

Pursuant to Minnesota Statutes, section 645.023, subdivision 1, clause (a), section 1 is effective without local approval on the day following final enactment.

Approved April 13, 1983

CHAPTER 34 — S.F.No. 269

An act relating to trusts; clarifying the time limits and applicable interest rates for certain employee trusts; amending Minnesota Statutes 1982, sections 334.01; and 501.11.

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

Section 1. Minnesota Statutes 1982, section 334.01, is amended to read:

334.01 RATE OF INTEREST.

Subdivision 1. **GENERAL.** The interest for any legal indebtedness shall be at the rate of \$6 upon \$100 for a year, unless a different rate is contracted for in writing; and, No person shall directly or indirectly take or receive in money, goods, or things in action, or in any other way, any greater sum, or any greater value, for the loan or forbearance of money, goods, or things in action, than \$8 on \$100 for one year; and, In the computation of interest upon any bond, note, or other instrument or agreement, interest shall not be compounded, but any contract to pay interest, not usurious, upon interest overdue, shall not be construed to be usury. Contracts shall bear the same rate of interest after they become due as before, and any provision in any contract, note, or instrument providing for an increase of the rate of interest after maturity, or any increase therein after making and delivery, shall work a forfeiture of the entire interest; but this provision shall not apply to notes or contracts which bear no interest before maturity nor shall it apply to any agreement which extends the maturity date of any contract, note, or instrument, and provides for an increased rate of interest after the original maturity date on the indebtedness then due, provided that. Any agreement which extends maturity date of any contract, note or instrument shall not provide for an increased rate of interest in excess of \$8 on \$100 for one year.

Subd. 2. **CONTRACTS OF \$100,000 OR MORE.** A contract for the loan or forbearance of money, goods, or things in action, in the amount of \$100,000 or more, and any extensions, including extensions of installments and related changes in the terms thereof, shall be exempt from the provisions of this chapter and the interest for the indebtedness shall be at the rate of \$6 upon \$100 for a year, unless a different rate is contracted for in writing.

Subd. 3. **CONTRACTS UNDER EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974.** A contract entered into on or after

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December 31, 1974, for the loan or forbearance of money, goods, or things in action and any extensions, including extensions of installments and related changes in its terms between a participant, former participant, or beneficiary, and a plan which is subject to the provisions of the Employee Retirement Income Security Act of 1974, United States Code, title 29, chapter 18, as amended through December 31, 1982, is exempt from the provisions of this chapter.

Sec. 2. Minnesota Statutes 1982, section 501.11, is amended to read:

501.11 **EXPRESS TRUSTS, PURPOSES.**

Express trusts may be created for any of the following purposes:

- (1) To sell lands for the benefit of creditors;
- (2) To sell, mortgage, or lease lands for the benefit of legatees, or for the purpose of satisfying any charge thereon;
- (3) To receive the rents and profits of lands, and apply them to the use of any person, during the life of such the person, or for any shorter term, subject to the rules prescribed in chapter 500;
- (4) To receive the rents and profits of lands, and to accumulate ~~the same them~~, for either of the purposes, and within the limits prescribed in chapter 500;
- (5) To receive and take charge of any money, stocks, bonds, or valuable chattels of any kind and to invest and loan ~~the same them~~ for the benefit of the beneficiaries of such the express trust; and the district and county courts of the state shall, upon petition and hearing, have power to appoint a trustee for the purpose herein set forth, requiring such the trustee to give such a bond for the faithful execution of such the express trust as ~~to~~ the court ~~may seem~~ deems right and proper; and express trusts created under the provisions of this paragraph shall be administered under the direction of the court;
- (6) For the beneficial interests of any person, whether such the trust embraces real or personal property or both, when the trust is fully expressed and clearly defined on the face of the instrument creating it, provided that the trust shall not continue for a period longer than the life or lives of specified persons in being at the time of its creation, and for 21 years after the death of the survivor of them, and that the free alienation of the legal estate by the trustee is not suspended for a period exceeding the limit prescribed in chapter 500; provided, however, that the aforesaid limitation on the period of continuance of such trusts shall not apply to a trust forming a part of a disability, medical, or other employee welfare plan or a part of a stock bonus, pension, or profit sharing plan of an employer or an employee organization for the exclusive benefit of some or all of his employees or members of an employee organization, nor to a trust forming a part of a retirement plan created by and for the benefit of self-employed persons for the purpose of receiving their contributions thereunder and investing, accumulating, and distributing to such those persons or their beneficiaries the corpus, profits, and earnings of the trust in accordance with the plan.

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(7) Any city may receive, by grant, gift, devise, or bequest, and take charge of, invest, and administer, free from taxation, in accordance with the terms of the trust, real or personal property, or both, for the benefit of any public library, or any public cemetery, or any public park, located in, or within ten miles of, ~~such the~~ city, or for the purpose of establishing or maintaining a kindergarten ~~or other~~ school or institution of learning therein.

Provided that ~~any such the~~ city shall, with the approval of the district court of the county ~~wherein such in which the~~ city is located, sell, lease, or otherwise dispose of, freed of the provisions of ~~such the~~ trust, any ~~such~~ tract, lot, parcel, reserve, block, or subdivision of the platted part of ~~any such the~~ city, embraced within the area described in ~~such the~~ grant, gift, devise, or bequest when ~~any such the~~ tract, lot, parcel, reserve, block, or subdivision of the platted part of ~~any such the~~ city ~~shall be is~~ found to be unfit for the uses and purposes expressed in ~~any such the~~ grant, gift, devise or bequest.

The income realized from ~~any such the~~ sale, lease, or disposal of ~~such the~~ trust property shall be credited to the funds of ~~said the~~ trust of the city ~~wherein said in which the~~ property is located.

Each city in this state, in addition to the foregoing, may receive by grant, gift, devise, or bequest, and take charge of, convert, invest, and administer, free from taxation, in accordance with the terms of the trust, real or personal property, or both, of any kind or nature and wherever located, for any public or charitable purpose, or to provide, enlarge, improve, lease, and maintain for the use and benefit of the inhabitants of ~~such the~~ city, animal, bird, fish, game, and hunting preserves, public parks, public grounds, public waterways, public bath houses and grounds used in connection therewith, and public playgrounds within or without the limits of ~~such the~~ city, whether within or without this state, or for the support, medical treatment, and nursing of the worthy poor residing in ~~the~~ city.

Sec. 3. **EFFECTIVE DATE.**

This act is effective the day following final enactment and applies to all contracts and trusts created before, on, or after that day.

Approved April 13, 1983

CHAPTER 35 — S.F.No. 325

An act relating to state lands; authorizing sale of a fractional interest in certain land in Bear Island state forest; correcting an erroneous description in a certain St. Louis county land sale authority; amending Laws 1982, chapter 434, section 2.

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