

payable at the time the tax for the current year becomes payable. Taxes due upon January 1 become delinquent after January 10 unless paid. Taxes due when the vehicle first uses the public streets or highways in the state shall become delinquent upon the expiration of seven days after the same became due unless paid.

Sec. 5. Minnesota Statutes 1971, Section 168.31, Subdivision 3, is amended to read:

Subd. 3. **PENALTIES, LIMITATIONS; FILINGS.** The penalty for failure or delay in registering or re-registering and paying the registration tax shall not be more than one-half the annual tax and in no event more than a total of \$2.50.

A filing with, or delivery to the registrar of any application, notice, certificate or plates as required by this section shall be construed to be within the requirements of this section if made to the registrar or his deputy at an office maintained therefor, or if deposited in the mail or with a carrier by express with postage or carriage charge prepaid, and properly addressed to the registrar within ~~seven~~ ten days after the transfer of ownership or other occurrence upon which this section provides for such filing or delivery.

Sec. 6. Minnesota Statutes 1971, Section 168.37, is amended by adding a subdivision to read:

Subd. 3. The registrar may rearrange the words and figures on plates issued for passenger automobiles under the monthly series system of registration to provide space on the plates for tabs or stickers which he shall issue to indicate the period of registration.

Sec. 7. Minnesota Statutes 1971, Sections 168.31, Subdivision 2; and 168.37, Subdivisions 1 and 2 are repealed effective July 1, 1975.

Approved March 6, 1973.

CHAPTER 7—H.F.No.97

[Coded in Part]

An act relating to retirement; computation of various retirement annuities; amending Minnesota Statutes 1971, Section 11.25, Subdivisions 12 and 13.

Changes or additions indicated by underline, deletions by ~~strikeout~~.

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

Section 1. Minnesota Statutes 1971, Section 11.25, Subdivision 12, is amended to read:

Subd. 12. **ADJUSTABLE FIXED BENEFIT FUND; RETIREMENT ANNUITIES, RETIREMENT.** Annually as of July 1 of each fiscal year the annuity payments made from each retirement fund or organization participating in the Minnesota adjustable fixed benefit fund during the next calendar year shall be determined in accordance with the following procedures. Any adjustment in the amount of annuity payments shall become effective with the first payment falling due after December 31 next succeeding the July 1 as of which the adjustment was determined. ~~A determination shall be made by each participating fund or organization of the present value of all annuities in force by it from its participation in the Minnesota adjustable fixed benefit fund calculated in accordance with the mortality and interest assumptions specified by the statute enabling such fund or organization to participate in the Minnesota adjustable fixed benefit fund. The ratio of the participation in the fund to such present values shall be determined and stated as a percentage of the total present value to the last full .5 of one percent. If such ratio is greater than 98 percent and less than 102 percent no adjustment of annuities will be made.~~

(a) Annually, after June 30 of each year, the state board of investment shall:

(1) Using the admitted value as determined pursuant to subdivision 8, determine the actual rate of return and the accumulation factor on the assets of the Minnesota adjustable fixed benefit fund. The accumulation factor shall be 1.00 plus or minus the actual rate of return.

(2) Calculate the benefit adjustment factor, which shall be the ratio of the accumulation factor determined pursuant to (1) to the valuation accumulation factor. The valuation accumulation factor shall be 1.00 plus the interest rate assumed for actuarial valuations.

(3) Determine for each pension fund the amount of participation of such fund in the Minnesota adjustable fixed benefit fund, excluding any portion of the annuity stabilization reserve. Any suspense fund determined pursuant to clause (f) at the beginning of the fiscal year to which the accumulation factor has been applied, shall be added to the participation thus determined.

(4) Determine a preliminary amount for the current annuity stabilization reserve by multiplying the final amount of the previous year's annuity stabilization reserve by the accumulation factor determined pursuant to (1).

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(b) Each participating pension fund shall apply the actual benefit adjustment factor to the amount of the benefit which each fund's participants in the Minnesota adjustable fixed benefit fund who are eligible for adjustment are entitled to receive and shall determine the amount of the reserves required for such adjusted benefits and the amount of reserves required to continue benefits at the previous level for participants not eligible for adjustment.

(c) Each participating pension fund shall determine its adjusted participation in the Minnesota adjustable fixed benefit fund in the following manner.

(1) Deduct the reserve on benefits not to be adjusted from the total amount of participation of the fund determined pursuant to clause (a)(3).

(2) Multiply the result obtained pursuant to (1) by the ratio of the actual benefit adjustment factor to the calculated adjustment factor.

(3) Add the result obtained pursuant to (2) to the amount of the reserves for benefits not to be adjusted. The result is the adjusted participation in the Minnesota adjusted fixed benefit fund.

(d) Each participating pension fund shall calculate the difference between the reserves determined pursuant to clause (b) and the amount of its adjusted participation in the Minnesota adjustable fixed benefit fund determined pursuant to clause (c).

(e) If the result obtained pursuant to clause (d) is a positive figure, the amount thus determined is due to a mortality loss, and the pension fund shall pay to the Minnesota adjustable fixed benefit fund the amount thus determined, which amount shall be added to the pension fund's participation. If the result obtained pursuant to clause (d) is a negative figure, the amount thus determined is due to a mortality gain, and the pension fund shall be credited with the amount thus determined by deducting the amount from the fund's total participation.

(f) A suspense account shall be established within the Minnesota adjustable fixed benefit fund for each pension fund for the purpose of temporarily carrying any amounts required pending addition to the participation of that fund.

(1) Whenever the rate for an actual benefit adjustment for any fund is required to be reduced by less than one-half of one percent due to the requirement that adjustments be limited to the last full multiple of one-half of one percent, the reserves to cover such portion of one-half of one percent thus withheld shall be placed in the suspense account for that fund. If the calculated adjustment factor exceeds 1.00 but is less than 1.02, an amount equal to the

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excess reserves over those for a factor of one percent shall be placed in the suspense account.

(2) If the actual benefit adjustment factor is less than the calculated benefit adjustment factor, the amount of that pension fund's participation determined pursuant to clause (e) shall be reduced to the amount of the reserves determined pursuant to clause (b) and the amount of reduction shall be added to the annuity stabilization reserve. If the actual benefit adjustment factor exceeds the calculated benefit adjustment factor, the amount of that pension fund's participation determined pursuant to clause (e) shall be increased to the amount of the reserves determined pursuant to clause (b) and the amount of increase shall be deducted from the annuity stabilization reserve.

(3) The share of the stabilization reserve that each pension fund may claim shall bear the same ratio to the total stabilization reserve as the participation of that pension fund bears to the total of all participations. The applied rate for an actual benefit adjustment shall be the actual benefit rate as determined, adjusted to the last full one-half of one percent.

If the benefit adjustment factor calculated pursuant to clause (a)(2) is greater than 98 percent but less than 102 percent, no adjustment of annuities shall be made. If the ratio is equal to or greater than 102 percent or is equal to or less than 98 percent, the annuity payments currently payable shall be increased or decreased in the ratio so determined for the 12 month period beginning with the first payment due after December 31 next succeeding the valuation date, except that persons who retired during the fiscal year preceding the July 1 valuation date shall not be entitled to an adjustment. Any decreases shall be limited through the use of the annuity stabilization reserve established in subdivision 13. The annuity payment to any annuitant shall never be an amount less than the amount originally determined on the date of retirement or on July 1, 1971, whichever is later. For the purpose of calculating the adjustments provided herein, all individual members of any participating fund or organization retiring during any fiscal year shall be deemed to have retired in the same class, except that all such individuals retired prior to July 1, 1969 shall be in the same class as those retiring between July 1, 1969 and June 30, 1970. All annuitants in each class are equally entitled to any adjustment of annuity payments. If the value of the participation in the Minnesota adjustable fixed benefit fund goes below the value of the reserves required to support the amount originally determined on the date of retirement or on July 1, 1971, whichever is later, for any annuitant or class of annuitants, the excess of the amount paid over the amount which the reserves would support must be recovered from the annuity stabilization reserve as established in subdivision 13. If such reserve is inadequate, any excess amount

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must be recovered by withholding the amount of any future increases in annuity payments to which the annuitant or class of annuitants would be otherwise entitled until the sum of the amounts withheld equals such accumulated excess. After any deficiency is recovered in full, either through the annuity stabilization reserve or the withholding of increases in annuity payments, the annuity will be increased on the basis of the ratio of assets to reserves currently applicable to all persons retired from the pension fund. Except as provided by statute, exact procedures to be followed in making determinations as to the amounts to be received by pension beneficiaries during the various fiscal years shall be determined by the board of directors or trustees of the participating retirement fund or organization in accordance with accepted actuarial and accounting practices.

Sec. 2. Minnesota Statutes 1971, Section 11.25, Subdivision 13, is amended to read:

Subd. 13. **ANNUITY STABILIZATION RESERVE.** ~~Each retirement fund or organization participating in the Minnesota adjustable fixed benefit fund shall establish an annuity stabilization reserve as a part of such participation for the purpose of:~~ first, ~~and of top priority to the reserve, eliminating any deficiency which could postpone annuity increases and, second, precluding any downward adjustment in annuity payment below the previous calendar year's payment rate.~~ An annuity stabilization reserve shall be attached to the Minnesota adjustable fixed benefit fund for the purposes of (1) eliminating any deficiency so that the assets of the fund will equal the reserves supporting benefits being paid; except that funds from the stabilization reserve shall not be used to eliminate any deficiency resulting from benefit payments at the fixed benefit level exceeding the amount of payment that would be paid were it not for the fixed benefit guarantee and, (2) precluding any downward adjustment in annuity payments below the previous calendar year's payment rate. If the reserve is insufficient to preclude such a decrease, the amount available shall limit the maximum decrease to a uniform percentage consistent with the utilization of the total value of the reserve. ~~The total reserve is available for any class or classes of annuitants. The reserve shall consist initially of an amount equal to 10 percent of the annuity payments disbursed during the fiscal year ending June 30 prior to the January 1 on which new and revised pension benefits may take effect. Such reserve shall be funded by an advance of credit by the state of Minnesota and, when needed for pension benefits, shall be allocated from the assets of the participation in the Minnesota adjustable fixed benefit fund until recovered through the withholding of moneys otherwise available for pension increases. A minimum upward adjustment of two percent in annuity payments shall be made on January 1, 1972 to each annuitant retiring prior to~~

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~~July 1, 1970.~~ Beginning on January 1, 1972, upward adjustments of annuity payments to each annuitant shall be limited to four percent of the previous calendar year's payment rate until the accumulation in the annuity stabilization reserve from such withholding has reached an amount equal to 15 percent of the immediate past fiscal year's total annuity payments. So long as the reserve totals an amount equal to 15 percent of the immediate past fiscal year's total annuity payments, any increase up to six percent of the previous calendar year's payment rate shall be paid directly to any annuitant or class of annuitants. The amount of any increase above six percent of the previous calendar year's payment rate shall be added to the reserve until such reserve totals an amount equal to 25 percent of the total pensions paid during the previous fiscal year. Upward adjustments of the annuity payments to each annuitant shall be limited to eight percent of the previous calendar year's payment rate, with any excess being added to the reserve, even though such reserve may then exceed 25 percent of the immediate past fiscal year's total annuity payments. For the purpose of this section, the word reserve means the fund established herein and not an actuarial reserve. Any assets on hand prior to June 30, 1972 in the annuity stabilization reserve of any retirement fund or organization participating in the Minnesota adjustable fixed benefit fund, shall be paid to or credited to such retirement fund or organization. Such assets as are credited to the individual fund annuity stabilization reserves thereafter shall on the effective date of this act be transferred to the single annuity stabilization reserve for the Minnesota adjustable fixed benefit fund and the authorization for stabilization reserves relating to the individual retirement funds shall terminate.

Sec. 3. [11.25] Subd. 14. Effective January 1, 1973, each retirement fund participating in the Minnesota adjustable fixed benefit fund shall make an upward adjustment of four and one-half percent to each annuitant retiring prior to July 1, 1971. Subsequent adjustments will be in accordance with section 11.25, subdivisions 12 and 13, except that in the event the assets transferred to the annuity stabilization reserve result in a stabilization reserve of less than an amount equal to 15 percent of the immediate past fiscal year's total annuity payments, such deficiency shall be made up before the next annual adjustment is made.

Sec. 4. [11.25] Subd. 15. Upon taking effect of this act, the calculations required by Minnesota Statutes, Section 11.25, Subdivisions 12 and 13, as amended by this act shall be determined as of July 1, 1972. Any participating pension fund that has previously announced an increase adjustment in excess of four and one-half percent, and such fund is entitled to a credit or refund due to mortality gain determined in accordance with clauses (b), (c), (d) and (e) in section 1 of this act, and such credit or refund exceeds

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the reserves required to further increase the benefits of those eligible for the four and one-half percent adjustment by an additional one percent, such fund may pay to the fund's participation the reserves required for such additional one percent increase in benefit adjustment. The adjustments provided by this act shall apply to the accrual of benefits commencing with January 1, 1973. In case any actual disbursements of benefits have or do vary from the amounts herein provided, the participating pension fund or funds so involved shall adjust to the amounts herein provided.

Sec. 5. This act is effective upon final passage and approval.

Approved March 7, 1973.

CHAPTER 8—H.F.No.113

[Not Coded]

An act legalizing foreclosure sales heretofore made and the records of mortgage foreclosure proceedings; limiting the time within which actions may be brought or defenses interposed; questioning the validity of foreclosure proceedings.

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

Section 1. **MORTGAGES; VALIDATING FORECLOSURE SALES.** Every mortgage foreclosure sale by advertisement in this state before May 1, 1972, under power of sale in the usual form contained in any mortgage duly executed and recorded in the office of the register of deeds or registered with the registrar of titles of the proper county of this state, together with the record of such foreclosure sale, is hereby legalized and made valid and effective to all intents and purposes, as against any or all of the following objections:

(1) That the power of attorney, recorded or filed in the proper office prior to the passage of this act, to foreclose the mortgage, provided for by Minnesota Statutes, Section 580.05:

(a) Did not definitely describe and identify the mortgage,

(b) Did not definitely describe and identify the mortgage, but instead described another mortgage between the same parties,

(c) Did not have the corporate seal affixed thereto, if executed by a corporation,

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