investment may rely on the documents, forms, and applications of the various public employee retirement funds which accompany money for investment or orders to redeem shares as being in concert with the law in such case made and with the rights of the public employees concerned; and the state board of investment need not inquire into the legality or validity of such documents, forms, and applications.

Approved May 24, 1967.

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