

## CHAPTER 259 — H.F.No. 188

*An act relating to financial institutions; increasing the maximum lawful interest rate chargeable by banks and savings banks on certain transactions; requiring disclosure of the right to prepay overdraft checking loan balances; amending Minnesota Statutes 1980, Sections 48.185, by adding a subdivision; and 48.195.*

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

Section 1. Minnesota Statutes 1980, Section 48.195, is amended to read:

**48.195 INTEREST RATES; USURY LIMIT FOR STATE BANKS.**

Notwithstanding any law to the contrary, banks and savings banks organized under the laws of this state and any national bank doing business in this state may charge on any loan or discount made or upon any note, bill or other evidence of debt, interest at a rate of not more than ~~one~~ four and one-half percent in excess of the discount rate on 90 day commercial paper in effect at the federal reserve bank located in the Ninth Federal Reserve District.

Sec. 2. Minnesota Statutes 1980, Section 48.185, is amended by adding a subdivision to read:

Subd. 3a. OVERDRAFT NOTICES. Any periodic statement evidencing an overdraft checking plan loan balance shall clearly state that all or any part of said balance may be prepaid at any time.

**Sec. 3. EFFECTIVE DATE.**

This act is effective the day following final enactment.

Approved May 27, 1981

## CHAPTER 260 — H.F.No. 407

*An act relating to insurance; modifying the definition of a covered claim for purposes of the state's insurance guaranty association act; defining an insolvent insurer; amending Minnesota Statutes 1980, Sections 60C.03, by adding a subdivision; 60C.09, Subdivision 1; and 60C.10, Subdivision 3; repealing Minnesota Statutes 1980, Section 60C.10, Subdivision 2.*

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

Section 1. Minnesota Statutes 1980, Section 60C.03, is amended by adding a subdivision to read:

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

Subd. 8. "Insolvent insurer" means an insurer licensed to transact insurance in this state, either at the time the policy was issued, or when the insured event occurred, and against whom an order of liquidation with a finding of insolvency has been entered after the effective date of this section by a court of competent jurisdiction, in the insurer's state of domicile or of this state, under the provisions of Minnesota Statutes, Chapter 60B, and which order of liquidation has not been stayed or been the subject of a writ of supersedeas or other comparable order.

Sec. 2. Minnesota Statutes 1980, Section 60C.09, Subdivision 1, is amended to read:

Subdivision 1. **DEFINITION.** A covered claim is any unpaid claim, including one for unearned premium, which:

(a) Arises out of and is within the coverage of an insurance policy issued by a member insurer if such insurer becomes an insolvent insurer after the effective date of this section;

(b) Arises out of a class of business which is not excepted from the scope of Laws 1971, Chapter 145 by section 60C.02; and

(c) Has been approved in the liquidation of the insurer issuing the policy, carried out under chapter 60B or under similar laws of another state or country; and

(d) (c) Is made by:

(i) A policyholder, or an insured beneficiary under a policy, who, at the time of the insured event, was a resident of this state; or

(ii) A person designated in the policy as having an insurable interest in or related to property situated in this state at the time of the insured event; or

(iii) An obligee or creditor under any surety bond, who, at the time of default by the principal debtor or obligor, was a resident of this state; or

(iv) A third party claimant under a liability policy or surety bond, if: (a) the insured or the third party claimant was a resident of this state at the time of the insured event; (b) the claim is for bodily or personal injuries suffered in this state by a person who when he suffered the injuries was a resident of this state; or (c) the claim is for damages to real property situated in this state at the time of damage; or

(v) A direct or indirect assignee of a person who except for the assignment might have claimed under (i), (ii) or (iii).

Sec. 3. Minnesota Statutes 1980, Section 60C.10, Subdivision 3, is amended to read:

**Changes or additions are indicated by underline, deletions by strikeout.**

Subd. 3. If the board finds that a claim for which the claimant has requested payment out of the fund is not a covered claim or the board reduces the amount of or rejects the ~~award under subdivision 2~~ claim, the board shall notify the claimant in writing of his rights under section 60C.12.

**Sec. 4. REPEALER.**

Minnesota Statutes 1980, Section 60C.10, Subdivision 2, is repealed.

Approved May 27, 1981

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**CHAPTER 261 — H.F.No. 409**

*An act relating to agriculture; requiring department of agriculture approval and receipt of certain grain storage receipts; regulating the family farm security program; changing terms of members of the family farm advisory council; regulating denaturing of certain food; identifying fur pelts; updating references in the shade tree control law; amending Minnesota Statutes 1980, Sections 17.35, Subdivision 7; 18.023, Subdivision 3a; 31.095; 41.52, Subdivisions 5, 8 and 9, and by adding subdivisions; 41.54, Subdivision 2; 41.56, Subdivisions 1, 2, 3 and 4; 41.58, Subdivision 2; 232.06, Subdivision 1; 233.03; 234.27; 236.03; 275.50, Subdivision 6; 290.01, Subdivision 20; and 290.08, Subdivision 24; repealing Minnesota Statutes 1980, Sections 29.091 and 234.02.*

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

Section 1. Minnesota Statutes 1980, Section 17.35, Subdivision 7, is amended to read:

Subd. 7. **TAGS.** Every fur farmer transporting or selling any pelts of domestic animals ~~shall~~ may attach to every package of pelts a tag identifying the pelts therein. ~~Such~~ The tags shall be obtained from the commissioner.

Sec. 2. Minnesota Statutes 1980, Section 18.023, Subdivision 3a, is amended to read:

Subd. 3a. **GRANTS TO MUNICIPALITIES.** (a) The commissioner may, in the name of the state and within the limit of appropriations provided, make grants-in-aid to a municipality with an approved disease control program for the partial funding of municipal sanitation and reforestation programs. The commissioner may make grants-in-aid to any home rule charter or statutory city, or any special purpose park and recreation board organized under a charter of a city of the first class or any non-profit corporation serving a city of the first class or any county having an approved disease control program for the acquisition or implementation of a wood utilization or disposal system.

**Changes or additions are indicated by underline, deletions by ~~strikeout~~.**