

(3) If city council proceedings are published monthly or quarterly, showing to whom and for what purpose orders are drawn upon the treasurer, the annual statement to be published as required by this section may be summarized in such form as the state auditor may prescribe; and

(d) Submit within 90 days after the close of the fiscal year a copy of the statement to the state auditor in such summary form as the state auditor may prescribe.

A municipal hospital or nursing home established before June 6, 1979 whose fiscal year is not a calendar year at the time of the effective date of this act is not subject to this subdivision but shall submit to the state auditor a detailed statement of its financial affairs audited by a certified public accountant, a public accountant or the state auditor no later than 120 days after the close of its fiscal year. It may also submit a summary financial report for the calendar year.

Approved April 7, 1980

#### CHAPTER 503—H.F.No. 2067

*An act relating to financial institutions; modifying director's residence requirements for industrial loan and thrift companies; providing for a report to the commissioner in the event of a change of control; requiring insurance or guarantee of certificates of indebtedness sold or issued for investment; exempting certificates of indebtedness from the regulation of securities; amending Minnesota Statutes 1978, Sections 53.06; 53.09, Subdivision 2; Chapter 53, by adding a section; and Minnesota Statutes, 1979 Supplement, Section 80A.15, Subdivision 1.*

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

Section 1. Minnesota Statutes 1978, Section 53.06, is amended to read:

53.06 **DIRECTORS, RESIDENCE.** At least three-fourths of the directors of any industrial loan and thrift company shall be residents of the county in which the industrial loan and thrift company maintains its principal place of business ~~and, an adjacent county or any county in which the industrial loan and thrift company maintains a place of business pursuant to this chapter.~~ Each director shall own and hold shares of common stock of the industrial loan and thrift company, unencumbered, with a par value of not less than \$500.

Sec. 2. Minnesota Statutes 1978, Section 53.09, Subdivision 2, is amended to read:

Subd. 2. **REPORT TO COMMISSIONER.** (1) Each industrial loan and thrift company shall annually on or before the first day of February file a report with the commissioner stating in detail, under appropriate heads, its assets and liabilities at the close of business on the last day of the preceding calendar year. ~~Such~~ This report shall be made under oath in the form prescribed by the commis-

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sioner and published once, at the expense of ~~sueh~~ the industrial loan and thrift company, in a newspaper of the county of its location, and proof thereof filed immediately with the commissioner of banks.

(2) Within 30 days following a change in controlling ownership of the capital stock of an industrial loan and thrift company, it shall file a written report with the commissioner stating in detail the nature of such change in ownership.

Sec. 3. Minnesota Statutes 1978, Chapter 53, is amended by adding a section to read:

**[53.10] MANDATORY INSURANCE OR GUARANTEE OF CERTIFICATES HELD FOR INVESTMENT.** Subdivision 1. Not later than July 1, 1983, every industrial loan and thrift company operating under this chapter with consent or holding a certificate of authorization, which includes the right to sell and issue for investment certificates of indebtedness, other than those to be pledged as security for a loan made contemporaneously therewith, shall obtain a commitment for insurance or guarantee of the certificates by or through an insurance company or guarantee fund acceptable to the commissioner of banks. The insurance or guarantee shall provide for the redemption of the investment of certificate holders in the event of liquidation, insolvency or bankruptcy of the industrial loan and thrift company. The amount of insurance or guarantee benefit to each certificate holder, as an individual or multi-party account, shall at all times be in full force and equal to the lesser of the industrial loan and thrift company's liability under a certificate of \$40,000. For purposes of this section an insurance company or guarantee fund includes an insurance company authorized to do business in this state, an insurance or guarantee fund organized under the laws of the United States, this state or any other state with the expressed purpose or authority to guarantee the accounts of industrial loan and thrift companies or any other person who contracts with industrial loan and thrift companies to guarantee accounts.

Subd. 2. The commissioner of banks shall grant additional time or times to obtain the commitment for insurance or guarantee upon satisfactory evidence that the industrial loan and thrift company has made or is making a substantial effort to achieve the conditions precedent to issuance of the commitment. Additional time or times shall not extend later than July 1, 1985.

Subd. 3. No industrial loan and thrift company shall hereafter be granted consent, or issued a certificate of authorization which includes the right to issue for investment certificates of indebtedness, other than those to be pledged as security for a loan made contemporaneously therewith, unless the industrial loan and thrift company has obtained a commitment for insurance or guarantee of such certificates which meets the conditions of subdivision 1.

Sec. 4. Minnesota Statutes, 1979 Supplement, 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 the~~ paper which is likewise limited, or any guarantee of ~~such the~~ 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.

(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~~ the 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~~ the 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~~ the 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, profit-sharing 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.

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In connection with the determination 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.

(1) Any certificate of indebtedness sold or issued for investment, other than a certificate of indebtedness pledged as a security for a loan made contemporaneously therewith, by an industrial loan and thrift company.

Sec. 5. This act is effective the day following final enactment.

Approved April 7, 1980

#### CHAPTER 504—H.F.No. 2075

*An act relating to health; requiring certain immunizations for children; requiring certain schools to maintain immunization records and make certain reports; amending Minnesota Statutes 1978, Section 123.70.*

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

Section 1. Minnesota Statutes 1978, Section 123.70, is amended to read:

123.70 **HEALTH STANDARDS; SCHOOL CHILDREN.** Subdivision 1. Prior to initial enrollment Except as provided in subdivisions 3 and 4, no child shall be allowed to enroll or remain enrolled in any school in this state every child shall submit until the child has submitted to the principal or other person having general control and supervision of the school, one of the following statements:

(1) A statement from a physician or a public clinic which provides immunizations stating that the child has received immunization against red measles after having attained the age of 11 months, 15 days, German measles or rubella, diphtheria, tetanus, pertussis, polio and mumps; or,

(2) A statement from a physician or a public clinic which provides immunizations stating that the child has received immunizations against red measles after having attained the age of 11 months, 15 days, German measles or rubella, mumps and that the child has commenced a schedule of immunizations for diphtheria, tetanus, pertussis and polio;

(3) A statement signed by a physician stating that the physical condition of the child is such that immunization would seriously endanger the life or health of the child;

(4) A notarized statement signed by the child's parent or guardian stating that the child has not been immunized as prescribed in clause (1) or (2) because of the conscientiously held beliefs of the parent or guardian. This statement shall also be forwarded to the commissioner of the department of health.

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