

(c) An attempted sale of a newspaper subscription in which the seller is a minor child engaged in both the delivery and sale of the newspaper.

Subd. 3. "Sale" includes a lease or rental.

Subd. 4. "Seller" includes a lessor or anyone offering goods for rent, or an assignee of a seller.

Subd. 5. "Buyer" includes a lessee or anyone who gives a consideration for the use of goods or services.

Sec. 2. **[325.943] DISCLOSURE OBLIGATION.** Before any personal solicitation every seller shall, at the time of initial contact or communication with the potential buyer, clearly and expressly disclose: the individual seller's name, the name of the business firm or organization he represents, the identity or kinds of goods or services he wishes to demonstrate or sell, and that he wishes to demonstrate or sell the identified goods or services. When the initial contact is made in person, the seller shall also show the potential buyer an identification card which clearly states the seller's name and the name of the business or organization he represents. The disclosures required by this section shall be made before asking any questions or making any statements except an initial greeting. Non-profit organizations are exempt from the requirements of this section.

Sec. 3. **[325.944] PENALTIES; REMEDIES.** Any person who is found to have violated section 2 shall be subject to the penalties and remedies provided in section 325.907.

Approved June 4, 1975.

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#### CHAPTER 373—H.F.No.629

*An act relating to commerce; industrial loan and thrift companies; extending the period of maturity and increasing the size of loans in ratio to committed reserves; amending Minnesota Statutes 1974, Sections 53.04; and 53.05.*

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

Section 1. Minnesota Statutes 1974, Section 53.04, is amended to read:

**53.04 COMMERCE; INDUSTRIAL LOAN AND THRIFT COMPANIES; LOAN LIMITATIONS; 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

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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 ~~36-60~~ months; to deduct in advance interest on such loans for the full period of such loans at ~~the a~~ rate of not in excess of eight percent discount per annum for loans which provide for a repayment period not exceeding 36 months; seven and three-fourths percent discount per annum for loans which provide for a repayment period exceeding 36 months but not exceeding 42 months; seven and one-half percent discount per annum for loans which provide for a repayment period exceeding 42 months but not exceeding 48 months; seven and one-fourth percent discount per annum for loans which provide for a repayment period exceeding 48 months but not exceeding 54 months; seven percent discount per annum for loans which provide for a repayment period exceeding 54 months but not exceeding 60 months; 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 installments, 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, filing fees, or other expenses incurred in making the loan; provided, that no such charge shall be made on that portion of a loan in excess of \$2,000 and no such charge shall be collected unless a loan shall have been made. The full amount of the investigation charge authorized by this section shall be fully earned at the time a loan is made without regard to the expenses incurred and shall not be deemed interest, provided, however, if a loan for which an investigation charge was made is renewed within twelve months from the date of the loan, then one-twelfth of such investigation charge shall be deemed earned for each month or portion thereof from the date of the loan to the date of renewal, and the balance thereof shall be refunded to the borrower. A loan shall be deemed to be renewed at the time the loan is paid in full if any part of such payment is made out of the proceeds of another loan from the same lender. 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

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the schedule of payments in the original loan contract.

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 installment on a certificate of indebtedness assigned as collateral security for the payment of a loan made pursuant to the foregoing provisions becomes past due for ten days or more; provided, that this handling charge may be collected only once on an installment however long it remains in default; and that the handling charge on any installment shall not exceed \$5. Such handling charge may be collected when due or at any time thereafter; for the purpose of this paragraph, payments shall be applied first to the immediately preceding installment due and then to prior delinquent installments.

(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. Minnesota Statutes 1974, Section 53.05, is amended to read:

53.05 **POWERS, LIMITATION.** No industrial loan and thrift company shall have power to do any of the following:

(1) To carry commercial or demand banking accounts; to use the word "bank" or "banking" in its corporate name; to receive savings accounts or deposits or operate as a savings bank;

(2) To have outstanding at any one time certificates of indebtedness, exclusive of those held by the company, as security for loans made by it of more than seven times the sum of the contributed capital and appropriated reserves of the company;

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(3) To lend money in excess of ~~five-ten~~ percent of its contributed capital and appropriated reserves to any person primarily liable; ~~provided, that if marketable collateral be taken as security for a loan, then an industrial loan and thrift company may loan not to exceed ten percent of its contributed capital and appropriated reserves to any one person primarily liable;~~ provided, however, if a loan has been made to any one person primarily liable and payments have been made on the certificate of indebtedness securing it, the amount of such payments may be added to the limitation stated in this clause for the purpose of determining whether additional loans may be made to that person;

(4) To accept trusts or act as guardian, administrator, or judicial trustee in any form; or

(5) To deposit any of its funds in any banking corporation, unless that corporation has been designated by vote of a majority of directors or of the executive committee present at a meeting duly called, at which a quorum was in attendance.

(6) To change any allocation of capital made pursuant to section 53.03 or to reduce or withdraw in any way any portion of the contributed capital and appropriated reserves without prior written approval of the commissioner of banks.

Approved June 5, 1975.

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**CHAPTER 374—H.F.No.654**

[Coded in Part]

*An act relating to crimes; specifying the acts constituting sexual offenses; admissibility of evidence in sex offense prosecutions; providing penalties; amending Minnesota Statutes 1974, Section 609.185; and Chapter 609, by adding sections; repealing Minnesota Statutes 1974, Sections 609.29; 609.291; 609.292; 609.295; and 609.296.*

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

Section 1. Minnesota Statutes 1974, Section 609.185, is amended to read:

**609.185 CRIMES AND CRIMINALS; SEX CRIMES; MURDER IN THE FIRST DEGREE.** Whoever does either of the following is guilty of murder in the first degree and shall be sentenced to imprisonment for life:

(1) Causes the death of a human being with premeditation and with intent to effect the death of such person or of another; or

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