

legislature wherein a specific effective date is not specified; amending Minnesota Statutes 1969, Section 645.02.

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

Section 1. Minnesota Statutes 1969, Section 645.02, is amended to read:

645.02 STATUTORY CONSTRUCTION AND INTERPRETATION; LAWS; EFFECTIVE DATE. Each act, except one making appropriations, enacted finally at any session of the legislature takes effect ~~at the beginning of the day~~ on August 1 next following its final enactment, unless a different date is specified in the act. A special law required to be approved by the local government unit affected before it goes into effect becomes effective as to the approving unit the day following the day on which the certificate of approval prescribed by section 645.021, subdivision 1, is filed with the secretary of state, ~~unless a later date is specified in the act.~~ When approval of such a special law is required by two or more local government units before it may become effective, the day after the day when the last of the required certificates is filed is the effective date, unless a later date is specified in the act.

An appropriation act or an act having appropriation items enacted finally at any session of the legislature takes effect at the beginning of the first day of July next following its final enactment, unless a different date is specified in the act.

Each act takes effect at 12:01 a.m. on the day it becomes effective, unless a different time is specified in the act.

Sec. 2. This act shall apply to acts finally enacted by the legislature after January 1, 1973.

Approved April 30, 1971.

CHAPTER 197—H.F.No.1465

An act relating to the state board of investment; establishing retroactively a deferred yield adjustment account; establishing accounting procedures for the permanent university fund; amending Minnesota Statutes 1969, Sections 11.16, Subdivision 17; 11.25, Subdivision 5; 137.022; and 356.20, by adding a subdivision.

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

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

Section 1. Minnesota Statutes 1969, Section 11.16, Subdivision 17, is amended to read:

Subd. 17. **STATE BOARD OF INVESTMENT; DEFERRED YIELD ADJUSTMENT ACCOUNT; COMPUTATION OF INTEREST INCOME.** For the purpose of determining the interest income earned by the state employees retirement fund, premiums on all bonds or securities purchased shall be amortized to the earliest call date and discounts shall be accumulated to the maturity date of the bonds or securities.

The yield from United States treasury bills and short term corporate notes purchased at a discount without a stated interest rate shall be the difference between the cost price and selling price or maturity value. When such yield is realized from securities held for a period involving all or parts of two or more fiscal or calendar years, as the case may be, the yield shall be apportioned equitably to each fiscal or calendar year. The amount of yield so apportioned to each fiscal or calendar year shall be regarded as interest income and shall be credited as earnings in the year in which the interest is earned.

The yield on all other debt securities shall be computed in accordance with the provisions establishing a deferred yield adjustment account for debt securities in Minnesota Statutes, Section 356.20.

Sec. 2. Minnesota Statutes 1969, Section 11.25, Subdivision 5, is amended to read:

Subd. 5. **RECOGNIZED VALUE, DEFERRED YIELD ADJUSTMENT ACCOUNT.** Recognized value as of any date of assets other than corporate stocks and all other equity investments shall be the book value of such assets as of such date. The recognized value as of any date of corporate stocks and all other equity investments, including convertible securities, shall be the market value at closing on that particular date as determined by the state board of investment.

There is hereby established a deferred yield adjustment account which shall be increased by the sale or disposition of any debt securities at less than book value and shall be decreased by the sale or disposition of debt securities at more than book value. At the end of each fiscal year, a portion of the balance of this account shall be offset against the investment income for that year. The annual portion of the balance to be offset shall be proportional to the reciprocal of the average remaining life of the bonds sold, unless such amounts are offset by gains on the future sales of these securities. The amount of this account shall be included in the recognized value

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of assets other than corporate stocks and all other equity investments. In any fiscal year in which the gains on the sales of debt securities exceed the discounts realized on the sales of such securities, the excess shall be used to reduce the balance of the account.

Sec. 3. Minnesota Statutes 1969, Section 137.022, is amended to read:

137.022 PERMANENT UNIVERSITY FUND, INVESTMENT.

The investment management of the permanent university fund shall be under the jurisdiction of the board of regents of the University of Minnesota, subject to any limitations imposed by the Constitution of the state of Minnesota, Article VIII, Section 5. All securities and cash held in the state treasury credited to the permanent university fund heretofore unappropriated or unencumbered are hereby transferred and appropriated to the board of regents of the University of Minnesota solely for the purpose of investment by them, with the restriction that all such investment transactions be handled through the supervision of investment counselors, bank trust departments, or insurance companies which are organized, licensed, or have registered offices within the state of Minnesota or have agreed in writing to conduct such securities transactions and investment counseling under Minnesota law and the rules and regulations established by the securities division of the Minnesota department of commerce. Such investments shall be restricted to those authorized as eligible for use in the Minnesota adjustable fixed benefit fund, Minnesota Statutes, Section 11.25, Subdivision 2, with the exception that corporate debt securities may be used to the extent of 80 percent of the portfolio . The income from the permanent university fund shall be subject to appropriations to the board of regents by the legislature from time to time. The determination of such income shall be based on the procedures detailed in Minnesota Statutes, Sections 11.015, Subdivision 7, or 11.16, Subdivision 17.

Sec. 4. Minnesota Statutes 1969, Section 356.20, is amended by adding a subdivision to read:

Subd. 5. There is hereby established, in each fund enumerated in subdivision 2 of this section, a deferred yield adjustment account which shall be increased by the sale or disposition of any debt securities at less than book value and shall be decreased by the sale or disposition of debt securities at more than book value. At the end of each fiscal year, a portion of the balance of this account shall be offset against the investment income for that year. The annual portion of the balance to be offset shall be proportional to the reciprocal of the average remaining life of the bonds sold, unless such amounts are offset by gains on the future sales of these securities. The amount of this account shall be included in any accounting or actuarial computations or listing of assets. In any fiscal year in which the gains on the sales of debt securities exceed the discounts

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realized on the sales of such securities, the excess shall be used to reduce the balance of the account.

Sec. 5. EFFECTIVE DATE. Sections 2 and 4 shall be effective from and after July 1, 1969 and shall apply to sales or dispositions made on or after that date. Section 4 shall apply to reports issued after July 1, 1971.

Approved April 30, 1971.

CHAPTER 198—H.F.No.1579

An act relating to state employees; eliminating the exclusion of certain state employees from life and health benefits; amending Minnesota Statutes 1969, Section 43.47.

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

Section 1. Minnesota Statutes 1969, Section 43.47, is amended to read:

43.47 STATE EMPLOYEES; LIFE AND HEALTH INSURANCE BENEFITS; EXCLUSION OF CERTAIN STATE EMPLOYEES. Except as provided in section 43.491, the persons enumerated in this section and their dependents are specifically excluded from the terms and provisions of sections 43.42 to 43.49:

(1) An emergency, temporary, or intermittent employee of the state; a part time or seasonal employee of the state serving on less than a 75 percent time basis; but this exclusion shall not apply to a part time or seasonal employee of the state in the classified service who prior to April 1, 1967 was eligible for state paid basic life insurance and health benefits;

(2) A trainee;

(3) A deputy registrar of motor vehicles;

(4) An election official;

(5) An independent contractor engaged in work for the state under a contract or any employee thereof;

(6) A judge of any court, and an officer or employee thereof except as otherwise provided in section 43.43;

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