

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

Section 1. Minnesota Statutes 1976, Section 177.24, is amended to read:

177.24 MINIMUM WAGE; PAYMENT. Except as may otherwise be provided in sections 177.21 to 177.35, or by regulation issued pursuant thereto, every employer shall pay to each of his employees who is 18 years of age or older wages at a rate of not less than ~~\$2.10~~ \$2.30 an hour and shall pay to each of his employees who is under the age of 18 wages at a rate of not less than ~~\$1.89~~ \$2.07 an hour.

Sec. 2. **EFFECTIVE DATE.** This act is effective September 15, 1977.

Approved May 20, 1977.

CHAPTER 184—S.F.No.254

[Coded in Part]

An act relating to trusts; clarifying county court jurisdiction over trusts; permitting a trustee or beneficiary of a trust to petition the court to release jurisdiction over certain trusts; amending Minnesota Statutes 1976, Sections 501.11; 501.12, Subdivision 3; 501.17; 501.211, Subdivision 4; 501.22, Subdivisions 2, 4, and 5; 501.23; 501.24; 501.25; 501.27; 501.33; 501.34; 501.35; 501.38; 501.42; 501.44; and Chapter 501, by adding a section.

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

Section 1. Minnesota Statutes 1976, Section 501.11, is amended to read:

501.11 EXPRESS TRUSTS, PURPOSES. Express trusts may be created for any of the following purposes:

- (1) To sell lands for the benefit of creditors;
- (2) To sell, mortgage, or lease lands for the benefit of legatees, or for the purpose of satisfying any charge thereon;
- (3) To receive the rents and profits of lands, and apply them to the use of any person, during the life of such person, or for any shorter term, subject to the rules prescribed in chapter 500;
- (4) To receive the rents and profits of lands, and to accumulate the same, for either of the purposes, and within the limits prescribed in chapter 500;
- (5) To receive and take charge of any money, stocks, bonds, or valuable chattels of any kind and to invest and loan the same for the benefit of the beneficiaries of such express trust; and the district and county courts of the state shall, upon petition and hearing, have power to appoint a trustee for the purpose herein set forth, requiring such

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trustee to give such bond for the faithful execution of such express trust as to the court may seem right and proper; and express trusts created under the provisions of this paragraph shall be administered under the direction of the court;

(6) For the beneficial interests of any person, whether such trust embraces real or personal property or both, when the trust is fully expressed and clearly defined on the face of the instrument creating it, provided that the trust shall not continue for a period longer than the life or lives of specified persons in being at the time of its creation, and for 21 years after the death of the survivor of them, and that the free alienation of the legal estate by the trustee is not suspended for a period exceeding the limit prescribed in chapter 500; provided, however, that the aforesaid limitation on the period of continuance of such trusts shall not apply to a trust forming a part of a stock bonus, pension, or profit sharing plan of an employer for the exclusive benefit of some or all of his employees, nor to a trust forming a part of a retirement plan created by and for the benefit of self-employed persons for the purpose of receiving their contributions thereunder and investing, accumulating, and distributing to such persons or their beneficiaries the corpus, profits, and earnings of the trust in accordance with the plan.

(7) Any city may receive, by grant, gift, devise, or bequest, and take charge of, invest, and administer, free from taxation, in accordance with the terms of the trust, real or personal property, or both, for the benefit of any public library, or any public cemetery, or any public park, located in, or within ten miles of, such city, or for the purpose of establishing or maintaining a kindergarten or other school or institution of learning therein.

Provided that any such city shall, with the approval of the district court of the county wherein such city is located, sell, lease, or otherwise dispose of, freed of the provisions of such trust, any such tract, lot, parcel, reserve, block, or subdivision of the platted part of any such city, embraced within the area described in such grant, gift, devise, or bequest when any such tract, lot, parcel, reserve, block, or subdivision of the platted part of any such city shall be found to be unfit for the uses and purposes expressed in any such grant, gift, devise or bequest.

The income realized from any such sale, lease, or disposal of such trust property shall be credited to the funds of said trust of the city wherein said property is located.

Each city in this state, in addition to the foregoing, may receive by grant, gift, devise, or bequest, and take charge of, convert, invest, and administer, free from taxation, in accordance with the terms of the trust, real or personal property, or both, of any kind or nature and wherever located, for any public or charitable purpose, or to provide, enlarge, improve, lease, and maintain for the use and benefit of the inhabitants of such city, animal, bird, fish, game, and hunting preserves, public parks, public grounds, public waterways, public bath houses and grounds used in connection therewith, and public playgrounds within or without the limits of such city, whether within or without this state, or for the support, medical treatment, and nursing of the worthy poor residing in such city.

Sec. 2. Minnesota Statutes 1976, Section 501.12, Subdivision 3, is amended to read:

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Subd. 3. **LIBERAL INTERPRETATION; ADMINISTRATION.** Such trust shall be liberally construed by the courts so that the intentions of the donor thereof shall be carried out when possible and no such trust shall fail solely because the donor has imperfectly outlined the purpose and object of such charity or the method of administration. When it shall appear to the district or county court of the proper county that the purpose and object of such charity is imperfectly expressed, or the method of administration is incomplete or imperfect, or that the circumstances have so changed since the execution of the instrument creating the trust as to render impracticable, inexpedient, or impossible a literal compliance with the terms of such instrument, such court may, upon the application and with the consent of the trustee, and upon such notice as the court may direct, make an order directing that such trust shall be administered or expended in such manner as in the judgment of the court will, as nearly as can be, accomplish the general purposes of the instrument and the object and intention of the donor without regard to, and free from any, specific restriction, limitation, or direction contained therein. No such order shall be made without the consent of the donor of the trust if he is then living and mentally competent. The attorney general shall represent the beneficiaries in all cases arising under this section and it shall be his duty to enforce such trusts by proper proceedings in the courts.

Sec. 3. Minnesota Statutes 1976, Section 501.17, is amended to read:

501.17 **TRUSTEES TAKE ESTATE, WHEN.** Every express trust, valid as such in its creation, except as herein otherwise provided, shall vest the whole estate in the trustee, in law and in equity, subject only to the execution of the trust; and the person for whose benefit the trust was created shall take no estate or interest in the lands but may enforce the performance of the trust in equity a court of competent jurisdiction.

Sec. 4. Minnesota Statutes 1976, Section 501.211, Subdivision 4, is amended to read:

Subd. 4. Such disclaimer shall be effective upon being filed in any district court of the state of Minnesota. A copy of the disclaimer shall be delivered or mailed to the trustee of any trust in which the interest disclaimed exists or to such other person as has legal title to, or possession of, the property in which the interest disclaimed exists, and no such trustee or person shall be liable for any otherwise proper distribution or other disposition made without actual notice of the disclaimer. If an interest in or relating to real estate is disclaimed, the original of the disclaimer, or a copy of the disclaimer certified as true and complete by the clerk of the district or county court wherein the same has been filed, shall also be filed with the register of deeds or with the registrar of titles, as hereinafter provided, in the county or counties where the real estate is situated and shall constitute notice to all persons only from and after the time of such filing. If title to such real estate has not been registered under the provisions of chapter 508, such disclaimer or certified copy shall be filed with the register of deeds. If title to such real estate has been registered under the provisions of chapter 508, such disclaimer or certified copy shall be filed with the registrar of titles.

Sec. 5. Minnesota Statutes 1976, Section 501.22, Subdivision 2, is amended to read:

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Subd. 2. **SALE, MORTGAGE.** The district or county court of the ~~district~~ county wherein such property held in trust is situate, may, by order, on such terms and conditions as seem just and proper, authorize any such trustee, whether he be beneficially interested in such trust property or not, to mortgage or sell such real property or any part thereof when it appears to the satisfaction of the court that it is for the best interest of such estate, or that it is necessary or for the benefit of the estate or of the persons beneficially interested therein holding the first and present estate, interest or use, and that it will do no substantial injury to the heirs in tail, or others in expectancy, succession, reversion, or remainder.

Sec. 6. Minnesota Statutes 1976, Section 501.22, Subdivision 4, is amended to read:

Subd. 4. **COURT MAY LENGTHEN TERM OF LEASE.** The district or county court may, by order, on such terms and conditions as seem just and proper, in respect to rental and renewals, authorize such a trustee to lease such real property for a term exceeding five years, if it appears to the satisfaction of the court that it is for the best interest of the trust estate, and may authorize such trustee to covenant in the lease to pay at the end of the term, or renewal term, to the lessee the then fair and reasonable value of any building which may have been erected on the premises during such term.

Sec. 7. Minnesota Statutes 1976, Section 501.22, Subdivision 5, is amended to read:

Subd. 5. **PROTECTION OF WARD.** The ~~district~~ court shall not grant an order to mortgage or sell such real property or lease the same for a term exceeding five years, unless it appears to the satisfaction of ~~such~~ the court that a written notice, stating the time and place of the application therefor, and the object thereof, has been served upon the beneficiary of such trust and every other person in being having an estate vested or contingent in reversion or remainder in the real property at least eight days before the making thereof, if such beneficiary or other person is an adult within the state, or if a minor, lunatic, person of unsound mind, habitual drunkard, or absentee, until proof of the service, on such beneficiary or other person, of such notice as the court or a judge thereof prescribes. The court shall appoint a guardian ad litem for any minor and for any lunatic, person of unsound mind, or habitual drunkard who shall not be represented by a committee or guardian duly appointed.

Sec. 8. Minnesota Statutes 1976, Section 501.23, is amended to read:

501.23 SALE, MORTGAGE, PLEDGE, OR LEASE OF PROPERTY IN TRUST CREATED BY WRITTEN INSTRUMENT; VOID, WHEN; COURT POWERS. When any trust is expressed in the instrument creating the trust estate every sale, conveyance, or other act of the trustee in contravention of the trust shall be absolutely void, except as in sections 501.23 to 501.32 provided. The district or county court of the county wherein the property, whether real or personal, or any part thereof, held in trust is situate may, by order, on such terms and conditions as seem just and proper, authorize any such trustee, whether he be beneficially interested in such trust property or not, to sell or otherwise dispose of, mortgage, or pledge all or any part of such trust property, whether real or personal, when it appears to the satisfaction of the court that it is necessary, or for the best interest, or for the benefit of the trust estate, or of the person or persons beneficially

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interested therein holding the first and present estate, interest, or use, and that it will do no substantial injury to the heirs or next of kin, or others in succession, expectancy, reversion, or remainder, in respect of such property.

Sec. 9. Minnesota Statutes 1976, Section 501.24, is amended to read:

501.24 LEASES; AUTHORITY OF TRUSTEE; ORDER OF COURT FOR LEASE. The trustee appointed to hold real property in trust during the life of a beneficiary, and to pay or apply the rents, income and profits thereof to or for the use of such beneficiary, may execute and deliver a lease of such real property for a term not exceeding five years, without application to the court. The district or county court may, by order, on such terms and conditions as seem to it just and proper, authorize such trustee to lease such property for a term exceeding five years, if it appears to the satisfaction of the court that it is for the best interest of the trust estate, and may authorize such trustee to covenant in the lease to pay, at the end of the term or any renewal term, to the lessee, the then fair and reasonable value of any buildings and improvements which may have been erected or placed on the leased premises during such term or renewal term.

Sec. 10. Minnesota Statutes 1976, Section 501.25, is amended to read:

501.25 SALE; APPLICATION FOR; PETITION, NOTICE, AND ORDER FOR HEARING; FILING. Application to the court for such order to sell or otherwise dispose of, mortgage, or pledge such trust property, real or personal, or any part thereof, or to lease such trust property, real, or any part thereof, shall be by petition, duly verified, made by such trustee, or any person beneficially interested in such property. Such petition shall set forth the nature of the trust estate, the particular facts making it necessary or proper for the application to be granted, a description of the trust property to be sold or otherwise disposed of, mortgaged, pledged, or leased, and the interest of the petitioner therein. Such petition and the notice of hearing thereof shall set out, so far as appears of record or as known to the petitioner, the names, and in addition such petition shall set out the places of residence, of all persons, who have any right, title, interest, estate, or lien, and the nature thereof, in or upon the trust property, or who, by the terms of the instrument creating the trust, may, at any time thereafter, have any such right, title, interest, estate, or lien, and the nature thereof. If there be persons having, or claiming to have, or who, at any time thereafter, may have any interest in the trust property, whose names are unknown, it shall be lawful to include such persons in such petition and the notice of hearing thereof, by the name and description of unknown persons interested in the trust property, and, to that end, such petition and notice, in addition to setting out the names of the persons aforesaid, may contain the following: "Also all other persons unknown, having, or claiming to have, or who at any time may have any right, title, or interest, estate, or lien in or upon the trust property." Such petition, together with a copy, annexed thereto, of the deed, will, or other written instrument creating the trust estate, shall be filed in the office of the clerk of the district or county court of the county wherein such property, or some part thereof, is situate. Upon the filing of any such petition, the district court shall, by order, fix a time and place of hearing the same. Such hearing may be at chambers, or at a general or special term of the court wherein the proceedings are pending.

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Sec. 11. Minnesota Statutes 1976, Section 501.27, is amended to read:

501.27 INCOMPETENTS; NOTICE; SERVICE; GUARDIAN AD LITEM. In case any person, whose name is set out in such petition, is a minor, lunatic, idiot, or person of unsound mind, or an habitual drunkard or spendthrift, such notice of hearing shall be served upon the duly appointed guardian, conservator, committee, or other legal representative, of such person, if any. If there be none, then the ~~district~~ court in which such proceedings are pending shall appoint a guardian ad litem to such person and may compel the person so appointed to act. In such case, service of such notice of hearing shall be had by service on such guardian ad litem.

Sec. 12. Minnesota Statutes 1976, Section 501.33, is amended to read:

501.33 TRUSTEE; CONFIRMATION OF APPOINTMENT; COURT JURISDICTION. Upon petition of any person appointed as trustee of an express trust by any will or other written instrument, or upon petition of any beneficiary of such trust, the district or county court of the county wherein such trustee resides or has his place of business, or the district or county court of the county wherein the will is being probated in the case of an express trust by will, shall consider the application to confirm the appointment of the trustee and specify the manner in which he shall qualify. Thereafter such district or county court, or the court to which jurisdiction is transferred, shall have jurisdiction of such trust as a proceeding in rem.

Sec. 13. Minnesota Statutes 1976, Section 501.34, is amended to read:

501.34 INVENTORY, FILING; ANNUAL ACCOUNT. Any trustee whose appointment has thus been confirmed shall file with the clerk of the district or county court an inventory containing a true and complete list of all property received by the trustee belonging to the trust estate. Thereafter such trustee shall render to such court at least annually a verified account containing a complete inventory of the trust assets and itemized principal and income accounts.

Sec. 14. Minnesota Statutes 1976, Section 501.35, is amended to read:

501.35 MAY APPLY TO COURT FOR INSTRUCTIONS. Any trustee of an express trust by will or other written instrument whose appointment has ~~thus~~ been confirmed at any time thereafter, or any beneficiary of that trust, may petition the court then having jurisdiction of the trust as a proceeding in rem, and any trustee of an express trust by will or other written instrument whose appointment has not been confirmed, or any beneficiary of that trust, may petition the district or county court of the county wherein the unconfirmed trustee resides or has his place of business, for instructions in the administration of the trust, ~~or for the confirmation of any action taken by the trustee~~, for a construction of the trust instrument, or upon or after the filing of any account, for the settlement and allowance thereof. Upon the filing of such petition the court shall make an order fixing a time and place for hearing thereof, unless hearing has been waived in writing by the beneficiaries of such trust then in being. Notice of such hearing shall be given by publishing a copy of such order one time in a legal newspaper of such county at least 20 days before the date of such hearing, and by mailing a copy thereof to each ~~party~~

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in interest beneficiary of the trust then in being, at his last known address, at least ten days before the date of such hearing or in such other manner as the court shall order and if such court shall deem further notice necessary it shall be given in such manner as may be specified in such order. Upon such hearing the court shall make such order as it deems appropriate, which order shall be final and conclusive as to all matters thereby determined and binding in rem upon the trust estate and upon the interests of all beneficiaries, vested or contingent, even though unascertained or not in being, except that appeal to the supreme court may be taken from such an order of a district court within 30 days from the entry thereof by filing notice of appeal with the clerk of the district court, who shall mail a copy of such notice to each adverse party who has appeared of record. Appeal may be taken from an order of a county court in the manner provided in section 487.39. The appeal shall be taken within 30 days from the entry of the order, notwithstanding the provisions of section 487.39, subdivision 1, clause (a).

Sec. 15. Minnesota Statutes 1976, Chapter 501, is amended by adding a section to read:

[501.35] RELEASE OF JURISDICTION. Any trustee of an express trust by will or other written instrument whose appointment has been confirmed, or any beneficiary of the trust, may at any time petition the court pursuant to section 501.35 for an order terminating the court's jurisdiction of the trust as a proceeding in rem. If upon the hearing on the petition no beneficiary then in being objects to the termination of the court's jurisdiction of the trust as a proceeding in rem, the court shall enter an order terminating its jurisdiction of the trust as a proceeding in rem. If upon the hearing on the petition any beneficiary then in being objects to the termination of the court's jurisdiction of the trust as a proceeding in rem, the court shall make such order as it deems appropriate. After the entry of an order terminating the court's jurisdiction of the trust as a proceeding in rem, the requirements set forth in section 501.34 shall no longer apply to the trustee of the trust. Nothing in this section shall prohibit a trustee or any beneficiary of the trust from thereafter petitioning the court pursuant to sections 501.33 or 501.35 as if the appointment of the trustee had never been confirmed.

Sec. 16. Minnesota Statutes 1976, Section 501.38, is amended to read:

501.38 NOT TO LIMIT JURISDICTION OF COURT. Nothing in sections 501.33 to 501.37 shall be deemed to limit or abridge the power or jurisdiction of the district or county court over trusts and trustees.

Sec. 17. Minnesota Statutes 1976, Section 501.42, is amended to read:

501.42 RESIGNATION OF TRUSTEE. Upon the petition of any trustee of an express trust, the district or county court may accept his resignation and discharge him from the trust, under such regulations as it shall establish for that purpose and upon such terms as the rights and interests of the person interested in the execution of the trust require.

Sec. 18. Minnesota Statutes 1976, Section 501.44, is amended to read:

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501.44 **POWERS OF COURT.** The district or county court has full power to appoint a new trustee in place of one deceased, resigned, or removed; and when, in consequence of such death, resignation, removal, or other cause, there is no acting trustee, the court, in its discretion, may appoint a trustee, or cause the trust to be executed by one of its officers under its direction; and when any person other than the trustee originally named, or appointed by a court of this state, has in good faith done any act in execution of the trust, the court may confirm such act.

Approved May 20, 1977.

CHAPTER 185—S.F.No.296

[Coded]

An act relating to medical assistance for needy persons; providing for limits on types, costs and frequency of medical services; amending Minnesota Statutes 1976, Section 256B.04, by adding a subdivision.

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

Section 1. Minnesota Statutes 1976, Section 256B.04, is amended by adding a subdivision to read:

Subd. 12. PUBLIC WELFARE; NEDDY PERSONS; MEDICAL ASSISTANCE.
Place limits on the types of services covered by medical assistance, the frequency with which the same or similar services may be covered by medical assistance for an individual recipient, and the amount paid for each covered service.

Approved May 20, 1977.

CHAPTER 186—S.F.No.368

[Coded]

An act relating to health care; providing conversion privileges under certain accident and health insurance policies, health service plan subscriber contracts and health maintenance contracts, for spouses whose marriage is dissolved; amending Minnesota Statutes 1976, Chapters 62A, by adding a section; 62C, by adding a section; and 62D, by adding a section.

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

Section 1. Minnesota Statutes 1976, Chapter 62A, is amended by adding a section to read:

[62A.21] ACCIDENT AND HEALTH INSURANCE; CONVERSION
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