

may, after a hearing, issue an order relieving the company from its obligation to provide the renewal policies otherwise required by this section.

Subd. 11. Upon termination of an agency, a company is prohibited from soliciting business in the notice of nonrenewal required by section 60A.37.

Sec. 2. Minnesota Statutes 1990, section 60A.175, is amended to read:

60A.175 AGENT COMMISSIONS.

(a) An insurer that cancels a written agreement with an agent under section 60A.171 or 60A.172 or cancels a line of business sold by the agent must pay to the agent terminated all commissions, bonuses, and other compensation earned by that agent prior to or after termination. The commission rate must be the rate in effect at the time of the notice of termination.

(b) An insurer may not reduce agent commissions, bonuses, or other compensation contained in written agreements without first providing written notice of the change to the agent at least 180 days before its effective date.

Sec. 3. EFFECTIVE DATE.

Sections 1 and 2 apply to all agency contracts or written agreements in existence on or after August 1, 1991.

Presented to the governor April 29, 1991

Signed by the governor May 1, 1991, 11:50 a.m.

CHAPTER 40—S.F.No. 339

An act relating to taxation; providing that certain nonprofit organizations that provide athletic programs qualify for a sales tax exemption on their purchases.

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

Section 1. TEMPORARY SALES TAX EXEMPTION FOR NONPROFIT ATHLETIC ORGANIZATION.

The gross receipts from the sale of tangible personal property and the storage, use, or other consumption of such property, and the gross receipts from the sale of meals and lodging, to a nonprofit educational organization that conducts athletic programs for children and adults who are persons with mental retardation or related conditions, are exempt from the taxes imposed under Minnesota Statutes, sections 297A.01 to 297A.44. Sales exempted by this section include sales pursuant to section 297A.01, subdivision 3, paragraphs (d) and (f). The exemption applies only to property, meals, and lodging purchased for use in the performance of the educational function of the organization. To qualify under

New language is indicated by underline, deletions by ~~strikeout~~.

this section, an organization must meet the organizational and operational tests that apply to nonprofit organizations under Minnesota Statutes, section 297A.25, subdivision 16.

Sec. 2. **EFFECTIVE DATE.**

Section 1 is effective for sales occurring after May 5, 1989, and before August 15, 1991.

Presented to the governor April 29, 1991

Signed by the governor May 1, 1991, 11:47 a.m.

CHAPTER 41—H.F.No. 472

VETOED

CHAPTER 42—H.F.No. 697

An act relating to credit unions; providing that credit unions may be designated as depositories of state funds; providing for the election of a supervisory committee; clarifying investment authority of board of directors; amending Minnesota Statutes 1990, sections 9.031, subdivision 1; 52.04, subdivision 1; 52.08; and 52.09, subdivision 2.

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

Section 1. Minnesota Statutes 1990, section 9.031, subdivision 1, is amended to read:

Subdivision 1. **REQUIREMENTS FOR DEPOSITORIES.** The executive council shall designate banks ~~or~~, trust companies, or credit unions within the state as depositories to receive state funds. The state treasurer is not liable for the safekeeping of the funds so lawfully deposited. The banks ~~or~~, trust ~~com-~~pany companies, or credit unions so designated as depositories must:

(1) have been organized for at least one year; or

(2) have taken over or absorbed a bank ~~or~~, trust company, or credit union that has been organized for at least one year.

Sec. 2. Minnesota Statutes 1990, section 52.04, subdivision 1, is amended to read:

Subdivision 1. A credit union has the following powers:

New language is indicated by underline, deletions by ~~strikeout~~.