

Sec. 2. Minnesota Statutes 1978, Section 169.685, Subdivision 1, is amended to read:

169.685 **SEAT BELTS.** Subdivision 1. After January 1, 1964, all new motor vehicles, not exempt from Minnesota license fees, other than a bus, school bus, motorcycle, motorized bicycle, farm tractor, road tractor, and truck, sold or offered for sale or registered in Minnesota shall be equipped to permit the installation of seat belts in the front seat thereof.

Sec. 3. Minnesota Statutes 1978, Section 171.02, Subdivision 3, is amended to read:

Subd. 3. **MOTORIZED BICYCLES.** No motorized bicycle shall be operated on any public roadway by any person who does not possess a valid drivers license, unless ~~such~~ the person has obtained a motorized bicycle operator's permit from the commissioner of public safety. ~~Such~~ The permit may be issued to any person who has attained the age of 15 years and who has passed the examination prescribed by the commissioner. The commissioner may promulgate rules and regulations prescribing the content of ~~such~~ the examination and the information to be contained on the permit.

The fees for motorized bicycle operator's permit are as follows:

<u>(a) Examination and operator's permit,</u> <u>valid for one year</u>	<u>\$2.50</u>
<u>(b) Duplicate</u>	<u>\$1.50</u>
<u>(c) Renewal permit before age 18</u> <u>and valid until age 18</u>	<u>\$3</u>
<u>(d) Renewal permit after age 18</u> <u>and valid for four years</u>	<u>\$5</u>
<u>(e) Duplicate of any renewal permit</u>	<u>\$2</u>

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

Approved May 25, 1979.

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#### CHAPTER 228—H.F.No.1364

*An act relating to the regulation of securities; exempting certain securities from certain registration and filing requirements; amending Minnesota Statutes 1978, Section 80A.15, Subdivision 1.*

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

Section 1. Minnesota Statutes 1978, Section 80A.15, Subdivision 1, is amended to read:

80A.15 **EXEMPTIONS.** Subdivision 1. The following securities are exempted from sections 80A.08 and 80A.16:

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(a) Any security, including a revenue obligation, issued or guaranteed by the United States, any state, any political subdivision of a state or any corporate or other instrumentality of one or more of the foregoing; but this exemption shall not include any industrial revenue bond.

(b) Any security issued or guaranteed by Canada, any Canadian province, any political subdivision of any such province, any agency or corporate or other instrumentality of one or more of the foregoing, if the security is recognized as a valid obligation by the issuer or guarantor; but this exemption shall not include any revenue obligation payable solely from payments to be made in respect of property or money used under a lease, sale or loan arrangement by or for a nongovernmental industrial or commercial enterprise.

(c) Any security issued by and representing an interest in or a debt of, or guaranteed by, any bank organized under the laws of the United States, or any bank, savings institution or trust company organized under the laws of any state and subject to regulation in respect of the issuance or guarantee of its securities by a governmental authority of that state.

(d) Any security issued by and representing an interest in or a debt of, or guaranteed by, any federal savings and loan association, or any building and loan or similar association organized under the laws of any state and authorized to do business in this state.

(e) Any security issued or guaranteed by any federal credit union or any credit union, or similar association organized and supervised under the laws of this state.

(f) Any security listed or approved for listing upon notice of issuance on the New York Stock Exchange, the American Stock Exchange, the Midwest Stock Exchange, or the Pacific Coast Stock Exchange; any other security of the same issuer which is of senior or substantially equal rank; any security called for by subscription rights or warrants so listed or approved; or any warrant or right to purchase or subscribe to any of the foregoing.

(g) Any commercial paper which arises out of a current transaction or the proceeds of which have been or are to be used for current transactions, and which evidences an obligation to pay cash within nine months of the date of issuance, exclusive of days of grace, or any renewal of such paper which is likewise limited, or any guarantee of such paper or of any such renewal which are not advertised for sale to the general public in newspapers or other publications of general circulation or otherwise, or by radio, television or direct mailing.

(h) Any interest in any employee's savings, stock purchase, pension, profit sharing or similar benefit plan, or a self-employed person's retirement plan.

(i) Any security issued or guaranteed by any railroad, other common carrier or public utility which is subject to regulation in respect to the issuance or guarantee of its securities by a governmental authority of the United States.

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(j) Any interest in a common trust fund or similar fund maintained by a state bank or trust company organized and operating under the laws of Minnesota, or a national bank wherever located, for the collective investment and reinvestment of funds contributed thereto by such bank or trust company in its capacity as trustee, executor, administrator, or guardian; and any interest in a collective investment fund or similar fund maintained by such bank or trust company, or in a separate account maintained by an insurance company, for the collective investment and reinvestment of funds contributed thereto by such bank, trust company or insurance company in its capacity as trustee or agent, which interest is issued in connection with an employee's savings, pension, profitsharing or similar benefit plan, or a self-employed person's retirement plan.

(k) Any security which meets all of the following conditions:

(1) If the issuer is not organized under the laws of the United States or a state, it has appointed a duly authorized agent in the United States for service of process and has set forth the name and address of the agent in its prospectus;

(2) A class of the issuer's securities is required to be and is registered under section 12 of the Securities Exchange Act of 1934, and has been so registered for the three years immediately preceding the offering date;

(3) Neither the issuer nor a significant subsidiary has had a material default during the last seven years, or for the period of the issuer's existence if less than seven years, in the payment of (i) principal, interest, dividend, or sinking fund installment on preferred stock or indebtedness for borrowed money, or (ii) rentals under leases with terms of three years or more;

(4) The issuer has had consolidated net income, before extraordinary items and the cumulative effect of accounting changes, of at least \$1,000,000 in four of its last five fiscal years including its last fiscal year; and if the offering is of interest bearing securities, has had for its last fiscal year, net income, before deduction for income taxes and depreciation, of at least 1-1/2 times the issuer's annual interest expense, giving effect to the proposed offering and the intended use of the proceeds. For the purposes of this clause "last fiscal year" means the most recent year for which audited financial statements are available, provided that such statements cover a fiscal period ended not more than 15 months from the commencement of the offering;

(5) If the offering is of stock or shares other than preferred stock or shares, the securities have voting rights and the rights include (i) the right to have at least as many votes per share, and (ii) the right to vote on at least as many general corporate decisions, as each of the issuer's outstanding classes of stock or shares, except as otherwise required by law; and

(6) If the offering is of stock or shares, other than preferred stock or shares, the securities are owned beneficially or of record, on any date within six months prior to the commencement of the offering, by at least 1,200 persons, and on that date there are at least 750,000 such shares outstanding with an aggregate market value, based on the average bid price for that day, of at least \$3,750,000. In connection with the determination

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of the number of persons who are beneficial owners of the stock or shares of an issuer, the issuer or broker-dealer may rely in good faith for the purposes of this clause upon written information furnished by the record owners.

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

Approved May 25, 1979.

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**CHAPTER 229—H.F.No.1377**

*An act relating to financial institutions; providing intervals for examination of institutions by state or federal agencies; amending Minnesota Statutes 1978, Section 46.04.*

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

Section 1. Minnesota Statutes 1978, Section 46.04, is amended to read:

**46.04 COMMISSIONER; POWERS.** The commissioner of banks, referred to in Minnesota Statutes, Chapters 46 to 59, as the commissioner, is vested with all the powers, authority, and privileges which, prior to the enactment of Laws 1909, Chapter 201, were conferred by law upon the public examiner, and he shall take over all duties in relation to state banks, savings banks, trust companies, savings associations, and other financial institutions within the state which, prior to the enactment of chapter 201, were imposed upon the public examiner. The commissioner of banks shall exercise a constant supervision, either personally or through the examiners herein provided for, over the books and affairs of all state banks, savings banks, trust companies, savings associations, and other financial institutions doing business within this state; and shall, through examiners, examine at least once a year ~~such in every 18 month period~~ the state banks and savings banks as are also subject to annual examinations by the federal deposit insurance corporation or the federal reserve bank ~~and twice a year where they are not subject to such examinations~~. If any state bank or savings bank is not examined by one of these federal agencies annually, the commissioner shall examine the bank or savings bank, so that the bank or savings bank is examined at least once annually by either one of these federal agencies or the commissioner. Trust companies, savings associations, credit unions, industrial loan and thrift companies and other financial institutions shall be examined once a year. With the exception of industrial loan and thrift companies which do not have deposit liabilities and small loan companies, it shall be the principal purpose of these examinations to inspect and verify the assets and liabilities of each and so far investigate the character and value of the assets of each such institution as to determine with reasonable certainty that the values are correctly carried on its books. Assets and liabilities shall be verified in accordance with methods of procedure which the commissioner may determine to be adequate to carry out the intentions of this section. None of the above provisions shall limit the commissioner in making additional examinations as he deems necessary or advisable. He shall investigate the methods of operation and conduct of these institutions and their systems of accounting, to ascertain

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