

of iron ore, taconite or semi-taconite may pay the members of such governing body a per diem in an amount not to exceed \$15 per day nor \$75 per year for members of such governing body who are absent from the municipality in the performance of their duty as municipal officials.

Approved April 3, 1963.

CHAPTER 159—S. F. No. 240

An act relating to investment of funds of domestic insurance companies; amending Minnesota Statutes 1961, Section 60.37, Subdivision 4.

Be it enacted by the Legislature of the State of Minnesota:

Section 1. Minnesota Statutes 1961, Section 60.37, Subdivision 4, is amended to read:

Subd. 4. **Insurance companies; investments.** Common stocks upon which dividends of not less than three percent of par or stated value have been regularly paid for three years immediately preceding the investment, *or which (1) over the five completed fiscal years immediately preceding date of purchase earned an average amount per annum applicable to dividends at least equal to six percent of the par value (or in case of common stock having no par value, of the issued or stated value of such stock) outstanding at date of purchase, and (2) earned such amount during each of three of said five fiscal years;* and bonds, not in default, at market value, of any corporation incorporated by or under the laws of the United States, or any state, or the Dominion of Canada, or any province thereof; or preferred stocks at market value of any solvent corporation incorporated by or under the laws of the United States or any state, or the Dominion of Canada or any province thereof provided such corporation's net income available for fixed charges after deducting federal and state income taxes must have averaged for the five fiscal years preceding investment at least 1½ times the sum of annual fixed charges, contingent interest and preferred dividends, all computed as of the date of investment; and upon which bonds or preferred stocks, interest, or dividends have not been in arrears for an aggregate of 90 days within the preceding three years; or in the stock or guaranty fund certificates of any insurance company, whether previously existing or in process of being organized and whether or not engaged in writing the same type of insurance as

Changes or additions indicated by italics, deletions by strikeout.

the acquiring corporation, which investment must be approved by the commissioner; or in the stock or bonds of any real estate holding company, which investment must be approved by the commissioner, whose real estate is used, in whole or in part, in the transacting of the insurance business of such insurance company, either directly or by reinsurance, or in the fee to real estate used, in whole or in part, in such business; or in the stock or bonds of any corporation owning investments in foreign countries used for purposes of legal deposit, when the insurance company transacts business therein direct or as reinsurance;

Approved April 3, 1963.

CHAPTER 160—S. F. No. 368

[Coded in Part]

An act relating to investment of state retirement funds; amending Minnesota Statutes 1961, Section 352.06, Subdivisions 12 and 16 and Minnesota Statutes, Chapter 352A by adding a new section thereto.

Be it enacted by the Legislature of the State of Minnesota:

Section 1. Minnesota Statutes 1961, Section 352.06, Subdivision 12, is amended to read:

Subd. 12. **State retirement funds; corporate obligations.** Bonds, notes, debentures, equipment obligations, or any other type of absolute obligation of any corporation organized and operating within any of the 50 states of the United States or in Canada, provided that obligations of Canadian corporations shall be payable in United States dollars, are legal investments for the purposes of this section; provided, however, that no bonds, notes, debentures, or ~~railroad~~ equipment obligations may be purchased of any corporation with assets of less than ten million dollars, nor shall the book value of the outstanding capital stock of such corporation at the time of such investment be equal to less than 50 percent of its total funded debt. For a period of five fiscal years next preceding the date of such investment, the net pretax earnings of such corporation shall have been each year not less than 1.5 times the annual interest charges on its total funded debt applicable to that period, and for such period the gross operating revenues of any such corporation shall have averaged per year not less than one million dollars; provided that the investment in such securities shall not

Changes or additions indicated by *italics*, deletions by ~~strikeout~~.