

Subd. 4. **MEETINGS.** The board shall hold regular and special meetings as provided by its rules. All meetings and hearings shall be open to the public. Two members of the board shall constitute a quorum. Members shall be paid all necessary expenses. The board shall select a secretary to serve at the pleasure of the board. The secretary may be a member of the board or an employee of the municipality. The council may authorize the payment of compensation for the secretary's services; ~~not exceeding \$100 a year and may authorize the payment of compensation~~ for the members of the board ~~not exceeding \$150 per year~~ in an amount to be determined by the council.

Sec. 2. Minnesota Statutes 1986, section 465.56, subdivision 1, is amended to read:

Subdivision 1. The governing body of any statutory city, or home rule charter city of the ~~second, third or fourth~~ class may annually appropriate money for the purpose of advertising the municipality and its resources and advantages. The money appropriated shall be used only for the purpose of advertising the municipality or for cooperative programs of promotion for the area by more than one municipality and its resources and advantages.

Approved May 26, 1987

CHAPTER 217—H.F.No. 388

An act relating to crimes; providing for attachment of financial assets of persons charged with committing a felony; updating the wiretap law; prohibiting persons from defrauding insurers by concealing or removing property for the purpose of making a fraudulent insurance claim; amending Minnesota Statutes 1986, sections 609.611; and 626A.05, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 609.

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

Section 1. [609.532] ATTACHMENT OF DEPOSITED FUNDS.

Subdivision 1. ATTACHMENT. Upon application by the prosecuting authority, a court may issue an attachment order directing a financial institution to freeze some or all of the funds or assets deposited with or held by the financial institution by or on behalf of an account holder charged with the commission of a felony.

Subd. 2. APPLICATION. The application of the prosecuting authority required by this section must contain:

(1) a copy of a criminal complaint issued by a court of competent jurisdiction that alleges the commission of a felony by the account holder;

(2) a statement of the actual financial loss caused by the account holder in the commission of the alleged felony, if not already stated in the complaint; and

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(3) identification of the account holder's name and financial institution account number.

Subd. 3. ISSUANCE OF A COURT ORDER. If the court finds that (1) there is probable cause that the account holder was involved in the commission of a felony; (2) the accounts of the account holder are specifically identified; (3) there was a loss of \$10,000 or more as a result of the commission of the alleged felony; and (4) it is necessary to freeze the account holder's funds or assets to ensure eventual restitution to victims of the alleged offense, the court may order the financial institution to freeze all or part of the account holder's deposited funds or assets so that the funds or assets may not be withdrawn or disposed of until further order of the court.

Subd. 4. DUTY OF FINANCIAL INSTITUTIONS. Upon receipt of the order authorized by this section, a financial institution must not permit any funds or assets that were frozen by the order to be withdrawn or disposed of until further order of the court.

Subd. 5. RELEASE OF FUNDS. (a) The account holder may, upon notice and motion, have a hearing to contest the freezing of funds or assets and to seek the release of all or part of them.

(b) The account holder is entitled to an order releasing the freeze by showing:

(1) that the account holder has posted a bond or other adequate surety, guaranteeing that, upon conviction, adequate funds or assets will be available to pay complete restitution to victims of the alleged offense;

(2) that there is no probable cause to believe that the account holder was involved in the alleged offense;

(3) that the amount of funds or assets frozen is more than is necessary to pay complete restitution to all victims of the alleged offense;

(4) that a joint account holder who is not involved in the alleged criminal activity has deposited all or part of the funds or assets; or

(5) that the funds or assets should be returned in the interests of justice.

(c) It is not grounds for the release of funds or assets that the particular accounts frozen do not contain funds or assets that were proceeds from or used in the commission of the alleged offense.

Subd. 6. DISPOSITION OF FUNDS. (a) If the account holder is convicted of a felony or a lesser offense, the funds or assets may be used to pay complete restitution to victims of the offense. The court may order the financial institution to remit all or part of the frozen funds or assets to the court.

(b) If the account holder is acquitted or the charges are dismissed, the court must issue an order releasing the freeze on the funds or assets.

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Subd. 7. TIME LIMIT. The freeze permitted by this section expires 24 months after the date of the court's initial attachment order unless the time limit is extended by the court in writing upon a showing of good cause by the prosecution.

Subd. 8. NOTICE. Within ten days after a court issues an attachment order under this section, the prosecutor shall send a copy of the order to the account holder's last known address or to the account holder's attorney, if known.

Sec. 2. Minnesota Statutes 1986, section 609.611, is amended to read:

609.611 DEFRAUDING INSURER.

Whoever with intent to injure or defraud an insurer, damages, removes, or conceals any property real or personal, whether the actor's own or that of another, which is at the time insured by any person, firm or corporation against loss or damage;

(a) May be sentenced to imprisonment for not more than three years or to payment of fine of not more than \$5,000, or both if the value insured for is less than \$20,000; or

(b) May be sentenced to imprisonment for not more than five years or to payment of fine of not more than \$10,000, or both if the value insured for is \$20,000 or greater;

(c) Proof that the actor recovered or attempted to recover on a policy of insurance by reason of the fire is relevant but not essential to establish the actor's intent to defraud the insurer.

Sec. 3. Minnesota Statutes 1986, section 626A.05, subdivision 2, is amended to read:

Subd. 2. OFFENSES FOR WHICH INTERCEPTION OF WIRE OR ORAL COMMUNICATION MAY BE AUTHORIZED. A warrant authorizing interception of wire or oral communications by investigative or law enforcement officers may only be issued when the interception may provide evidence of the commission of gambling or any criminal, or of an attempt or conspiracy to commit, any of the following offenses:

(1) a felony offense involving murder, manslaughter, aggravated assault in the first, second, and third degrees, aggravated robbery, kidnapping, aggravated rape criminal sexual conduct in the first, second, and third degrees, prostitution, bribery, perjury, escape from custody, theft, receiving stolen property, embezzlement, burglary in the first, second, and third degrees, forgery, or aggravated forgery, and offenses relating to controlled substances, or an attempt or conspiracy to commit any of these offenses, as punishable under sections 609.185, 609.19, 609.195, 609.20, ~~609.225~~ 609.221, 609.222, 609.223, 609.2231, 609.245, 609.25, ~~609.291~~, 609.321 to 609.324, 609.342, 609.343, 609.344, 609.42, 609.48, 609.485, subdivision 4, clause (1), 609.52, 609.53, 609.54, ~~609.58~~ 609.582, 609.625, 609.63, ~~609.76~~, and 609.825; and ; or

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(2) an offense relating to gambling or controlled substances, as punishable under section 609.76 or chapter 152.

Sec. 4. EFFECTIVE DATE.

Sections 1 to 3 are effective August 1, 1987, and apply to crimes committed on or after that date.

Approved May 26, 1987

CHAPTER 218—H.F.No. 490

An act relating to elections; increasing the size of the board of education of special school district No. 1 of the city of Minneapolis to nine members; providing for six members to be elected by districts; requiring compliance with certain campaign disclosure provisions; amending Minnesota Statutes 1986, sections 383B.041; 383B.042, subdivisions 5 and 9; 383B.053, subdivision 1; and 383B.058; and Laws 1959, chapter 462, section 3, subdivision 1, as amended.

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

Section 1. Laws 1959, chapter 462, section 3, subdivision 1, as amended by Laws 1963, chapter 645, section 3, subdivision 1, as renumbered subdivision 1a, by Laws 1967, chapter 661, section 3, as amended by Laws 1974, chapter 366, section 1 and Laws 1978, chapter 559, section 1, is amended to read:

Subd. 1a. **SPECIAL SCHOOL DISTRICT NO. 1, MINNEAPOLIS; BOARD OF DIRECTORS; TERMS OF OFFICE.** (a) The board of education of such district shall consist of seven directors, each of whom shall be elected at large for a term of six years, or until his successor has been elected and qualified, provided that the term of office of each director elected after the effective date of this act shall be four years or until a successor is elected and qualified. The directors shall receive such compensation as may be fixed by the board of education.

(b) Beginning in 1987, the terms and elections of the directors of the board of education are governed by this paragraph. The three directors elected in 1985 as at-large directors shall serve their full four-year terms. The terms of office for the four directors elected in 1987 shall be two years. Beginning with the 1989 election, the board of education of the district shall consist of nine directors elected for four-year terms. In the 1989 election, six directors must be elected to represent six different districts within the school district and three directors must be elected to represent the district at large. For the 1989 election and later elections, the boundaries of the six school board districts must be determined by the board of education of the district, after holding at least two public hearings on the proposed boundaries. A candidate for an elected district office must be a qualified voter of the state. A candidate for an at-large seat must have resided in the school district for at least 30 days immediately preceding the election. A

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