

mencing at the southeast corner of Government Lot 4, Section 32; thence South 89 degrees 32 minutes 15 seconds West, assumed bearing, along the south line of said Government Lot 4, a distance of 868.75 feet to the point of beginning of the line to be herein described; thence North 10 degrees 08 minutes 55 seconds West, a distance of 41.61 feet; thence North 2 degrees 03 minutes 20 seconds West, a distance of 321.35 feet; thence North 2 degrees 17 minutes 20 seconds West, a distance of 249.96 feet; thence North 2 degrees 13 minutes 15 seconds West, a distance of 139.19 feet; thence North 0 degrees 39 minutes 35 seconds West, a distance of 22.30 feet; thence North 6 degrees 21 minutes 45 seconds East, a distance of 46.37 feet; thence North 11 degrees 16 minutes 05 seconds West, a distance of 83.12 feet; thence North 15 degrees 30 minutes 45 seconds West, a distance of 269.57 feet; thence North 25 degrees 04 minutes 05 seconds East, a distance of 319.31 feet; thence North 18 degrees 03 minutes 50 seconds East, a distance of 373.85 feet; thence North 21 degrees 56 minutes 00 seconds East, a distance of 381.33 feet; thence North 62 degrees 37 minutes 50 seconds East, a distance of 249.78 feet; thence North 62 degrees 27 minutes 45 seconds East, a distance of 250.88 feet; thence North 14 degrees 54 minutes 05 seconds East, a distance of 243.84 feet to the north line of the Northwest Quarter of the Southeast Quarter of said Section 32 and there terminating. Together with a 20-foot temporary construction easement lying easterly of and adjacent to the above described permanent easement and also including a 20-foot temporary easement lying westerly of and adjacent to said above described permanent easement. The easterly and the westerly lines of said easements are to be prolonged or shortened to terminate on the south line of said Government Lot 4 and on the north line of said Northwest Quarter of the Southeast Quarter.

Sec. 2. **EFFECTIVE DATE.**

Section 1 is effective the day following final enactment.

Presented to the governor May 12, 1989

Signed by the governor May 16, 1989, 4:30 p.m.

CHAPTER 129—H.F.No. 955

An act relating to financial institutions; providing standards for determining transaction account service charges; permitting state banks to establish subsidiaries under certain circumstances; authorizing the commissioner to adopt rules regarding activities of banks and bank subsidiaries; permitting banks to perform clerical services at off-premises data processing and storage centers; amending Minnesota Statutes 1988, sections 48.512, by adding a subdivision; and 48.61, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 48.

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

New language is indicated by underline, deletions by ~~strikeout~~.

Section 1. Minnesota Statutes 1988, section 48.512, is amended by adding a subdivision to read:

Subd. 7. TRANSACTION ACCOUNT SERVICE CHARGES. The establishment of transaction account service charges and the amounts of the charges not otherwise limited or prescribed by law or rule is a business decision to be made by each financial intermediary according to sound business judgment and safe, sound financial institution operational standards. In establishing transaction account service charges, the financial intermediary may consider, but is not limited to considering:

- (1) costs incurred by the institution, plus a profit margin, in providing the service;
- (2) the deterrence of misuse by customers of financial institution services;
- (3) the establishment of the competitive position of the financial institution in accordance with the institution's marketing strategy; and
- (4) maintenance of the safety and soundness of the institution.

Transaction account service charges must be reasonable in relation to these considerations and should be arrived at by each financial intermediary on a competitive basis and not on the basis of any agreement, arrangement, undertaking, or discussion with other financial intermediaries or their officers.

Sec. 2. Minnesota Statutes 1988, section 48.61, is amended by adding a subdivision to read:

Subd. 7. SUBSIDIARIES. (a) A state bank or trust company may organize, acquire, or invest in a subsidiary located in this state for the purposes of engaging in one or more of the following activities, subject to the prior written approval of the commissioner:

- (1) any activity, not including receiving deposits, lending money, or paying checks that a state bank is authorized to engage in under state law or rule or under federal law or regulation unless the activity is prohibited by the laws of this state;
- (2) any activity that a bank clerical service corporation is authorized to engage in under section 48.89; and
- (3) any other activity authorized for a national bank, a bank holding company, or a subsidiary of a national bank or bank holding company under federal law or regulation of general applicability, and approved by the commissioner by rule.

(b) A bank or trust company subsidiary may engage in an activity under this section only upon application together with a filing fee of \$250 and with the prior written approval of the commissioner. In approving or denying a proposed activity, the commissioner shall consider the financial and management strength of the bank or trust company, the current written operating plan and policies of the proposed subsidiary corporation, the bank or trust company's community reinvestment record, and whether the proposed activity should be conducted through a subsidiary of the bank or trust company.

New language is indicated by underline, deletions by ~~strikeout~~.

(c) The aggregate amount of funds invested in either an equity or loan capacity in all of the subsidiaries of the bank or trust company authorized under this subdivision shall not exceed 25 percent of the capital stock and paid in surplus of the bank or trust company.

(d) A subsidiary organized or acquired under this subdivision is subject to the examination and enforcement authority of the commissioner under chapters 45 and 46 to the same extent as a state bank or trust company.

(e) For the purposes of this section, "subsidiary" means a corporation of which more than 50 percent of the voting shares are owned or controlled by the bank or trust company.

Sec. 3. [48.892] CLERICAL SERVICES OFFICES.

A bank may perform clerical services, as defined in section 48.89, subdivision 1, for itself at an off-premises data processing and storage center located within the state if the bank furnishes assurances satisfactory to the commissioner that the performances of those services will be subject to regulation and examination by the commissioner to the same extent as if the services were being performed at the bank's main office or detached facility. A data processing and storage center is not considered a branch or detached facility, as defined in section 47.51. The establishment of a data processing and storage center may include acquiring real and personal property, which shall be subject to section 47.10.

Presented to the governor May 12, 1989

Signed by the governor May 15, 1989, 5:58 p.m.

CHAPTER 130—S.F.No. 886

An act relating to insurance; township mutuals; permitting the directors to choose a manager who need not be a member of the board; expanding the permissible duties of the treasurer and manager; permitting township mutual fire insurance companies to cover certain secondary property; permitting township mutual insurance companies to insure secondary property outside the companies' territory under certain circumstances; setting forth a director's personal liability; amending Minnesota Statutes 1988, sections 67A.09, subdivision 1; 67A.12, subdivision 1; 67A.14, subdivisions 1 and 5; and 67A.17, subdivisions 2 and 3.

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

Section 1. Minnesota Statutes 1988, section 67A.09, subdivision 1, is amended to read:

Subdivision 1. **HOW ELECTED OR CHOSEN.** The directors shall choose one of their number as president, one as vice-president, and one as secretary;

New language is indicated by underline, deletions by ~~strikeout~~.