

to be credited to the general fund. The state shall not be liable for any liens in excess of the proceeds from the sale after deductions provided herein. Any sale under the provisions of this section shall operate to free the vehicle and property sold from any and all liens thereon, and appeal from such order of the district court will lie to the supreme court as in other civil actions.

For the purposes of this section, "common carrier" means any person engaged in transportation for hire of tangible personal property by motor vehicle, limited to (1) a person possessing a certificate or permit authorizing for-hire transportation of property from the interstate commerce commission or the Minnesota public service commission; or (2) any person transporting commodities defined as "exempt" in for-hire transportation; or (3) any person who pursuant to a contract with a person described in (1) or (2) above transports tangible personal property.

Sec. 3. EFFECTIVE DATE. This act is effective the day following its final enactment.

Approved June 4, 1975.

CHAPTER 398—H.F.No.999

[Coded in Part]

An act relating to state banks; authorizing state banks to take second liens on real estate; amending Minnesota Statutes 1974, Section 48.19, Subdivision 1, and by adding a subdivision; and repealing Minnesota Statutes 1974, Section 48.19, Subdivision 3.

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

Section 1. Minnesota Statutes 1974, Section 48.19, Subdivision 1, is amended to read:

48.19 BANKS AND BANKING; REAL ESTATE; JUNIOR LIENS; LOANS ON REAL ESTATE RESTRICTED. Subdivision 1. **RESTRICTIONS; EXCEPTION.** No bank or trust company shall make any loan upon the security of real estate unless it is a first lien thereon, except that a bank or trust company may take a junior lien upon real estate to secure a loan previously contracted. Before any such loans are made the value of the real estate shall be determined by an appraisal made by a committee appointed by the board of directors, which appraisal shall be made a matter of record; except that the board may accept an appraisal made by or for an agency of the United States government when such agency is guaranteeing or insuring the loan or any part thereof.

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

A bank may take additional liens on the same security and these shall be considered to be part of the same mortgage lien thereon providing it has been established that there are no intervening liens.

Loans in which the small business administration cooperates through agreements to participate on an immediate or deferred basis under the federal small business act or loans or obligations secured or guaranteed by the United States or any department, bureau, board, commission, or establishment of the United States, including any corporation wholly owned directly or indirectly by the United States, shall not be subject to the restrictions or limitations of this section imposed upon loans secured by real estate.

Sec. 2. Minnesota Statutes 1974, Section 48.19, is amended by adding a subdivision to read:

Subd. 4. Loans made to a borrower shall not be considered to be loans upon the security of real estate within the meaning of subdivision 1 if the bank takes, as a precaution against contingencies, a mortgage, deed, or trust or other instrument upon real estate located in this state, in the form of a second lien, and if:

(a) the bank looks for repayment by relying primarily on the borrower's general credit standing and forecast of income supported by the borrower's signed financial statement, with or without other security or;

(b) the bank relies primarily on other security as collateral for loan, provided that if the other security is composed in whole or in part of the guarantee of a third party, that guarantee shall be supported by a signed financial statement of the guarantor. Except for home improvement loans this subdivision applies only to non-automobile loans in a principal amount of \$3,000 or more. Separate loans may not be aggregated to attain the \$3,000 level.

Sec. 3. Minnesota Statutes 1974, Section 48.19, Subdivision 3, is repealed.

Sec. 4. This act is effective the day following final enactment.

Approved June 5, 1975.

CHAPTER 398—H.F.No.1007

An act relating to employment; excluding conservation officers from the operation of the fair labor standards act; repealing certain job application requirements; amending Minnesota Statutes 1974, Section 177.23, Subdivision 7; repealing Minnesota Statutes 1974, Section 43.16.

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