

separate election districts as there are members of the board, which proposal shall be submitted to an election as hereinafter provided. Only one election within any two year period may be held pursuant to this subdivision.

Sec. 2. Minnesota Statutes 1976, Section 123.32, Subdivision 15, is amended to read:

Subd. 15. Boundaries of separate election districts once established under provisions of this section or boundaries of election districts in independent districts which have converted from special districts may be changed or altered by the electorate of a district voting upon a question presented in the manner required by this section for initial establishment of such separate election districts, except that the initiating petition for change of boundaries must be signed by at least the greater of 250 voters of the school district or ten percent of the number of votes cast in the most recent regular school board election. Within any two year period only one election may be held pursuant to this subdivision, and no election may be held within two years of an election held pursuant to subdivision 10 of this section.

Approved March 23, 1978.

CHAPTER 582-H.F.No.2214

[Coded]

An act relating to mutual insurance companies; providing for their conversion into stock companies; protecting the rights of guaranty fund certificate holders; amending Minnesota Statutes 1976, Section 66A.16, by adding a subdivision.

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

Section 1, Minnesota Statutes 1976, Section 66A.16, is amended by adding a subdivision to read:

Subd. 4. CONVERSION OF CERTAIN MUTUALS. (a) Any domestic mutual company qualified to issue policies of insurance without contingent liability as provided by subdivision 3 with surplus of \$1,000,000 or less may adopt a plan of conversion to a stock company pursuant to section 60A.07, subdivision 8, clause (4), which authorizes holders of guaranty fund certificates to exchange the certificates for shares of the stock company. Shares of the stock company being formed may be issued during the conversion in exchange for such guaranty fund certificates.

(b) The plan of conversion shall establish the price of the shares to be issued in exchange for the guaranty fund certificates. The price shall be established by an appraisal of the mutual company as an operating company. The appraisal shall be made by an independent certified public accountant. The plan, including the price, shall not be unfair or inequitable to the mutual company policyholders and shall not become effective until approved by the commissioner of insurance.

Changes or additions indicated by underline deletions by strikeout

Sec. 2. This act is effective the day following its final enactment.

Approved March 23, 1978.

CHAPTER 583-H.F.No.2233

[Coded]

An act relating to state government; directing the commissioner of administration to grant contract preference to American made products; amending Minnesota Statutes 1976, Chapter 16, by adding a section.

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

Section 1. Minnesota Statutes 1976, Chapter 16, is amended by adding a section to read:

[16.073] PREFERENCE FOR AMERICAN MADE MATERIALS. Subdivision 1. DEFINITIONS. As used in this section, the following terms shall have the meanings given them:

(a) "State" means the state of Minnesota or any agency thereof, a contractor acting pursuant to a contract with the state, and any person acting on behalf of the state or any agency thereof;

(b) "Materials" means any goods, supplies, equipment or any other tangible products or materials;

(c) "Manufactured" means mined, produced, manufactured, fabricated or assembled;

(d) "Manufactured in the United States" means manufactured in whole or in substantial part within the United States or that the majority of the component parts thereof were manufactured in whole or in substantial part in the United States;

(e) "Purchase" means acquire by purchase or lease.

Subd. 2. PURCHASE PREFERENCE. Notwithstanding the provisions of any other law to the contrary, no materials shall be purchased by the state for use for governmental purposes which are not manufactured in the United States, except as may be provided in this section. When all other factors are substantially equal, preference shall be given to those products which are manufactured to the greatest extent in the United States. To the extent possible, specifications shall be written so as to permit the state to purchase materials manufactured in the United States.

Subd. 3. EXEMPTIONS. Subdivision 2 shall not apply if the person having contracting authority in respect to the purchase determines that (1) the materials are not

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