

473.403 **METROPOLITAN TRANSIT AREA, ESTABLISHMENT.** There is hereby established a metropolitan transit area comprising the counties of Hennepin, Ramsey, Anoka, Washington, Dakota, Scott, excluding the city of New Prague, and Carver.

Sec. 6. Minnesota Statutes 1976, Section 473F.02, Subdivision 2, is amended to read:

Subd. 2. "Area" means the territory included within the boundaries of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, excluding the city of New Prague, and Washington counties.

Sec. 7. Minnesota Statutes 1976, Section 473F.02, Subdivision 8, is amended to read:

Subd. 8. "Municipality" means a city, town, or township located in whole or part within the area, but not the city of New Prague. If a municipality is located partly within and partly without the area, the references in sections 473F.01 to 473F.13 to property or any portion thereof subject to taxation or taxing jurisdiction within the municipality are to such property or portion thereof as is located in that portion of the municipality within the area, except that the fiscal capacity of such a municipality shall be computed upon the basis of the valuation and population of the entire municipality.

Sec. 8. Notwithstanding any law to the contrary, the entire city of New Prague shall be a part of region nine established pursuant to sections 462.381 to 462.397.

Sec. 9. The provisions of this act, changing the boundaries of the metropolitan area and the metropolitan transit area, shall not be deemed to impair the rights of holders of outstanding indebtedness to require the levy of property taxes, if necessary to provide for any deficiency in accordance with the conditions of such indebtedness, on all property within the limits of the metropolitan area or the metropolitan transit area as the limits were in effect at the date of issuance of the indebtedness.

Approved March 23, 1978.

CHAPTER 544-H.F.No.842

[Coded]

An act relating to financial institutions; establishing procedures for issuance of orders and removal of officers, trustees or directors in the event of violations of law or unsafe practices; providing penalties.

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

Section 1. **[46.23] UNSAFE PRACTICES; DEFINITIONS.** Subdivision 1. For purposes of sections 1 to 8, the following terms shall have the meaning here given them.

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

Subd. 2. "Cease and desist order which has become final" and "order which has become final" mean a cease and desist order, or an order issued by the commissioner with the consent of the institution or the director, trustee, officer, or other person concerned, with respect to which no timely petition for review of the action of the commissioner has been filed in a district court as specified in subdivision 2 of section 5, or with respect to which the action of the court in which a petition for review has been filed is not subject to further review by the courts of the state.

Subd. 3. "Commissioner" means the commissioner of banks.

Subd. 4. "Institution" means a bank, savings bank, savings association, trust company, credit union, industrial loan and thrift company, small loan company, safe deposit company, investment company, debt prorating agency, insurance premium finance company, or motor vehicle retail installment sales finance company subject to the supervision of the commissioner.

Subd. 5. "Violation" includes without limitation any action, alone or with others, toward causing, bringing about, participating in, counseling, or aiding or abetting a violation.

Sec. 2. [46.24] NOTICE OF CHARGES, ISSUANCE, CONTENTS; HEARING; CEASE AND DESIST ORDER, ISSUANCE, SERVICE, CONTENTS, EFFECTIVE DATE. Subdivision 1. If in the opinion of the commissioner any institution is engaging, or has engaged, or the commissioner has reasonable cause to believe that the institution is about to engage, in an unsafe or unsound practice in conducting the business of such institution or is violating, has violated, or the commissioner has reasonable cause to believe that the institution is about to violate a law or rule, the commissioner may issue and serve upon the institution a notice of charges in respect thereof. The notice shall contain a statement of the facts constituting the alleged unsafe or unsound practice or violation, and shall fix a time and place at which a hearing will be held to determine whether an order to cease and desist therefrom should issue against the institution. The hearing shall be not earlier than 10 days nor later than 30 days after service of the notice unless an earlier or a later date is set by the commissioner at the request of the institution. Unless the institution appears at the hearing by a duly authorized representative, it shall be deemed to have consented to the issuance of the cease and desist order. In the event of such consent, or if upon the record made at any such hearing the commissioner finds that any unsafe or unsound practice or violation specified in the notice of charges has been established, the commissioner may issue and serve upon the institution an order to cease and desist from any such practice or violation. By provisions which may be mandatory or otherwise, the order may require the institution and its directors, trustees, officers, employees and agents to cease and desist from the same and to take affirmative action to correct the conditions resulting from any such practice or violation.

Subd. 2. A cease and desist order shall become effective at the expiration of 30 days after the service of the order upon the institution, except in the case of an order issued upon consent which shall become effective at the time specified therein, and shall remain effective and enforceable as provided therein, except to the extent it is stayed, modified, terminated or set aside by the action of the commissioner or a reviewing court.

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Sec. 3. [46.26] DIRECTORS, TRUSTEES AND OFFICERS, NOTICE OF INTENTION TO REMOVE FROM OFFICE OR TO PROHIBIT PARTICIPATION, SUSPENSION OR PROHIBITION. Subdivision 1. Whenever in the opinion of the commissioner any director, trustee or officer of an institution has committed any violation of law; has violated a cease and desist order which has become final; has engaged or participated in any unsafe or unsound practice in connection with the institution; or has committed or engaged in any act, omission, or practice which constitutes a breach of his fiduciary duty as a director, trustee or officer of the institution, and the commissioner determines that the institution has suffered or will probably suffer substantial financial loss or other damage or that the interest of its depositors could be seriously prejudiced by reason of the violation, practice, or breach of fiduciary duty, the commissioner may serve upon the director, trustee or officer a written notice of his intention to remove him from office.

Subd. 2. Whenever in the opinion of the commissioner any director, trustee or officer of an institution, by conduct or practice with respect to another institution or business organization which has resulted in substantial financial loss or other damage to that institution or business organization, has evidenced his personal disability and unfitness to continue as a director, trustee or officer of the institution, and whenever in the opinion of the commissioner any other person participating in the conduct of the affairs of an institution, by conduct or practice with respect to such institution, another institution, or other business organization which has resulted in substantial financial loss or other damage to the institution or business organization, has evidenced his personal disability and unfitness to participate in the conduct of the affairs of such institution, the commissioner may serve upon the director, trustee, officer, or other person a written notice of his intention to remove him from office or to prohibit his further participation in any manner in the conduct of the affairs of the institution.

Subd. 3. Whenever any director, trustee or officer of an institution, or other person participating in the conduct of the affairs of an institution, is convicted in any state or federal court of a felony involving dishonesty or breach of trust the commissioner may serve upon the director, trustee, officer, or other person a written notice of his intention to remove him from office or to prohibit his further participation in any manner in the conduct of the affairs of the institution.

Subd. 4. A notice of intention to remove a director, trustee, officer, or other person from office or to prohibit his participation in the conduct of the affairs of an institution shall contain a statement of the facts constituting grounds therefor, and shall fix a time and place at which a hearing will be held thereon. The hearing shall be held not earlier than 10 days nor later than 30 days after the date of service of the notice, unless an earlier or later date is set by the commissioner at the request of the director, trustee, officer, or other person and for good cause shown. Unless the director, trustee, officer, or other person appears at the hearing in person or by a duly authorized representative, he shall be deemed to have consented to the issuance of an order of removal or prohibition. In the event of consent, or if upon the record made at the hearing the commissioner finds that any of the grounds specified in the notice has been established, the commissioner may issue such orders of suspension, removal from office, or prohibition from participation in the conduct of the affairs of the institution as he deems appropriate. The order shall

become effective at the expiration of 30 days after service upon the institution and the director, trustee, officer, or other person concerned, except in the case of an order issued upon consent which shall become effective at the time specified therein. The order shall remain effective and enforceable until it is stayed, modified, terminated, or set aside by action of the commissioner or a reviewing court.

Sec. 4. [46.29] BOARD OF DIRECTORS OR TRUSTEES, LACK OF QUORUM, TEMPORARY DIRECTORS OR TRUSTEES. If at any time because of the suspension or removal of one or more directors or trustees pursuant to sections 1 to 8, the board of directors or trustees of an institution has less than a quorum of directors or trustees not so suspended or removed, all powers and functions vested in, or exercisable by, the board shall vest in and be exercisable by the directors or trustees of the board not so suspended or removed until such time as there is a quorum of the board of directors or trustees. If all of the directors or trustees of an institution have been suspended or removed, the commissioner shall appoint persons to serve temporarily as directors or trustees, pending the termination of the suspensions or removals, or until such time as their successors are duly elected and take office.

Sec. 5. [46.30] HEARINGS, DECISION; REVIEW, MODIFICATION, TERMINATION OR STAY OF ORDERS. Subdivision 1. Any hearing provided for in sections 1 to 8 shall be conducted in accordance with the provisions of Minnesota Statutes, Chapter 15, provided, the hearing shall be private unless the commissioner after fully considering the views of the party afforded the hearing determines that a public hearing is necessary to protect the public interest. After the hearing and within 90 days after the commissioner has notified the parties that the case has been submitted to him for final decision, he shall render his decision which shall include findings of fact upon which his decision is predicated and shall issue and serve upon each party to the proceeding an order consistent with the provisions of this section.

Subd. 2. Any party to the hearing, or any person required by an order issued under sections 1 to 8 to cease and desist from any of the violations or practices stated therein or to be suspended, removed, or prohibited from participation in the conduct of the affairs of an institution may obtain a review of any order, other than a consent order, which review shall be pursuant to Minnesota Statutes, Chapter 15. Unless a petition for review is timely filed as provided in chapter 15, the commissioner, at any time, upon such notice and in such manner as he deems proper may modify, terminate, or set aside the order. Upon the timely filing of a petition for review, the commissioner may modify, terminate, or set aside the order with the permission of the court.

Subd. 3. No order issued under sections 1 to 8 shall be subject to review by the commerce commission.

Sec. 6. [46.31] ENFORCEMENT OF NOTICES OR ORDERS. The commissioner may apply to the district court of the county in which the home office of the institution is located or to the district court for Ramsey county for the enforcement of any effective and outstanding notice or order issued under sections 1 to 8, and the court shall have jurisdiction to require compliance therewith.

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

Sec. 7. [46.32] VIOLATION OF NOTICE OR FINAL ORDER, PENALTIES.

Any director, trustee or officer, or former director, trustee or officer, of an institution or any other person against whom there is outstanding and effective any notice or final order served upon the director, trustee, officer, or other person pursuant to section 3 who (1) participates in any manner in the conduct of the affairs of such institution; (2) directly or indirectly solicits, procures, transfers, or attempts to transfer, votes, or attempts to vote any proxies, consents, or authorizations in respect to any voting rights in such institution; or (3) without the prior written approval of the commissioner, votes for a director or trustee or serves as a director, trustee, officer, or employee of such institution is guilty of a gross misdemeanor and may be fined not more than \$5,000 or imprisoned for not more than one year, or both.

Sec. 8. [46.33] MANNER OF SERVICE; COPIES TO FEDERAL AUTHORITIES; CEASE AND DESIST ORDERS.

Any service required or authorized to be made by the commissioner pursuant to sections 1 to 8 may be made by registered or certified mail to the last known address of the person or principal Minnesota office of the institution to whom service is directed, or in such other manner reasonably calculated to give actual notice as the commissioner by rule or otherwise may provide. Copies of any notice or order served by the commissioner upon any institution or any director, trustee or officer thereof or other person participating in the conduct of its affairs, pursuant to the provisions of sections 1 to 8, may also be sent to the appropriate federal supervisory authorities.

Sec. 9. This act shall be effective the day following final enactment.

Approved March 23, 1978.

CHAPTER 545-H.F.No.1225

[Not Coded]

An act relating to Ramsey county and the city of Saint Paul; changing the name of the Ramsey county hospital and sanitarium commission; further prescribing its powers and duties, removing obsolete provisions; amending Laws 1974, Chapter 435, Section 3.14.

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

Section 1. Laws 1974, Chapter 435, Section 3.14, is amended to read:

Sec. 3.14 SAINT PAUL-RAMSEY MEDICAL CENTER. ~~(a) Subdivision 1.~~ **SAINT PAUL-RAMSEY MEDICAL CENTER COMMISSION.** ~~(+)~~ (a) **NAME OF COMMISSION.** There is created a commission to be known as the ~~"Ramsey County Hospital and Sanitarium~~ "Saint Paul-Ramsey Medical Center commission", whose duty is the operation, administration and management of the Saint Paul-Ramsey ~~Hospital Medical Center~~ facilities and Ramsey county tuberculosis sanitarium.

~~(2)~~ (b) **MEMBERSHIP.** The ~~"Ramsey county hospital and sanitarium~~ Saint **Changes or additions indicated by underline deletions by strikeout**