

Signed by the governor May 19, 1993, 3:42 p.m.

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**CHAPTER 297—H.F.No. 1182**

*An act relating to state lands; providing for the release of a state interest in certain property in the city of Minneapolis.*

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

**Section 1. MINNEAPOLIS UPPER HARBOR REVERTER.**

The commissioner of revenue on behalf of the state of Minnesota shall release certain land situated in the city of Minneapolis from a covenant requiring that the land be used exclusively for public harbor purposes.

As a condition of the release, the city must provide a new covenant that the land reverts to the state if it is not used for public purposes.

The covenant and reversionary interest are contained in a conveyance of forfeited lands dated July 21, 1944, and recorded August 14, 1944, in the office of the county recorder, Hennepin county, as document no. 2246035. The land to be released is described as blocks 1 and 6, and that part of 37th Avenue North vacated between blocks 1 and 6, and blocks 2 and 5 and that part of 37th Avenue North vacated between blocks 2 and 5, all in D.L. Peck's rearrangement of D.L. Peck's addition to Minneapolis, Hennepin county, Minnesota.

Presented to the governor May 17, 1993

Signed by the governor May 20, 1993, 3:22 p.m.

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**CHAPTER 298—H.F.No. 1149**

*An act relating to the agricultural finance authority; authorizing direct loans and participations; increasing the dollar limit; appropriating money; amending Minnesota Statutes 1992, sections 41B.02, by adding a subdivision; and 41B.043.*

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

Section 1. Minnesota Statutes 1992, section 41B.02, is amended by adding a subdivision to read:

Subd. 7a. DIRECT LOAN. "Direct loan" means a loan originated and serviced by the authority without involvement of an eligible lender.

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

Sec. 2. Minnesota Statutes 1992, section 41B.043, is amended to read:

**41B.043 AGRICULTURAL IMPROVEMENT LOAN PROGRAM.**

Subdivision 1. **ESTABLISHMENT.** The authority may establish, adopt rules for, and implement an agricultural improvement loan program to finance agricultural improvements. Loans may be made to borrowers who meet the requirements of section 41B.03, subdivision 1, clauses (1) and (2), and who are actively engaged in farming. In the first two years, all loans must be given to grade B dairy farmers for the purpose of enabling them to upgrade to grade A.

Subd. 1a. DIRECT LOANS. Direct loans may be made to borrowers who meet the requirements of section 41B.03, subdivision 1, clauses (1) and (2), and who are actively engaged in farming.

Subd. 1b. LOAN PARTICIPATION. The authority may participate in an agricultural improvement loan with an eligible lender to a farmer who meets the requirements of section 41B.03, subdivision 1, clauses (1) and (2), and who are actively engaged in farming. Participation is limited to 45 percent of the principal amount of the loan or \$50,000, whichever is less. The interest rates and repayment terms of the authority's participation interest may be different than the interest rates and repayment terms of the lender's retained portion of the loan.

Subd. 2. **SPECIFICATIONS.** No direct loan may exceed ~~\$20,000~~ \$35,000 or \$50,000 for a loan participation or be made to refinance an existing debt. Each direct loan and participation must be secured by a mortgage on real property comprising all or part of the farm on which the improvements are made, and such other security as the authority may require.

Subd. 3. **APPLICATION AND ORIGINATION FEE.** The authority may impose a reasonable nonrefundable application fee for each application for a direct loan or participation and an origination fee for each direct loan issued under the agricultural improvement loan program. The origination fee initially shall be set at 1.5 percent and the application fee at \$50. The authority may review the fees annually and make adjustments as necessary. The fees must be deposited in the state treasury and credited to ~~a special~~ an account in the special revenue fund. ~~Money in the account is appropriated to the commissioner for administrative expenses for the agricultural improvement loan program.~~

Subd. 4. **INTEREST RATE.** The interest rate per annum on the agricultural improvement direct loan or participation must be the rate of interest determined by the authority to be necessary to provide for the timely payment of principal and interest when due on bonds or other obligations of the authority issued under chapter 41B to provide financing for direct loans and participations made under the agricultural improvement loan program, and to provide for reasonable and necessary costs of issuing, carrying, administering, and securing the bonds or notes and to pay the costs incurred and to be incurred by the authority in the implementation of the agricultural improvement loan program.

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

Sec. 3. **APPROPRIATION.**

\$30,000 in fiscal year 1994 and \$30,000 in fiscal year 1995 is appropriated from the special revenue fund to the commissioner of agriculture for administrative expenses for the agricultural improvement loan program.

Sec. 4. **APPROPRIATION; DAIRY LEADERS ROUNDTABLE.**

Notwithstanding any rules adopted under Minnesota Statutes, section 32A.071, a total of not more than \$100,000 in fiscal year 1993 and a total of not more than \$100,000 in fiscal year 1994 are appropriated on June 30, 1993, and June 30, 1994, from the balance remaining in the Minnesota milk over-order premium account after all payments have been made at the discretion of the commissioner of agriculture to the Minnesota dairy leaders roundtable for programs and activities of the roundtable.

Presented to the governor May 17, 1993

Signed by the governor May 20, 1993, 2:17 p.m.

**CHAPTER 299—H.F.No. 1095**

*An act relating to insurance; regulating investments, assets and liabilities, and annual statements of companies; providing for continuance of coverage upon liquidation; modifying the definition of resident for purposes of the Minnesota insurance guaranty association; regulating dividends and other distributions of insurance holding company systems; regulating risk retention groups; enacting the NAIC model legislation; amending Minnesota Statutes 1992, sections 60A.11, subdivision 9; 60A.12, subdivision 3; 60A.13, subdivisions 1 and 6; 60A.23, subdivision 4; 60B.22, subdivision 1; 60C.03, subdivision 7; 60D.20, subdivisions 2 and 4; 60E.01; 60E.02, subdivisions 9 and 12; 60E.03; 60E.04, subdivisions 1, 2, 3, 4, 7, 8, 11, and by adding a subdivision; 60E.05; 60E.07; 60E.08; 60E.09; 60E.10; 60E.12; 60E.13; and 79.252, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 60A; and 60E; repealing Minnesota Statutes 1992, sections 60A.07, subdivision 5d; 60A.12, subdivision 10; 60A.13, subdivision 3a; 60B.24; 60E.11; Minnesota Rules, parts 2710.0100; 2710.0200; 2710.0300; 2710.1100; 2710.1200; 2710.1300; 2710.1400; 2710.1500; 2710.1600; 2710.1700; 2710.1800; 2710.1900; 2710.2000; 2710.2100; 2710.3100; 2710.3200; and 2710.3300.*

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

Section 1. Minnesota Statutes 1992, section 60A.11, subdivision 9, is amended to read:

Subd. 9. **GENERAL CONSIDERATIONS.** The following considerations apply in the interpretation of this section:

(a) This section applies to the investments of insurance companies other than life insurance companies;

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