

The city of Hermantown may provide by ordinance that its public utilities commission shall consist of as many as seven members. Their terms shall be as provided by Minnesota Statutes, section 412.341 and, so far as possible, staggered so that an equal number expire in each year. If the city reduces the number of members, the incumbent members whose terms are cancelled shall be determined by lot, separately for each affected year's members.

Sec. 2. **LOCAL APPROVAL.**

Section 1 is effective the day after compliance with Minnesota Statutes, section 645.021, subdivision 3, by the governing body of the city of Hermantown.

Approved May 1, 1985

CHAPTER 56 — H.F.No. 1254

An act relating to local government; permitting insurance and indemnification of certain municipal electric power personnel; correcting a statutory cross reference; amending Minnesota Statutes 1984, section 453.55, subdivision 11.

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

Section 1. Minnesota Statutes 1984, section 453.55, subdivision 11, is amended to read:

Subd. 11. Neither the officials, the directors, nor the members of a municipal power agency nor any person executing bonds or notes shall be liable personally on the bonds or notes or be subject to any personal liability or accountability by reason of the issuance thereof. A municipal power agency shall have power to indemnify and to purchase and maintain insurance on behalf of any director, officer, employee, or agent of the municipal power agency, in connection with any threatened, pending, or completed action, suit, or proceeding, to the same extent and in the same manner and with the same force and effect as provided in the case of a private corporation under the provisions of section ~~300.082~~ 300.083.

Approved May 1, 1985

CHAPTER 57 — H.F.No. 183

An act relating to commerce; modifying the finance charge on certain open end credit sales; providing for notice of increased interest rates; amending Minnesota Statutes 1984, section 334.16, subdivision 1.

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

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

Section 1. Minnesota Statutes 1984, section 334.16, subdivision 1, is amended to read:

Subdivision 1. **LIMITATION OF RATES.** The imposition, charge or collection of a finance charge upon an account balance by a seller of goods, services or both shall be lawful, provided that:

(a) The sale is a consumer credit sale pursuant to an open end credit plan, agreement or arrangement between the buyer and seller under which (1) the seller may permit the buyer to make purchases from time to time from the seller or other sellers, (2) the buyer has the privilege of paying the balance in full or in installments, and (3) a finance charge may be computed by the seller from time to time on an outstanding unpaid balance; and

(b) The terms of the plan, agreement or arrangement provide for a periodic rate of finance charge which does not exceed 1-1/2 percent per month computed on an amount no greater than the average daily balance of the account during each monthly billing cycle; provided a minimum finance charge not in excess of 50 cents per month may be imposed, charged or collected.

(c) No finance charge in excess of 1-1/3 percent per month shall be imposed on an open end and consumer credit account by any seller whose Minnesota annual gross sales exceeds 25 million dollars issuer whose credit card is issued primarily for the purpose of purchasing motor fuels and related products and whose gross annual national sales exceed \$10 billion. Retailers must give adequate notice to open end consumer credit customers before any higher interest rate is applied. Accompanying credit statements must not suggest that the Minnesota legislature required retailers to raise interest rates. The accompanying material must make clear that the increase affects only the maximum allowable interest rate.

Sec. 2. **EFFECTIVE DATE.**

Section 1 is effective the day following final enactment, but does not apply to account balances outstanding on that date. The finance charges on these account balances may not exceed the rates permitted under Minnesota Statutes 1984, section 334.16.

Approved May 1, 1985

CHAPTER 58 — H.F.No. 1

An act relating to local government; establishing a procedure to consolidate the cities of International Falls and South International Falls; authorizing a special mill levy in the event of consolidation.

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