

cost to the dealer, including transportation, of all new current model year motor vehicle inventory acquired from the manufacturer which has not been materially altered or substantially damaged, and all new motor vehicle inventory not of the current model year which has not been materially altered or substantially damaged; provided the noncurrent model year vehicles were acquired from the manufacturer and drafted on the dealer's financing source or paid for within 120 days prior to the effective date of the termination, cancellation, or nonrenewal. The manufacturer shall reimburse the dealer for 100 percent of the current net prices on motor vehicle accessories and parts, including superseded parts listed in current price lists or catalogues plus five percent of the current net price of all accessories and parts returned to compensate the dealer for handling, packing, and loading the parts.

Presented to the governor April 14, 1992

Signed by the governor April 15, 1992, 1:17 p.m.

CHAPTER 473—S.F.No. 1729

An act relating to financial institutions; authorizing a banking institution that is a trustee to invest in certain investment companies and investment trusts; amending Minnesota Statutes 1990, sections 48.01, subdivisions 1 and 2; 48.38, subdivision 6; 48.84; and 501B.10, subdivision 6.

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

Section 1. Minnesota Statutes 1990, section 48.01, subdivision 1, is amended to read:

Subdivision 1. **WORDS, TERMS, AND PHRASES.** Unless the language or context clearly indicates that a different meaning is intended, the term defined in subdivision 2, for the purposes of sections 48.38, 48.56 to 48.59, and 48.84, has that meaning; and the term defined in subdivision 3, for the purposes of this chapter, has that meaning.

Sec. 2. Minnesota Statutes 1990, section 48.01, subdivision 2, is amended to read:

Subd. 2. **BANKING INSTITUTION.** The term "banking institution" means any bank, trust company, bank and trust company, or mutual savings bank which is now or may hereafter be organized under the laws of this state. For purposes of sections 48.38, 48.84, and 501B.10, subdivision 6, and to the extent permitted by federal law, "banking institution" includes any national banking association or affiliate exercising trust powers in this state.

Sec. 3. Minnesota Statutes 1990, section 48.38, subdivision 6, is amended to read:

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

Subd. 6. It may invest all moneys received by it in trust, in authorized securities, and shall be responsible to the owner or cestui que trust for the validity, regularity, quality, value, and genuineness of these investments and securities at the time made and for the safekeeping of these securities and the evidences thereof. When special directions are given in any order, judgment, decree, will, or other written instrument as to the particular manner or the particular class or kind of securities or property in which any investment shall be made, it shall follow this direction and, in such case, it shall not be further responsible by reason of the performance of the trust.

It may, in its discretion, retain and continue any investment and security or securities coming into its possession in any fiduciary capacity. For the faithful discharge of its duties and the discharge of its trust, it shall be entitled to reasonable compensation or such amount as has been or may be agreed upon by the parties and all necessary expenses, with legal interest thereon.

In the absence of an express prohibition in the trust instrument, the trustee may acquire and retain securities of any open-end or closed-end management type investment company or investment trust registered under the Federal Investment Company Act of 1940. The fact that the banking institution, or any affiliate of the banking institution, is providing services to the investment company or trust as investment advisor, sponsor, broker, distributor, custodian, transfer agent, registrar, or otherwise, and receiving compensation for the services shall not preclude the trustee from investing in the securities of that investment company or trust. The banking institution shall disclose to all current income beneficiaries of the trust the rate, formula, and method of the compensation. This paragraph does not alter the degree of care and judgment required of trustees by section 501B.10, subdivision 1.

No compensation or commission paid or agreed to be paid to it for the negotiation of any loan or the execution of any trust shall be deemed interest within the meaning of the law, nor shall any excess thereof over the legal rate be deemed usury.

Sec. 4. Minnesota Statutes 1990, section 48.84, is amended to read:

48.84 CORPORATE TRUSTEE; TRUST FUNDS, INVESTMENT, COM-MINGLING.

Any trust company or state bank which is permitted to exercise trust powers under the provisions of sections 48.37 to 48.47 inclusive may invest all moneys received by it in trust in authorized securities, and shall be responsible to the owner or cestui que trust for the validity, regularity, quality, value, and genuineness of these investments and securities so made, and for the safekeeping of the securities and evidences thereof. In the absence of an express prohibition in the trust instrument, the trustee may acquire and retain securities of any open-end or closed-end management type investment company or investment trust registered under the Federal Investment Company Act of 1940. The fact that the banking institution, or any affiliate of the banking institution, is providing ser-

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

vices to the investment company or trust as investment advisor, sponsor, broker, distributor, custodian, transfer agent, registrar, or otherwise, and receiving compensation for the services shall not preclude the trustee from investing in the securities of that investment company or trust. The banking institution shall disclose to all current income beneficiaries of the trust the rate, formula, and method of the compensation. This paragraph does not alter the degree of care and judgment required of trustees by section 501B.10, subdivision 1. When special directions are given in any order, judgment, decree, will, or other written instrument as to the particular manner or the particular class or kind of securities or property in which any investment shall be made, it shall follow such directions, and in such case it shall not be further responsible by reason of the performance of such trust. In all other cases it may invest funds held in any trust capacity in authorized securities using its best judgment in the selection thereof, and shall be responsible for the validity, regularity, quality, and value thereof at the time made, and for their safekeeping. Whether it be the sole trustee or one of two or more cotrustees, it may invest in fractional parts of, as well as in whole, securities, or may commingle funds for investment. If it invests in fractional parts of securities or commingles funds for investment, all of the fractional parts of such securities, or the whole of the funds so commingled shall be owned and held by the trust company or state bank in its several trust capacities, and it shall be liable for the administration thereof in all respects as though separately invested; provided, that not more than \$100,000, at the cost price of such investments, shall be so invested for any one trust at any one time in fractional parts or as commingled funds for investment by a trust company or state bank having capital and surplus of less than \$500,000, unless the authority to invest in fractional parts or as commingled funds be given in the order, judgment, decree, will, or other written instrument governing such trust. Funds so commingled for investment shall be designated collectively as a common trust fund. Such trust company or state bank shall maintain such common trust fund in conformity with the rules and regulations prevailing from time to time of that federal governmental agency which regulates the collective investment of trust funds by national banks. It may, in its discretion, retain and continue any investment and security or securities coming into its possession in any fiduciary capacity. The foregoing shall apply as well whether a corporate trustee is acting alone or with an individual cotrustee.

Sec. 5. Minnesota Statutes 1990, section 501B.10, subdivision 6, is amended to read:

Subd. 6. **INVESTMENT COMPANIES.** (a) In the absence of an express prohibition in the trust instrument, the trustee may acquire and retain securities of any open-end or closed-end management type investment company or investment trust registered under the Federal Investment Company Act of 1940. The fact that a trustee which is a banking institution, as defined in section 48.01, subdivision 2, or any affiliate of a trustee which is a banking institution, is providing services to the investment company or trust as investment advisor, sponsor, broker, distributor, custodian, transfer agent, registrar, or otherwise, and receiving compensation for the services shall not preclude the trustee from

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

investing in the securities of that investment company or trust. A trustee which is a banking institution shall disclose to all current income beneficiaries of the trust the rate, formula, and method of the compensation.

(b) This subdivision does not alter the degree of care and judgment required of trustees by subdivision 1.

Sec. 6. EFFECTIVE DATE.

Sections 1 to 5 are effective the day following final enactment.

Presented to the governor April 14, 1992

Signed by the governor April 15, 1992, 1:12 p.m.

CHAPTER 474—S.F.No. 1716

An act relating to local government; providing for town election precincts; permitting the appointment of the Olmsted county recorder; authorizing the abolishment and reorganization of the office; amending Minnesota Statutes 1991 Supplement, section 204B.16, subdivision 2.

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

Section 1. Minnesota Statutes 1991 Supplement, section 204B.16, subdivision 2, is amended to read:

Subd. 2. **SINGLE POLLING PLACE PERMITTED.** The governing body of any city of the third or fourth class or any town having more than one precinct or of any city with territory in more than one county may by ordinance or resolution designate a single, accessible, centrally located polling place where all the voters of the city or town shall cast their ballots. A single polling place may also be established for two or more precincts combined in the manner provided in section 204B.14, subdivision 6 8. A single board of election judges may be appointed to serve at this polling place. The number of election judges appointed shall be determined by considering the number of voters in the entire city or town as if they were voters in a single precinct. Separate ballot boxes shall be provided and separate returns made for each precinct in the city or town.

Sec. 2. APPOINTMENT OF RECORDER.

Upon adoption of a resolution by the Olmsted county board of commissioners, the office of county recorder in the county shall not be elective but shall be filled by appointment by the county board as provided in this act, unless the office is abolished as provided in section 3.

Sec. 3. REORGANIZATION OF THE OFFICE OF COUNTY RECORDER.

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