

gambling device is legal is allowed notwithstanding the provisions of this chapter, Minnesota Statutes, Sections 349.31, 609.75, and 609.76, or other laws to the contrary.

Sec. 3. Minnesota Statutes 1980, Section 609.75, Subdivision 1, is amended to read:

Subdivision 1. **LOTTERY.** A lottery is a plan which provides for the distribution of money, property or other reward or benefit to persons selected by chance from among participants some or all of whom have given a consideration for the chance of being selected. Except as provided by section 2, acts in this state in furtherance of a lottery conducted outside of this state are included notwithstanding its validity where conducted.

Sec. 4. Minnesota Statutes 1980, Section 609.76, is amended to read:

**609.76 OTHER ACTS RELATING TO GAMBLING.**

Whoever does any of the following may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than \$1,000, or both:

(1) Maintains or operates a gambling place or operates a bucket shop;  
or

(2) Intentionally participates in the income of a gambling place or bucket shop; or

(3) Conducts a lottery, or, with intent to conduct a lottery, possesses facilities for doing so; or

(4) Sets up for use for the purpose of gambling, or collects the proceeds of, any gambling device or bucket shop; or

(5) With intent that it shall be so used, manufactures, sells or offers for sale, in whole or any part thereof, any gambling device including those defined in section 349.30, subdivision 2, and any facility for conducting a lottery, except as provided by section 2; or

(6) Receives, records, or forwards bets or offers to bet or, with intent to receive, record, or forward bets or offers to bet, possesses facilities to do so.

Approved May 8, 1981

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**CHAPTER 127 — H.F.No. 277**

*An act relating to insurance; broadening the investment authority of township mutual insurance companies; prescribing recordkeeping duties; providing remedies; proposing new law coded in Minnesota Statutes, Chapter 67A; repealing Minnesota Statutes 1980, Sections 67A.23 and 67A.24.*

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

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

Section 1. **[67A.231] DEPOSIT OF FUNDS; INVESTMENT; LIMITATIONS.**

The directors of any township mutual insurance company may authorize the treasurer to invest any of its funds and accumulations in:

(a) Bonds, notes, mortgages, or other obligations guaranteed by the full faith and credit of the United States of America and those for which the credit of the United States is pledged to pay principal, interest or dividends, including United States agency and instrumentality bonds, debentures, or obligations;

(b) Bonds, notes, evidence of indebtedness, or other public authority obligations guaranteed by this state;

(c) Bonds, notes, evidence of the indebtedness or other obligations guaranteed by the full faith and credit of any county, municipality, school district, or other duly authorized political subdivision of this state;

(d) Loans upon improved and unencumbered real property in this state worth at least twice the amount loaned thereon, not including buildings, unless insured by property insurance policies payable to and held by the security holder;

(e) Real estate, including land, buildings and fixtures, located in this state and used primarily as home office space for the insurance company;

(f) Demand or time deposits or savings accounts in federally insured depositories located in this state to the extent that the deposit or investment is insured by the Federal Deposit Insurance Corporation, Federal Savings and Loan Corporation, or the National Credit Union Administration;

(g) Guarantee fund certificates of a mutual insurer which reinsures the business of the township mutual insurance company. The commissioner may by rule limit the amount of guarantee fund certificates which the township mutual insurance company may purchase and this limit may be a function of the size of the township mutual insurance company.

Sec. 2. **[67A.241] RECORDKEEPING; EXAMINATION; REMEDIES.**

Subdivision 1. RECORDKEEPING. The commissioner may prescribe a basis upon which a township mutual insurance company shall maintain its records which shall reflect the true financial condition of the company.

Subd. 2. EXTERNAL EXAMINATION OF COMPANY RECORDS AND ACCOUNTS. (a) The board of directors of every township mutual insurance company shall, at least once every three years, cause the records and accounts of the company to be examined by an independent public accountant, auditor, or person who has been certified by the society of financial examiners. The examination shall cover the financial and business affairs including the

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treatment of members and claimants of the company during the previous three years ending December 31.

(b) A written summary report of the pertinent results of the examination shall immediately be filed with each member of the board of directors following completion of the examination. A complete examination report shall be filed with the board of directors and the commissioner within 60 days following completion of the examination.

(c) The accountant, auditor, or certified financial examiner conducting or supervising the examination must have a minimum of five years' experience in public accounting or examining the financial records or statements of financial institutions and shall not be an officer, employee, or member of the company being examined. The examiner must not be directly involved in maintaining the records being examined, but may advise or counsel management in recordkeeping, accounting, or management procedures.

**Subd. 3. EXAMINATION BY COMMISSIONER.** The commissioner, with due cause based upon information disclosed in any statement or report or upon information from any examination conducted under this section or when requested by five or more members, shall make an examination of the financial and business affairs of any township mutual fire insurance company doing business within this state. The company examined shall pay the actual expenses of the person or persons making the examination and the fees prescribed in Minnesota Statutes, Section 60A.03, Subdivision 5.

**Subd. 4. REMEDIES.** When, after examination by the commissioner or independent public accountant, auditor, or certified financial examiner, the commissioner is satisfied that a township mutual insurance company has failed to comply with provisions of Minnesota Statutes, Sections 67A.01 to 67A.26; is exceeding its power; is not carrying out its contracts in good faith; is transacting business fraudulently; or is in such condition as to render further proceedings hazardous to the public or to its policyholders, he may take action deemed necessary or proceed under the provisions of Minnesota Statutes, Chapter 60B.

**Sec. 3. REPEALER.**

Minnesota Statutes 1980, Sections 67A.23 and 67A.24 are repealed.

Approved May 8, 1981

**CHAPTER 128 — H.F.No. 365**

*An act relating to building code inspectors; authorizing certain municipalities to choose between two options to enforce the provisions of the building code related to access for handicapped persons; amending Minnesota Statutes 1980, Section 16.861, by adding a subdivision.*

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