

tion is submitted to the department of education prior to July 1, 1975.

Approved February 1, 1974.

CHAPTER 25—S.F.No.2243

An act relating to public indebtedness; sinking fund; amending Minnesota Statutes 1971, Section 475.66.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 1971, Section 475.66, is amended to read:

475.66 PUBLIC INDEBTEDNESS; SINKING FUND; SURPLUSES.

There shall always be retained in any sinking fund sufficient cash to provide for the annual payments of principal and interest on the obligations for which the fund was created. Subject to the provisions of any resolutions of the governing body relating to the maintenance of reserves of cash or investments for the security of holders of such obligations, any surplus in any sinking fund above such amount may be invested under the direction of the governing body in any general obligation of the United States, the state of Minnesota or any of its municipalities, and in securities issued by the following agencies of the United States: Federal Home Loan Banks, Federal Intermediate Credit Banks, Federal Land Banks, Banks for Cooperatives, and the Federal National Mortgage Association and in shares of an investment company registered under the investment company act of 1940, whose shares are registered under the securities act of 1933, provided that the only investments of that company are in obligations of the United States government, in obligations fully guaranteed by the United States government or in obligations of instrumentalities of the United States government such as those listed above. In addition, such surplus may be deposited in time deposits of any state or national banks subject to the limitations and requirements of Minnesota Statutes, Chapter 118. Such surplus may also be used to purchase any obligation, whether general or special, of the issue for which the fund is created, at such price, which may include a premium, as shall be agreed to by the holder, or may be used to redeem any obligation of said issue prior to maturity in accordance with its terms. The obligations representing any such investment may be sold or hypothecated by the governing body at any time, but the money so received remains a part of such fund until used for the purpose for which the fund was created. Any obligation held in the sinking fund from which it is payable may be cancelled at any time when moneys in such fund are sufficient to pay all other obligations issued prior to July 1, 1961, payable therefrom with interest to maturity or to their earliest redemption dates. Any obligation issued after July 1, 1961, held in the sinking fund from which

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it is payable may be cancelled at any time unless otherwise provided in the other obligations payable from such fund or in a resolution or ordinance authorizing their issuance.

Approved January 31, 1974.

CHAPTER 26—S.F.No.2244
[Coded]

An act relating to securities and usury; exemption from usury for margin accounts maintained by broker-dealers; amending Minnesota Statutes 1971, Chapter 334, by adding a section.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 1971, Chapter 334, is amended by adding a section to read:

[334.19] SECURITIES; INTEREST RATES ON MARGIN ACCOUNTS. Subject to the provisions of Minnesota Statutes, 1973 Supplement, Chapter 80A, no law in this state prescribing or limiting interest rates upon loans applies to interest charged by a broker or dealer registered under the Securities Exchange Act of 1934, as amended, for carrying a debit balance including a debit balance arising out of a non-purpose loan, in an account for a customer if such debit balance is payable on demand and secured by securities or bonds and if such interest does not exceed the rate of 10 percent per annum or the equivalent rate for a longer or shorter period.

Sec. 2. **EFFECTIVE DATE.** This act takes effect on the day following final enactment.

Approved January 31, 1974.

CHAPTER 27—S.F.No.2246

An act relating to savings banks; authorized investments; amending Minnesota Statutes 1971, Section 50.14, Subdivision 2.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 1971, Section 50.14, Subdivision 2, is amended to read:

Subd. 2. **SAVINGS BANKS; AUTHORIZED INVESTMENTS.**

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