

(3) (c) **RULES AND REGULATIONS.** The commissioner may by rules and regulations waive or modify any of the foregoing requirements or prescribe such additional requirements as he may deem deemed necessary for the proper sale and solicitation of contracts on a variable basis.

(4) **OTHER LAWS APPLICABLE.** The provisions of subdivisions 3, 5, 6, 7, 8, 9 and 11 shall, to the extent not inconsistent with the provisions enumerated herein, be applicable to this subdivision.

Sec. 20. Minnesota Statutes 1980, Section 60A.17, is amended by adding a subdivision to read:

Subd. 15. **RULES.** The commissioner may adopt rules pursuant to Minnesota Statutes, Chapter 15 to further implement and administer the provisions of this section.

Sec. 21. Minnesota Statutes 1980, Section 60A.17, is amended by adding a subdivision to read:

Subd. 16. **PENALTIES.** Whenever the commissioner has found an agent or agency has repeatedly violated or established a pattern of violations of any insurance law while directly representing a particular insurer, the commissioner shall so notify the insurer in writing. Thereafter, the insurer shall have a reasonable amount of time to take appropriate action. If after the notice and expiration of a reasonable amount of time, the commissioner finds that the insurer failed to take reasonable action, the commissioner may subject the insurer to a civil penalty not to exceed \$5,000.

Sec. 22. **REPEALER.**

Minnesota Statutes 1980, Sections 60A.02, Subdivision 8; and 60A.17, Subdivisions 2, 2a, 2b, 4, 5a, 6a, 7, and 9, are repealed.

Approved May 29, 1981

---

## CHAPTER 308 — S.F.No. 179

*An act relating to economic development; regulating business loans to Indians; amending Minnesota Statutes 1980, Section 362.40, Subdivisions 2, 8, 9, 11, 12, 14, and by adding a subdivision; repealing Minnesota Statutes 1980, Section 362.40, Subdivisions 4, 5, and 10.*

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

Section 1. Minnesota Statutes 1980, Section 362.40, Subdivision 2, is amended to read:

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

Subd. 2. "Indian" means a person of one-quarter or more Indian blood and who is an enrolled member of a federally recognized Minnesota based band or tribe.

Sec. 2. Minnesota Statutes 1980, Section 362.40, Subdivision 8, is amended to read:

Subd. 8. The remaining 20 percent of the tax revenue received by the county auditor under section 273.13, subdivision 2a shall be remitted by the county auditor to the state treasurer and shall be deposited in the general fund in special accounts identified as "reservation residents loan accounts" and a "nonreservation residents loan account". The amount to be credited to each reservation residents loan account shall be that percentage of the amount received from all the counties pursuant to subdivision 8 as the number of Indians living on such reservation bears to all the Indians in Minnesota, as said percentage is determined by the department of economic development. The amount remaining shall be credited to the nonreservation residents loan account. The amounts credited to each of these special accounts shall be used solely for making loans to Indians, in the manner provided by subdivisions 9 and 10 a special account called the "Indian business loan account", which shall be a revolving fund created and established under the jurisdiction and control of the agency, which may engage in a business loan program for American Indians as that term is defined in subdivision 2. The tribal councils may administer the fund, provided that, before making any eligible loans, each tribal council must submit to the agency, for its review and approval, a plan for that council's loan program which specifically describes, as to that program, its content, utilization of funds, administration, operation, implementation, and other matters required by the agency. All such programs must provide for a reasonable balance in the distribution of funds appropriated pursuant to this section for the purpose of making business loans between Indians residing on and off the reservations within the state. As a condition to the making of such eligible loans, the tribal councils shall enter into a loan agreement and other contractual arrangements with the agency for the purpose of carrying out the provisions of this chapter, and shall agree that all official books and records relating to the business loan program shall be subject to audit by the legislative auditor in the same manner prescribed for agencies of state government.

Whenever any moneys are appropriated by the state treasurer to the agency solely for the above-specified purpose or purposes, the agency shall establish a separate bookkeeping account or accounts in the Indian business loan fund to record the receipt and disbursement of such moneys and of the income, gain and loss from the investment and re-investment thereof.

Sec. 3. Minnesota Statutes 1980, Section 362.40, Subdivision 9, is amended to read:

**Changes or additions are indicated by underline, deletions by strikeout.**

Subd. 9. A ~~reservation resident~~ An Indian desiring a loan for the purpose of starting a business enterprise, expanding an existing business, or for technical and management assistance, shall make application to the state department of economic development. The department shall prescribe the necessary forms and advise the prospective borrower as to the conditions under which his application may be expected to receive favorable consideration. ~~The tribal council shall recommend to the department that the loan be accepted or rejected. The department shall approve or reject the application taking the tribal council recommendation into consideration. The application shall be forwarded to the appropriate tribal council for approval or disapproval, and shall be in conformity with the plans submitted by said tribal councils.~~ If the application is approved, the department shall forward the application, together with all relevant documents pertinent thereto, to the commissioner of finance, who shall draw his warrant in favor of the applicable tribal council with appropriate notations identifying the borrower. The tribal council shall thereafter reimburse suppliers and vendors for purchases of equipment, real estate and inventory made by the borrower pursuant to the conditions or guidelines established by the state department of economic development. The tribal council shall maintain records of transactions for each borrower in a manner consistent with good accounting practice. Simple interest at two percent of the amount of the debt owed shall be charged. When any portion of a debt is repaid, the tribal council shall remit the amount so received plus interest paid thereon to the state treasurer through the department of economic development. The amount so received shall be credited to ~~such reservation residents~~ the Indian business loan account. The tribal council shall secure a fidelity bond from a surety company, in favor of the state treasurer, in an amount equal to the maximum amount to the credit of ~~such reservation residents~~ its loan account during the fiscal year. On the placing of a loan, additional money equal to ten percent of the total amount made available to any tribal council for loans during the fiscal year shall be paid to such council prior to December 31 for the purpose of financing administrative costs.

Sec. 4. Minnesota Statutes 1980, Section 362.40, Subdivision 11, is amended to read:

Subd. 11. Loans made under ~~subdivisions~~ subdivision 9 and 10 shall be limited to a period of 20 years, if made for the purpose of financing nonreal estate purchases. Loans made for the purpose of financing real estate purchases, where such real property is to be used for nonresidential purposes only, shall be limited to a period of 40 years, and shall be a lien on the real property so acquired. Under no circumstances shall the state take a position junior to third lien. In instances where it is impossible or undesirable to secure a lien against real property, the state may secure a lien against personal property for an amount equal to the face value of the loan.

Sec. 5. Minnesota Statutes 1980, Section 362.40, Subdivision 12, is amended to read:

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

Subd. 12. Any person misrepresenting facts regarding the Indian ancestry of a prospective borrower for the purpose of securing a loan under ~~subdivisions~~ subdivision 9 and 10, whether such borrower be an individual, partnership or corporation, shall be guilty of a gross misdemeanor.

Sec. 6. Minnesota Statutes 1980, Section 362.40, Subdivision 14, is amended to read:

Subd. 14. There is appropriated annually an amount equal to the tax revenue allotted under ~~subdivisions~~ subdivision 9 and 10.

Sec. 7. Minnesota Statutes 1980, Section 362.40, is amended by adding a subdivision to read:

Subd. 7a. "Agency" or "department" means the department of economic development.

Sec. 8. REPEALER.

Minnesota Statutes 1980, Section 362.40, Subdivisions 4, 5, and 10, are repealed.

Approved May 29, 1981

---

#### CHAPTER 309 — S.F.No. 393

*An act relating to taxation; providing that property owned by certain senior citizens' groups be exempt from taxation; amending Minnesota Statutes 1980, Section 272.02, Subdivision 1.*

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

Section 1. Minnesota Statutes 1980, Section 272.02, Subdivision 1, is amended to read:

Subdivision 1. Except as provided in other subdivisions of this section or in section 272.025 or section 273.13, subdivisions 17, 17b, 17c or 17d, all property described in this section to the extent herein limited shall be exempt from taxation:

- (1) All public burying grounds;
- (2) All public schoolhouses;
- (3) All public hospitals;
- (4) All academies, colleges, and universities, and all seminaries of learning;

Changes or additions are indicated by underline, deletions by ~~strikeout~~.