

Subd. 4. REPORT. Not later than January 1, 1991, the dispatching skills task force shall complete a study of existing dispatching operations in Minnesota and other states it determines are relevant and submit a report and recommendations to the legislature on the following:

(1) the basic and applied dispatching skills needed in Minnesota, particularly in nonurban areas;

(2) course content and training strategies to meet the needs identified;

(3) the appropriate method of certifying skill levels and of assuring that minimum skill levels are met or exceeded by all dispatchers receiving requests through the 911 system;

(4) the fiscal needs of state and local government to assure that skill levels are reached and retained, including specific recommendations regarding appropriate state and local shares in meeting these needs; and

(5) proposed legislation and administrative actions needed to implement task force recommendations.

Subd. 5. STAFFING. The commissioners of administration, health, and public safety shall jointly assure that the needs of the dispatching skills task force for staff support are met.

Subd. 6. EXPENSES. The commissioners of administration, health, and public safety shall assure that expenses for persons serving on the dispatching skills task force who are not state employees are reimbursed according to Minnesota Statutes, section 15.059, subdivision 6.

Sec. 2. **REPEALER.**

Section 1 is repealed effective July 1, 1991.

Sec. 3. **EFFECTIVE DATE.**

Section 1 is effective the day following final enactment.

Presented to the governor April 24, 1990

Signed by the governor April 24, 1990, 9:32 p.m.

## CHAPTER 491—S.F.No. 2430

*An act relating to financial institutions; establishing a system for the evaluation and rating of community reinvestment by depository financial institutions owned by interstate holding companies; providing uniformity with federal financial institutions regulatory prac-*

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*tices; regulating public disclosure of uniform rating; requiring notice to the commissioner of proposed acquisitions of control; regulating Minnesota transmission facilities; allowing equal access by other transmission facilities; permitting interstate banking with an additional reciprocating state; amending Minnesota Statutes 1988, sections 47.61, by adding a subdivision; 47.65, by adding subdivisions; 48.92, subdivision 7; and 48.93, subdivision 3; proposing coding for new law in Minnesota Statutes, chapters 46 and 47.*

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

## ARTICLE 1

### COMMUNITY REINVESTMENT RATING

#### Section 1. [47.80] DEFINITIONS.

Subdivision 1. SCOPE. For purposes of sections 1 to 7, the terms defined in this section have the meanings given them.

Subd. 2. FINANCIAL INSTITUTION. "Financial institution" means banks, savings associations, savings banks, and trust companies with banking powers that are owned by interstate holding companies.

Subd. 3. REINVESTMENT. "Reinvestment" includes activities consistent with the purposes of the Community Reinvestment Act of 1977, United States Code, title 12, parts 2901 et. seq., and the reciprocal interstate banking act in sections 48.90 to 48.991.

#### Sec. 2. [47.81] WRITTEN COMMUNITY REINVESTMENT EVALUATION REQUIRED.

Subdivision 1. EXAMINATION. Upon the conclusion of each examination of a financial institution pursuant to section 46.04, the commissioner shall prepare a written evaluation of the financial institution's record of meeting the needs of its entire community, including low- and moderate-income neighborhoods and developmental loans and developmental investments.

Subd. 2. PUBLIC AND CONFIDENTIAL SECTIONS. Each written evaluation required under subdivision 1 must have a public section and a confidential section.

#### Sec. 3. [47.82] EVALUATION RATING SYSTEM.

The public section of the written evaluation required by section 2 must:

- (1) state the commissioner's conclusions for each assessment factor;
- (2) discuss the facts supporting the conclusions; and

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(3) contain the financial institution's rating and a statement describing the basis for the rating.

**Sec. 4. [47.83] FOUR-TIERED DESCRIPTIVE RATING SYSTEM.**

Subdivision 1. ASSIGNED RATING. The financial institution's rating referred to in section 47.82, clause (3), must be one of the following:

- (1) outstanding record of meeting community credit needs;
- (2) satisfactory record of meeting community credit needs;
- (3) needs to improve record of meeting community credit needs; or
- (4) substantial noncompliance in meeting community credit needs.

Subd. 2. PUBLIC RATING DISCLOSED. The ratings based on examinations on and after July 1, 1990, must be disclosed to the public.

**Sec. 5. [47.84] CONFIDENTIAL SECTION OF WRITTEN EVALUATION REPORT.**

Subdivision 1. PRIVACY OF NAMED INDIVIDUALS. The confidential section of the written evaluation must contain all references that identify a customer of the financial institution, an employee or officer of the financial institution, or a person or organization that has provided information in confidence to a federal depository institution's regulatory agency or the department of commerce.

Subd. 2. TOPICS NOT SUITABLE FOR DISCLOSURE. The confidential section must also contain all statements obtained or made by the federal depository institution's regulatory agency or department of commerce in the course of an examination which, in the judgment of the commissioner, are too sensitive or speculative in nature to be disclosed to the public.

Subd. 3. DISCLOSURE TO FINANCIAL INSTITUTION. The entire confidential section must be disclosed to the financial institution.

Subd. 4. EXEMPTION. Treatment of information as confidential or public for purposes of this section is exempt from section 46.07, subdivision 2, to the extent that section conflicts with this act.

**Sec. 6. [47.85] APPLICATION TO RECIPROCAL INTERSTATE BANKING ACT.**

The system of evaluation and uniform rating of financial institutions provided for in this act supersedes the reporting and rating system required by section 48.97, subdivisions 2, 3, and 4.

Sec. 7. Minnesota Statutes 1988, section 48.93, subdivision 3, is amended to read:

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Subd. 3. **CRITERIA FOR APPROVAL.** Except as otherwise provided by rule of the department, an application filed pursuant to subdivision 1 must contain the following information:

(1) the identity, personal history, business background, and experience of each person by whom or on whose behalf the acquisition is to be made, including the person's material business activities and affiliations during the past five years, and a description of any material pending legal or administrative proceedings in which the person is a party and any criminal indictment or conviction of that person by a state or federal court;

(2) a statement of the assets and liabilities of each person by whom or on whose behalf the acquisition is to be made, as of the end of the fiscal year for each of the five years immediately preceding the date of the notice, together with related statements of income, sources, and application of funds for each of the fiscal years then concluded, all prepared in accordance with generally accepted accounting principles consistently applied, and an interim statement of the assets and liabilities for each person, together with related statements of income, source, and application of funds as of a date not more than 90 days prior to the date of the filing of the notice;

(3) the terms and conditions of the proposed acquisition and the manner in which the acquisition is to be made;

(4) the identity, source, and amount of the funds or other consideration to be used in making the acquisition, and if any part of these funds or other consideration has been or is to be borrowed or otherwise obtained for the purpose of making the acquisition, a description of the transaction, the names of the parties, and any arrangements, agreements, or understandings with those persons;

(5) any plans or proposals which an acquiring party making the acquisition may have to liquidate the bank, to sell its assets or merge it, or make any other major change in its business or corporate structure or management;

(6) the identification of any person employed, retained, or to be compensated by the acquiring party, or by any person on the acquiring party's behalf, to make solicitations or recommendations to stockholders for the purpose of assisting in the acquisition, and a brief description of the terms of the employment, retainer, or arrangement for compensation;

(7) copies of all invitations, tenders, or advertisements making tender offers to stockholders for purchase of their stock to be used in connection with the proposed acquisition;

(8) a statement of how the acquisition will bring "net new funds" to Minnesota. The description of net new funds must be filed with the application ~~and annually thereafter~~ stating the amount of capital funds, including the increase in

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equity capital that will result from the acquisition or establishment of a bank. The level of total equity capital must exceed \$3,000,000 for a new chartered bank and \$1,000,000 for an acquired bank. The description must state the net increase in loanable funds expressed as an increase in the total loan to asset ratio of Minnesota loans and assets. The statement must also include a discussion of initial capital investments, loan policy, investment policy, dividend policy, and the general plan of business, including the full range of consumer and business services which will be offered; and

(9) any additional relevant information in the form the commissioner requires by rule or by specific request in connection with any particular notice.

#### Sec. 8. APPLICATION.

Sections 1 to 7 apply to examinations of financial institutions begun on and after July 1, 1990.

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## ARTICLE 2

### BANK ACQUISITION

#### Section 1. [46.047] DEFINITIONS.

Subdivision 1. WORDS, TERMS, AND PHRASES. For the purposes of sections 1 and 2, the terms defined in this section have the meanings given them, unless the language or context clearly indicates that a different meaning is intended.

Subd. 2. BANKING INSTITUTION. The term "banking institution" means a bank, trust company, bank and trust company, mutual savings bank, or thrift institution, that is organized under the laws of this state.

#### Sec. 2. [46.048] NOTICE OF PROPOSED ACQUISITION.

Subdivision 1. REQUIREMENT. Whenever a change in the outstanding voting stock of a banking institution will result in control or in a change in the control of the banking institution, the person acquiring control of the banking institution shall file notice of the proposed acquisition of control with the commissioner of commerce at least 60 days before the actual effective date of the change. As used in this section, the term "control" means the power to directly or indirectly direct or cause the direction of the management or policies of the banking institution. A change in ownership of capital stock that would result in direct or indirect ownership by a stockholder or an affiliated group of stockholders of less than 25 percent of the outstanding capital stock is not considered a change of control. If there is any doubt as to whether a change in the outstanding voting stock is sufficient to result in control or to effect a change in the

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control, the doubt shall be resolved in favor of reporting the facts to the commissioner. The commissioner shall use the criteria established by the Financial Institution Regulatory and Interest Rate Control Act of 1987, United States Code, title 12, section 1817(i), and the regulations adopted under it, when reviewing the acquisition.

Subd. 2. CONTENTS. The notice required by subdivision 1 must contain the following information to the extent that it is known by the person making the notice: (1) the number of shares involved; (2) the names of the sellers or transferors; (3) the names of the purchasers or transferees; (4) the names of the beneficial owners if the shares are registered in another name; and (5) the total number of shares owned by the sellers or transferors, the purchasers, or transferees, and the beneficial owners both immediately before and after the transaction. In addition, the notice must contain other information as may be available to inform the commissioner of the effect of the transaction upon control of the banking institution whose stock is involved.

Subd. 3. BACKGROUND CHECKS. In addition to any other information the commissioner may be able to obtain pursuant to section 13.82, the Minnesota bureau of criminal apprehension shall, upon the commissioner's request, provide fingerprint and background checks on all persons named in the notice required by subdivision 2.

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### ARTICLE 3

#### MINNESOTA TRANSMISSION FACILITY

Section 1. Minnesota Statutes 1988, section 47.61, is amended by adding a subdivision to read:

Subd. 4a. "Minnesota transmission facility" means (1) a transmission facility which is owned or controlled by financial institutions located in Minnesota; (2) a transmission facility owned or controlled by a bank holding company or savings and loan holding company if domiciled or headquartered in Minnesota; or (3) a transmission facility established in Minnesota and approved by the commissioner under section 47.65, subdivision 1, as of the effective date of this act.

Sec. 2. Minnesota Statutes 1988, section 47.65, is amended by adding a subdivision to read:

Subd. 1a. A Minnesota transmission facility which is used by, or made available to, any other Minnesota transmission facility must be made available on fair, equitable, and nondiscriminatory terms to all other Minnesota transmission facilities upon request of such Minnesota transmission facility. Such person requesting use of a Minnesota transmission facility shall be permitted its use only if the person conforms to reasonable technical operating standards which have been established by the Minnesota transmission facility.

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The charges required to be paid to any Minnesota transmission facility shall be related to the costs of establishing, operating, and maintaining such facility plus a reasonable return on those costs to the owner of the facility and may provide for amortization of development costs and capital expenditures over a reasonable period of time; provided such charges as may be separately determined and established from time to time by each Minnesota transmission facility are fair, equitable, and nondiscriminatory.

Sec. 3. Minnesota Statutes 1988, section 47.65, is amended by adding a subdivision to read:

Subd. 1b. Nothing in subdivision 1a shall prevent a corporation contracting with Minnesota state and local governmental units to provide electronic benefits transfer or electronic fund transfer services from utilizing their point of service terminals, networks, or attendant support systems for commercial purposes.

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#### ARTICLE 4

#### INTERSTATE BANKING

Section 1. Minnesota Statutes 1988, section 48.92, subdivision 7, is amended to read:

Subd. 7. **RECIPROCATING STATE.** "Reciprocating state" is: (1) a state that authorizes the acquisition, directly or indirectly, or control of, banks in that state by a bank or bank holding company located in this state under conditions substantially similar to those imposed by the laws of Minnesota as determined by the commissioner; and (2) limited to the states of Iowa, North Dakota, South Dakota, Wisconsin, Colorado, Idaho, Illinois, Indiana, Kansas, Missouri, Montana, Nebraska, Washington, and Wyoming.

Presented to the governor April 24, 1990

Signed by the governor April 24, 1990, 9:35 p.m.

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#### CHAPTER 492—S.F.No. 2564

*An act relating to criminal sexual conduct; expanding the definition of "sexual contact" in fifth degree criminal sexual conduct; amending Minnesota Statutes 1988, section 609.3451, subdivision 1.*

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

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