

(b) Transfers a pistol to a person who has made a false statement in order to become a transferee, if the transferor knows or has reason to know the transferee has made the false statement;

(c) Knowingly becomes a transferee in violation of subdivisions 1 to 13 of this section; or

(d) Makes a false statement in order to become a transferee of a pistol knowing or having reason to know the statement is false.

Subd. 16. LOCAL REGULATION. This section shall be construed to supersede municipal or county regulation of the transfer of pistols except more restrictive regulation in cities of the first class.

Approved May 27, 1977.

---

CHAPTER 350—H.F.No.500

*An act relating to financial institutions; regulating lenders of conventional mortgage loans; regulating mortgages and escrow accounts; requiring registration and reporting; regulating installment loans; postponing the expiration of a usury exception; abolishing a usury exception; providing a penalty; amending Minnesota Statutes 1976, Sections 47.20; 48.153; 334.01, Subdivision 2; and 334.06.*

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

Section 1. Minnesota Statutes 1976, Section 47.20, is amended to read:

**47.20 FINANCIAL INSTITUTIONS; USE OF FEDERAL ACTS; DEFINITIONS; INTEREST RATES; REQUIRED PROVISIONS; INTEREST ON ESCROW ACCOUNTS; PENALTY.** Subdivision 1. Pursuant to such ~~regulations~~ rules as the commissioner of banks finds to be necessary and proper, if any, banks, savings banks, mutual savings banks, building and loan associations, and savings and loan associations organized under the laws of this state or the United States, trust companies, trust companies acting as fiduciaries, and other banking institutions subject to the supervision of the commissioner of banks, and mortgagees or lenders approved or certified by the secretary of housing and urban development or approved or certified by the administrator of veterans affairs, or approved or certified by the administrator of the farmers home administration, are authorized:

(1) To make such loans and advances of credit and purchases of obligations representing loans and advances of credit as are insured or guaranteed by the secretary of housing and urban development pursuant to the national housing act, as amended, or the administrator of veterans affairs pursuant to the servicemen's readjustment act of 1944, as amended, or the administrator of the farmers home administration pursuant to the consolidated farm and rural development act, Pub. L. 87-128, as amended, and to obtain

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

such insurance or guarantees;

(2) To make such loans secured by mortgages on real property which the secretary of housing and urban development ~~or~~, the administrator of veterans affairs, or the administrator of the farmers home administration has insured or guaranteed or made a commitment to insure or guarantee, and to obtain such insurance or guarantees.

Subd. 2. For the purposes of this section the terms defined in this subdivision have the meanings given them:

(1) "Actual closing costs" mean reasonable charges for or sums paid for the following, whether or not retained by the mortgagee or lender:

(a) Any insurance premiums including but not limited to premiums for title insurance, fire and extended coverage insurance, flood insurance, and private mortgage insurance.

(b) Abstracting, title examination and search, and examination of public records.

(c) *The preparation and recording of any or all documents required by law or custom for closing a conventional loan.*

(d) Appraisal and survey of real property securing a conventional loan.

(e) A single service charge, which shall include any consideration, not otherwise specified herein as an "actual closing cost" paid by the borrower and received and retained by the lender for or related to the acquisition, making, refinancing or modification of a conventional loan, and shall also include any consideration received by the lender for making a commitment for a conventional loan, whether or not an actual loan follows such commitment. The term service charge shall not include developer's commitment fees. The service charge shall not exceed one percent of the original bona fide principal amount of the conventional loan, except that in the case of a construction loan, the service charge shall not exceed two percent of the original bona fide principal amount of the loan. That portion of the service charge imposed because the loan is a construction loan shall be itemized and a copy of the itemization furnished the borrower. A lender shall not collect from a borrower the additional one percent service charge permitted for a construction loan if it does not perform the service for which the charge is imposed or if third parties perform and charge the borrower for the service for which the lender has imposed the charge.

(f) Charges and fees necessary for or related to the transfer of real property securing a conventional loan or the closing of a conventional loan paid by the borrower and received by any party other than the lender.

(2) "Conventional loan" means a loan or advance of credit, other than a loan or advance of credit made by a credit union or made pursuant to section 334.011, to a noncorporate borrower in an original principal amount of less than \$100,000, secured by a mortgage upon real property containing one or more residential units or upon which at

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

the time the loan is made it is intended that one or more residential units are to be constructed, and which is not insured or guaranteed by the secretary of housing and urban development ~~or guaranteed~~, by the administrator of veterans affairs, or by the administrator of the farmers home administration. The term mortgage shall not include contracts for deed or installment land contracts.

(3) "Developer's commitment fee" means a fee or other consideration paid to a lender by a person in the business of building or arranging for building residential units for the purpose of securing a commitment by the lender to make conventional loans to credit worthy purchasers of residential units, or a fee or other consideration paid to a lender for the purpose of securing a commitment by the lender to make conventional loans to credit worthy purchasers of apartments as defined in section 515.02 to be created out of existing structures pursuant to the Minnesota condominium act, by a person creating the apartments.

(4) "Finance charge" means the total cost of a conventional loan including extensions or grant of credit regardless of the characterization of the same and includes interest, finders fees, and other charges levied by a lender directly or indirectly against the person obtaining the conventional loan or against a seller of real property securing a conventional loan, or any other party to the transaction except any actual closing costs and any developer's commitment fee. The finance charges plus the actual closing costs and any developer's commitment fee, charged by a lender shall include all charges made by a lender to the person obtaining the conventional loan other than the principal of the conventional loan.

(5) "Lender" means any person making a conventional loan. The term shall also include the holder or assignee at any time of a conventional loan.

(6) "Loan yield" means the annual rate of return obtained by a lender over the term of a conventional loan and shall be computed as the annual percentage rate as computed in accordance with sections 226.5 (b), (c) and (d) of Regulation Z, 12 C.F.R. section 226, but using the definition of finance charge provided for in this subdivision. The finance charge shall be amortized over the contract term of the conventional loan.

(7) "Monthly index of long term United States government bond yields" means the monthly unweighted average of the daily unweighted average of the closing bid yield quotations in the over the counter market for all outstanding United States treasury bond issues, based on available statistics, which are either maturing or callable in ten years or more. This index is expressed in terms of percentage interest per annum.

(8) "Person" means an individual, corporation, business trust, partnership or association or any other legal entity.

(9) "Residential unit" means any structure used principally for residential purposes or any portion thereof, and shall include a unit in a townhouse or planned unit development, a condominium apartment, a non-owner occupied residence, and any other type of residence regardless of whether such unit is used as a principal residence, secondary residence, vacation residence or residence of some other denomination.

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

Subd. 3. Pursuant to such regulations as the commissioner of banks finds to be necessary and proper, if any, banks, savings banks, mutual savings banks, building and loan associations, and savings and loan associations organized under the laws of this state or the United States, trust companies, trust companies acting as fiduciaries, and other banking institutions subject to the supervision of the commissioner of banks, and mortgagees or lenders approved or certified by the federal national mortgage association or the federal home loan mortgage corporation Notwithstanding the provisions of section 334.01, lenders are authorized to make such conventional loans and purchases of obligations representing conventional loans as would be eligible for purchase by the federal national mortgage association or the federal home loan mortgage corporation as authorized by and defined by the Emergency Home Finance Act of 1970, as amended, but without regard to any limitations placed upon the maximum principal amount of an eligible conventional loan by said act pursuant to such rules as the commissioner of banks finds to be necessary and proper, if any, at an interest rate not in excess of the maximum lawful interest rate prescribed in subdivision 4 of this section.

Subd. 4. No conventional loan authorized in subdivision 3 shall be made at a rate of interest in excess of a maximum lawful interest rate which shall be based upon the monthly index of long term United States government bond yields as compiled by the board of governors of the Federal Reserve System and as published by said board of governors in the monthly Federal Reserve Bulletin United States treasury department and published by the department in the monthly treasury bulletin. The maximum lawful interest rate shall be computed as follows:

(1) The maximum lawful rate of interest for a conventional loan authorized in subdivision 3 entered into made or contracted for during any calendar month shall be equal to the monthly index of long term United States government bond yields for the second preceding calendar month plus an additional two percent per annum rounded off to the nearest quarter of one percent per annum or rounded off to the highest quarter of one percent per annum if equidistant.

(2) On or before the 20th day of each month the commissioner of banking shall determine, based on available statistics, the monthly index of long term United States government bond yields for the preceding calendar month and shall determine the maximum lawful rate of interest for conventional loans for the next succeeding month, as defined in clause (1) and shall cause such the maximum lawful rate of interest to be published in a legal newspaper in Ramsey county on or before the 20th day of each month and in the Bulletin of the Banking Division state register on or before the last day of each month; such the maximum lawful rate of interest to be effective on the first day of the next succeeding month.

(3) The loan yield obtained from a conventional loan authorized in subdivision 3 shall not exceed the maximum lawful rate of interest established in clause (1).

(4) A contract rate within the maximum lawful interest rate applicable to a conventional loan authorized in subdivision 3 at the time of the loan closing the loan is made shall be the maximum lawful interest rate for the term of the conventional loan; except that a commitment for a

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

(5) Conventional loans made pursuant to a commitment for a conventional loan authorized in subdivision 3, including a commitment for conventional loans made upon payment of a developer's commitment fee, which provides for consummation within some future time following the issuance of such the commitment may be consummated pursuant to the provisions, including the interest rate, of such the commitment notwithstanding the fact that the maximum lawful rate of interest at the time such conventional loan is actually entered into made is less than the commitment rate of interest, provided the commitment rate of interest does not exceed the maximum lawful interest rate in effect on the date such the commitment was issued and provided that such the commitment when issued and agreed to by the borrower shall constitute a legally binding obligation on the part of the mortgagee or lender to make a conventional loan authorized in subdivision 3 within a specified time period in the future at a rate of interest not exceeding the maximum lawful rate of interest effective as of the date of the commitment offer was issued. The refinancing of an existing conventional loan authorized in subdivision 3 shall be deemed to be a new conventional loan for purposes of determining the maximum lawful rate of interest under this subdivision. A commitment shall be deemed to be issued on the date the commitment is hand delivered by the lender to the borrower, or mailed to the borrower or to any one of them if there should be more than one.

(5) This subdivision expires July 31, 1977. A contract or commitment for a conventional loan made pursuant to this subdivision

(6) A loan made pursuant to a commitment, including a commitment for conventional loans made upon payment of a developer's commitment fee, made issued on or before July 31, 1977 1979 at a rate of interest not in excess of the rate of interest authorized by this subdivision at the time the contract or commitment for such the loan was made shall continue to be enforceable in accordance with its terms until the indebtedness is fully satisfied.

(7) This subdivision expires July 31, 1979.

Subd. 5. No loan or advance of credit authorized in subdivisions 1 or 3 and conventional loan or loan authorized in subdivision 1 contracted for made on or after April 1, 1976, the effective date of this act shall contain a provision requiring or permitting the imposition of a penalty in the event the loan or advance of credit is prepaid.

Subd. 6. No loan or advance of credit authorized in subdivisions 1 or 3 and conventional loan or loan authorized in subdivision 1 contracted for made on or after April 1, 1976, the effective date of this act shall contain a provision requiring or permitting the imposition of a fee or penalty in excess of one-tenth of one percent of the remaining unpaid principal balance in the event the loan or advance of credit and the obligation incurred thereby is assumed by another person.

Subd. 7. (1) No conventional loan authorized in subdivision 3 and contracted for made on or after April 1, 1976 the effective date of this act shall contain a provision requiring or permitting the imposition, directly or indirectly, of any discount points,

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

whether or not actually denominated as discount points, on any person.

(2) Discount points shall be deemed not to include a fee paid to a lender by a person in the business of residential building or development in connection with a commitment by such lender to make conventional loans to credit worthy purchasers of real property which has not previously been occupied as a residence developer's commitment fee.

(3) No charges, fees, or sums permitted by Laws 1976, Chapter 300 section 47.20 which are paid to and received by a lender may be increased for purposes of evading compliance with this subdivision.

(4) This subdivision shall not apply to conventional loans secured by mortgages committed for purchase, purchased, or sold by the government national mortgage association pursuant to Section 115 of the Housing and Urban Development Act of 1969, Public Law 91-152, if the charge for any discount points when added to the finance charge does not result in a loan yield in excess of that permitted by subdivision 4. The loan yield shall be computed using the sum resulting when the discount points are so added to the finance charge.

Subd. 8. A lender making a conventional loan shall comply with the following:

(1) The promissory note and mortgage evidencing a conventional loan shall be printed in not less than the equivalent of 8 point type, .075 inch computer type, or elite-size typewritten numerals, or shall be legibly handwritten.

(2) The mortgage evidencing a conventional loan shall contain a provision whereby the lender agrees to furnish the borrower with a conformed copy of the promissory note and mortgage at the time they are executed or within a reasonable time after recordation of the mortgage.

(3) The mortgage evidencing a conventional loan shall contain a provision whereby the lender, if it intends to foreclose, agrees to give the borrower written notice of any default under the terms or conditions of the promissory note or mortgage, by sending the notice by certified mail to the address of the mortgaged property or such other address as the borrower may have designated in writing to the lender. The lender need not give the borrower the notice required by this paragraph if the default consists of the borrower selling the mortgaged property without the required consent of the lender. The mortgage shall further provide that the notice shall contain the following provisions:

(a) the nature of the default by the borrower,

(b) the action required to cure the default,

(c) a date, not less than 30 days from the date the notice is mailed by which the default must be cured,

(d) that failure to cure the default on or before the date specified in the notice may

Changes or additions indicated by underline deletions by strikeout

result in acceleration of the sums secured by the mortgage and sale of the mortgaged premises, and

(e) that the borrower has the right to reinstate the mortgage after acceleration, and

(f) that the borrower has the right to bring a court action to assert the nonexistence of a default or any other defense of the borrower to acceleration and sale.

Subd. 8 2. (1) For purposes of this subdivision the term "mortgagee" shall mean all state banks and trust companies, national banking associations, state and federally chartered savings and loan associations, mortgage banks, mutual savings banks, insurance companies, credit unions or assignees of the above. Each mortgagee requiring funds of a mortgagor to be paid into an escrow, agency or similar account for the payment of taxes or insurance premiums with respect to a mortgaged one to four family, owner occupied residence located in this state, unless ~~such~~ the account is required by federal law or regulation or maintained in connection with a conventional loan in an original principal amount in excess of 80 percent of the lender's appraised value of the residential unit at the time the loan is made or maintained in connection with loans insured or guaranteed by the secretary of housing and urban development ~~or guaranteed~~, by the administrator of veterans affairs, or by the administrator of the farmers home administration, shall calculate interest on such funds at a rate of not less than ~~three~~ four percent per annum. Such interest shall be computed on the average monthly balance in such account ~~of~~ on the first of each month for the immediately preceding 12 months of the calendar year or such other fiscal year as may be uniformly adopted by the mortgagee for such purposes and shall be annually credited to the remaining principal balance on the mortgage, or at the election of the mortgagee, paid to the mortgagor or credited to his account. If the interest exceeds the remaining balance, the excess shall be paid to the mortgagor or vendee. The requirement to pay interest shall apply to such accounts created prior to June 1, 1976 as well as to accounts created after June 1, 1976.

(2) ~~The commerce commission shall have the power to prescribe, at the end of each calendar year, a rate of interest higher than that set by this subdivision. The rate so prescribed shall apply to the calendar year during which such rate is prescribed or to such other fiscal year beginning within such calendar year uniformly adopted by the mortgagee for such purposes. In prescribing any rate the commission shall consider pertinent economic and cost factors including, but not limited to: (1) current yields on short term investments; (2) current dividend rates paid on regular savings accounts throughout this state; (3) currently prevailing interest rates on conventional and insured or guaranteed mortgage loans in this state; (4) cost factors in maintaining accounts described in clause (1) of this subdivision and (5) such other pertinent economic or cost factors that the commerce commission shall deem to be appropriate.~~

(3) ~~If at any time the use of such account is offered as an option to the mortgagor and the mortgagor continues or elects to use such account, interest need not be credited or paid.~~

(2) A mortgagee offering the following option (c) to a mortgagor but not requiring maintenance of escrow accounts as described in clause (1), whether or not the accounts

Changes or additions indicated by underline deletions by strikethrough

were required by the mortgagee or were optional with the mortgagor, shall offer to each of such mortgagors the following options:

(a) the mortgagor may manage the payment of insurance and taxes by himself;

(b) the mortgagor may open with the mortgagee a passbook savings account carrying the current rate of interest being paid on such accounts by the mortgagee in which the mortgagor can deposit the funds previously paid into the escrow account; or

(c) the mortgagor may elect to maintain a non-interest bearing escrow account as described in clause (1) to be serviced by the mortgagee at no charge to the mortgagor.

A mortgagee that is not a depository institution offering passbook savings accounts shall instead of offering option (b) above notify its mortgagors (1) that they may open such accounts at a depository institution and (2) of the current maximum legal interest rate on such accounts.

A mortgagee offering option (c) above to a mortgagor but not requiring the maintenance of escrow accounts shall notify its mortgagor of the options under (a), (b) and (c). The notice shall state the option and state that an escrow account is not required by the mortgagee, that the mortgagor is legally responsible for the payment of taxes and insurance, and that the notice is being given pursuant to section 47.20, subdivision 9.

Notice shall be given within 30 days after the effective date of the provisions of this act amending the subdivision, as to mortgagees offering option (c) above to mortgagors but not requiring escrow accounts as of the effective date, or within 30 days after a mortgagee's decision to discontinue requiring escrow accounts if the mortgagee continues to offer option (c) above to mortgagors. If no reply is received within 30 days, option (c) shall be selected for the mortgagor but the mortgagor may, at any time, select another option.

A mortgagee making a new mortgage and offering option (c) above to a prospective mortgagor shall, at the time of loan application, notify the prospective mortgagor of options (a), (b) and (c) above which must be extended to the prospective mortgagor. The mortgagor shall select one of the options at the time the loan is made.

Any notice required by this clause (2) shall be on forms approved by the commissioner of banking and shall provide that at any time a mortgagor may select a different option. The form shall contain a blank where the current passbook rate of interest shall be entered by the mortgagee. Any option selected by the mortgagor shall be binding on the mortgagee.

This clause (2) does not apply to escrow accounts which are excepted from the interest paying requirements of clause (1).

(4) (3) A mortgagee shall be prohibited from charging a direct fee for the administration of the escrow account.

Changes or additions indicated by underline deletions by strikeout

~~(5)~~ (4) A mortgagee shall make timely payments of tax and insurance bills provided that funds paid into ~~such~~ the account by the mortgagor are sufficient for ~~such~~ the payment. If there is a shortage of funds the mortgagee shall promptly notify the mortgagor of ~~such~~ the shortage. Failure to make the payment required by this clause shall subject the mortgagee to liability for all damages caused by ~~such~~ the failure except that this sentence shall not deprive the mortgagee of the right to present any legal defenses in any subsequent proceeding. The mortgagee is permitted to make any payment on behalf of the mortgagor even though there are not sufficient funds in a particular account to cover the payment.

(6) Any mortgagee intentionally violating the provisions of this subdivision shall be fined not more than \$100 for each offense.

Subd. 9 10. Notwithstanding any other law, the provisions of Laws 1976, Chapter 300 section 47.20 may not be waived by any oral or written agreement executed by any person.

Subd. 11. All lenders who make conventional loans pursuant to this section and who are not financial institutions supervised by state or federal government agencies shall register with the banking division of the department of commerce. Lenders who make no more than five conventional loans in any calendar year are exempt from the registration requirements of this subdivision. The commissioner of banks shall charge and collect a fee of \$25 for registration.

For purposes of this subdivision, the Minnesota housing finance agency shall not be considered a lender.

Subd. 12. All lenders, including the Minnesota housing finance agency but excluding lenders making no more than five conventional loans in any calendar year, shall make an annual report containing the following information and such further information as the commissioner may require to the commissioner of banks describing the lender's number of:

(a) conventional loans to individuals secured by a residential unit located in this state made during each month of the reporting period and the total dollar amount thereof by month;

(b) conventional loans to individuals secured by a residential unit located in this state not made by the lender but acquired from others, the total dollar amount thereof, and from whom the loans were acquired;

(c) loans, other than conventional loans, to individuals secured by a residential unit located in this state made by the lender categorized as to those insured or guaranteed by the secretary of housing and urban development, by the administrator of veterans affairs, or by the administrator of the farmers home administration and all other such loans with the total dollar amount for each category of loan;

(d) conventional loans made by the lender to individuals secured by a residential

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

unit located outside this state and the total dollar amount thereof;

(e) conventional loans to individuals secured by a newly built residential unit located in this state made by the lender and the total dollar amount thereof;

(f) conventional loans made by the lender and sold to the Minnesota housing finance agency and the total dollar amount thereof;

(g) commitments to individuals issued for conventional loans to be secured by a residential unit located in this state, and not made, and the total dollar amount thereof.

The reports shall be filed on or before March 1 of each year and shall cover the preceding calendar year.

Subd. 13. Any conventional loan having an interest rate in excess of the maximum lawful interest rate provided for in subdivision 4 shall be usurious and subject to the same penalties as a loan made in violation of section 334.01. Any lender intentionally violating any other provision of this section shall be fined not more than \$100 for each offense.

Sec. 2. Minnesota Statutes 1976, Section 48.153, is amended to read:

**48.153 INSTALLMENT LOANS; FINANCE CHARGES; MINIMUM CHARGES.** Any bank organized under the laws of this state, or any national banking association doing business in this state, making any loan of money not exceeding \$25,000 repayable in installments, may make a finance charge for such loan to be computed at a rate which does not exceed 12 percent per annum upon the unpaid principal balance of the amount financed. Installment payments shall not extend beyond a period of 12 years and 32 days from the date of the loan. The loan may be secured by a mortgage, pledge, or other collateral. Any savings bank organized pursuant to chapter 50, and having its principal place of business in this state, may make a loan for consumer purposes to any natural person in an amount not exceeding \$7,500 repayable in installments, and may make a finance charge for the loan to be computed at a rate not exceeding 12 percent per annum on the unpaid principal balance of the amount financed. Installment payments shall not extend beyond a period of five years and 32 days from the date of the loan. The loan may be secured by a mortgage, pledge or other collateral. Charges in reference to installment loans under this section shall be computed and collected only on the unpaid principal balance of the amount financed actually outstanding. One day's finance charge shall mean an amount equal to 1/365 of the per annum rate provided for in an installment loan. If the total finance charge determined on an installment loan, single payment or demand loan shall be less than \$10 the amount charged may nevertheless be \$10. No loan shall be made pursuant to this section if over 50 percent of the proceeds of the loan are used to finance the purchase of a borrower's primary residence other than a mobile home.

Sec. 3. Minnesota Statutes 1976, Section 334.06, is amended to read:

**334.06 AGREEMENTS TO SHARE PROFITS; BANKS FOR FARM COOPERATIVES.** Nothing in this chapter shall be construed as in any way affecting any ~~Changes~~ or additions indicated by underline deletions by ~~strikeout~~

contract whereby one party advances money to be used in business or other ventures mutually determined upon, and whereby the party receiving such money agrees to refund the same, with lawfully stipulated interest, and, in addition thereto, agrees to share, equally or otherwise, with the party so advancing the money, the profits of such business or ventures; nor shall its provisions apply to ~~mutual building associations or~~ any banks for cooperatives created or operating under the Federal Farm Credit Act of 1933, as amended, which by law or contract with its borrowers operates as a cooperative.

Sec. 4. Minnesota Statutes 1976, Section 334.01, Subdivision 2, is amended to read:

*Subd. 2. A contract for the loan or forbearance of money, goods, or things in action, in the amount of \$100,000 or more, shall be exempt from the provisions of this section and the interest for such an indebtedness shall be at the rate of \$6 upon \$100 for a year, unless a different rate is contracted for in writing. This subdivision expires July 4, 1978 31, 1979. A contract for a loan or forbearance made on or before July 4, 1978 31, 1979 at a rate of interest not in excess of the rate of interest authorized by this subdivision at the time the loan or forbearance was made shall continue to be enforceable in accordance with its terms until the indebtedness is fully satisfied.*

Sec. 5. **EFFECTIVE DATE.** The amendments to Minnesota Statutes, Section 47.20, Subdivision 8, as renumbered subdivision 9 by this act, shall take effect June 1, 1977 and the remainder of this act is effective the day following its final enactment.

Approved May 27, 1977.

---

CHAPTER 351—H.F.No.6

[Coded in Part]

*An act relating to human rights; prohibiting employment and education discrimination based on age; requiring consultation between the department of human rights and the department of labor and industry; appropriating money; amending Minnesota Statutes 1976, Sections 363.01, by adding a subdivision; 363.02, Subdivision 1, and by adding subdivisions; 363.03, Subdivisions 1 and 5, and by adding a subdivision; 363.05, Subdivision 1; 363.11; 363.115; and 363.12, Subdivision 1.*

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

Section 1. Minnesota Statutes 1976, Section 363.01, is amended by adding a subdivision to read:

**Subd. 28. HUMAN RIGHTS; EMPLOYMENT AND EDUCATION DISCRIMINATION; AGE.** "Age" insofar as it refers to any prohibited unfair employment or education practice shall be deemed to protect only those individuals over the age of majority except for section 6 which shall be deemed to protect any individual over the age of 25 years.

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