

another shall be exempt from the state inspection fee, but may be inspected by the state. A home rule charter or statutory city may impose by ordinance a reasonable inspection or license fee on the vending machines described in this paragraph. A county may impose by ordinance a reasonable inspection or license fee on the vending machines described in this paragraph which are not located in a home rule charter or statutory city.

(c) Vending machines dispensing only bottled or canned soft drinks are exempt from the state, home rule charter or statutory city, and county inspection fees, but may be inspected by the commissioner or the commissioner's designee.

Sec. 3. Minnesota Statutes 1984, section 34.03, is amended to read:

#### 34.03 SOFT DRINKS INSPECTED; REGISTRATION.

~~No Soft drinks or other nonalcoholic beverages, not manufactured in this state, shall be sold, offered or exposed for sale, exchanged, or held in possession with intent to sell within this state, unless the same are first inspected and registered with the commissioner that are mixed, compounded, or sold for home consumption are subject to rules established under section 34.09.~~

Sec. 4. Minnesota Statutes 1984, section 34.09, is amended to read:

#### 34.09 SANITATION; RULES AND REGULATIONS.

~~The commissioner shall promulgate, in the manner provided by law, such rules and regulations rules covering those persons licensed under section 28A.04, who manufacture, sell, or dispense soft drinks and other nonalcoholic beverages establishing minimum sanitary requirements as which are reasonably necessary to protect the public health and interest. The rules must include, but are not limited to, sanitary practices involving beverage manufacturing plants, beverage dispensing equipment, and the use of sterile containers in packaging beverages for home consumption. Rules must be adopted in accordance with chapter 14.~~

Sec. 5. **REPEALER.**

Minnesota Statutes 1984, section 34.05, is repealed.

Approved March 19, 1986

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### CHAPTER 376—S.F.No. 1823

*An act relating to financial institutions; providing for open end loan account arrangements; modifying permissible finance charges and annual charges; eliminating alternative credit card plan requirements; amending Minnesota Statutes 1984, section 48.185, subdivisions 1, 3, and 4; repealing Minnesota Statutes 1984, section 48.185, subdivision 4a.*

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 48.185, subdivision 1, is amended to read:

Subdivision 1. Any bank organized under the laws of this state, any national banking association doing business in this state, ~~and~~ any savings bank organized and operated pursuant to chapter 50, any savings association organized under chapter 51A, and any federally chartered savings and loan association, may extend credit through an open end loan account arrangement with a debtor, pursuant to which the debtor may obtain loans from time to time by cash advances, purchase or satisfaction of the obligations of the debtor incurred pursuant to a credit card plan, or otherwise under a credit card or overdraft checking plan.

Sec. 2. Minnesota Statutes 1984, section 48.185, subdivision 3, is amended to read:

Subd. 3. A ~~bank or savings bank~~ financial institution referred to in subdivision 1, may collect a periodic rate of finance charge in connection with extensions of credit ~~pursuant to an overdraft checking plan under this section,~~ which rate finance charge does not exceed ~~one and one-half percent per month or, with respect to open-end credit extended in use of a bank credit card, one percent per month, or if no annual charge is imposed pursuant to subdivision 4, clause (a), one and one-half percent per month,~~ computed on an amount no greater than the average daily balance of the account during each monthly billing cycle. Notwithstanding variations from cycle to cycle, a billing cycle is "monthly" for purposes of this section if the average length of 12 successive billing cycles is not less than 30 or more than 32 days. If the billing cycle is other than monthly, the maximum finance charge for that billing cycle shall be that percentage which bears the same relation to one percent or, if applicable, to one and one-half percent as the number of days in the billing cycle bears to 30 the equivalent of an annual percentage rate of 18 percent computed on a 365-day year and in accordance with the Truth in Lending Act, United States Code, title 15, section 1601 et seq., and the Code of Federal Regulations, title 12, part 226 (1985).

If credit is extended pursuant to an overdraft checking plan on the day on which an increase in the periodic rate of finance charge is made effective pursuant to this section, the rate in effect prior to the increase shall be the maximum lawful rate chargeable on the amount of credit so extended until that credit is fully repaid according to the terms of the plan.

Sec. 3. Minnesota Statutes 1984, section 48.185, subdivision 4, is amended to read:

Subd. 4. No charges other than those provided for in subdivision 3 shall be made directly or indirectly for any credit extended under the authority of this section, except that there may be charged to the debtor:

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

(a) Annual charges, not to exceed ~~\$15~~ \$50 per annum, payable in advance, for the privilege of using a bank credit card ~~which entitled the debtor to purchase goods or services from merchants, under an arrangement pursuant to which the debts resulting from the purchases are paid or satisfied by the bank or savings bank and charged to the debtor's open end loan account with the bank or savings bank;~~

(b) Charges for premiums on credit life and credit accident and health insurance if:

(1) The insurance is not required by the ~~bank or savings bank~~ financial institution and this fact is clearly disclosed in writing to the debtor; and

(2) The debtor is notified in writing of the cost of the insurance and affirmatively elects, in writing, to purchase the insurance.

Sec. 4. **REPEALER.**

Minnesota Statutes 1984, section 48.185, subdivision 4a, is repealed.

Sec. 5. **EFFECTIVE DATE.**

Sections 1 to 4 are effective the day following final enactment.

Approved March 19, 1986

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**CHAPTER 377—S.F.No. 1848**

*An act relating to costs and attorney fees; providing for recovery of costs and attorney fees by prevailing parties in civil actions and contested case proceedings involving the state; amending Minnesota Statutes 1984, section 14.62, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 3.*

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

Section 1. **[3.761] DEFINITIONS.**

Subdivision 1. TERMS DEFINED. For purposes of this section and sections 2 to 5, the terms defined in this section have the meanings given them.

Subd. 2. ADMINISTRATIVE LAW JUDGE. "Administrative law judge" means the official assigned to conduct a contested case hearing under chapter 14.

Subd. 3. CONTESTED CASE. "Contested case" means a proceeding defined in section 14.02, subdivision 3, in which the position of the state is represented by counsel, but excludes a contested case for the purpose of establishing or fixing a rate or for granting or renewing a license.

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