Subd. 4. With respect to members of the Fridley police pension fund who qualify for monthly disability or retirement benefits from the Fridley police pension fund pursuant to Minnesota Statutes, Section 423.809 and with respect to their surviving beneficiaries, the salary on which benefit units are based shall continue to be the salary of a first grade patrolman in the police department of the city of Fridley for the second month of the fiscal year preceding each year's benefit payments, regardless of whether or not any member of the Fridley police pension fund holds the position of first grade patrolman.

Subd. 5. With respect to members of the Fridley police pension fund who complete at least 10 years of service but fewer than 20 years of service as police officers in the police department of the city of Fridley and who do not qualify for monthly disability or retirement benefits from the Fridley police pension fund pursuant to Minnesota Statutes, Section 423.809, and with respect to their surviving beneficiaries, the salary on which benefit units are based shall be as described in subdivision 4 except that whenever actual salary increases of a first grade patrolman have exceeded three percent per year compounded annually from the date of a member's termination of service, the excess shall not be used in computing the member's retirement benefit or the benefits of the member's surviving beneficiaries.

Sec. 7. The bylaws of the Fridley police pension association shall be amended to conform to the requirements of this act. The city of Fridley as employer, the employees of the Fridley police department, the board of trustees of the Fridley police pension association, and the board of trustees of the public employees retirement association shall do all things necessary to carry out the purposes of this act.

Sec. 8. This act is effective upon approval by the governing body of the city of Fridley and upon compliance with the provisions of Minnesota Statutes, Section 645.021.

Approved May 11, 1977.

CHAPTER 84—S.F.No.836

An act relating to safe deposit companies; including credit unions among those businesses that may rent out safe deposit boxes without license or bond therefor; amending Minnesota Statutes 1976, Sections 52.04; and 55.06, Subdivision 1.

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

Section 1. Minnesota Statutes 1976, Section 52.04, is amended to read:

52.04 **CREDIT UNIONS; SAFE DEPOSIT BOXES; POWERS.** A credit union *shall have the following powers:*

(1) To receive the savings of its members either as payment on shares or as deposits, including the right to conduct Christmas clubs, vacation clubs, and other such

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thrift organizations within its membership;

(2) To make loans to members for provident or productive purposes as provided in section 52.16;   .

(3) To make loans to a cooperative society or other organization having membership in the credit union;   ·

(4) To deposit in state and national banks and trust companies authorized to receive deposits;

(5) To invest in any investment legal for savings banks or for trust funds in the state;

(6) To borrow money as hereinafter indicated;   .

(7) To adopt and use a common seal and alter the same at pleasure; and

(8) To make payments on shares of and deposit with any other credit union chartered by this or any other state or operating under the provisions of the federal credit union act, in amounts not exceeding in the aggregate 25 percent of its unimpaired assets providing that payments on shares of and deposit with credit unions chartered by other states shall be restricted to credit unions insured by the National Credit Union Administration. The restrictions imposed by this clause shall not apply to share accounts and deposit accounts of Minnesota central credit union in U.S. central credit union;

(9) To contract with any licensed insurance company or society to insure the lives of members to the extent of their share accounts, in whole or in part, and to pay all or a portion of the premium therefor;

(10) To indemnify each director, officer, or committee member, or former director, officer, or committee member against all expenses, including attorney's fees but excluding amounts paid pursuant to a judgment or settlement agreement, reasonably incurred by him in connection with or arising out of any action, suit, or proceeding to which he is a party by reason of being or having been a director, officer, or committee member of the credit union, except with respect to matters as to which he shall be finally adjudged in such action, suit, or proceeding to be liable for negligence or misconduct in the performance of his duties. Such indemnification shall not be exclusive of any other rights to which he may be entitled under any bylaw, agreement, vote of members, or otherwise; and   .   .

(11) Upon written authorization from a member, retained at the credit union, to make payments to third parties by withdrawals from the member's share or deposit accounts or through proceeds of loans made to such member, or by permitting the credit union to make such payments from the member's funds prior to deposit; to permit draft withdrawals from member accounts; however, this clause does not permit a credit union to establish demand deposits (checking accounts) for its members;

Changes   or   additions   indicated   by   <u>underline</u>   deletions   by   ~~strikeout~~

(12) To inform its members as to the availability of various group purchasing plans which are related to the promotion of thrift or the borrowing of money for provident and productive purposes by means of informational materials placed in the credit union's office, through its publications, or by direct mailings to members by the credit union; .

(13) To facilitate its members' voluntary purchase of types of insurance incidental to promotion of thrift or the borrowing of money for provident and productive purposes including, but not limited to the following types of group or individual insurance: Fire, theft, automobile, life and temporary disability; to be the policy holder of a group insurance plan or a sub-group under a master policy plan and to disseminate information to its members concerning the insurance provided thereunder; to remit premiums to an insurer or the holder of a master policy on behalf of a credit union member, provided that the credit union shall obtain written authorization from such member for remittance by share or deposit withdrawals or through proceeds of loans made by such members, or by permitting the credit union to make such payments from the member's funds prior to deposit; and to accept from the insurer reimbursement for the actual cost of ministerial tasks performed pertaining to insurance;

(14) In furtherance of the twofold purpose of promoting thrift among its members and creating a source of credit for them at legitimate rates of interest for provident purposes, and not in limitation of the specific powers hereinbefore conferred, to have all the powers enumerated, authorized, and permitted by this chapter, and such other rights, privileges and powers as may be incidental to, or necessary for, the accomplishment of the objectives and purposes of the credit union- ; and

(15) To rent safe deposit boxes to its members provided the credit union obtains adequate insurance or bonding coverage for losses which might result from the rental of safe deposit boxes.

Sec. 2. Minnesota Statutes 1976, Section 55.06, Subdivision 1, is amended to read:

55.06 **BUSINESS NOT TO BE CONDUCTED WITHOUT LICENSE.** Subdivision 1. No person except a bank, a savings bank, a credit union, or a trust company may let out or rent as lessor, for hire, safe deposit boxes or take or receive valuable personal property for safe-keeping and storage, as bailee, for hire, without procuring a license and giving a bond, as required by this chapter, except as otherwise authorized by law so to do.

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

Approved May 11, 1977.

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