

CHAPTER 86—S. F. No. 131

[Not Coded]

An act relating to county auditors; providing for a salary therefor in Kittson county.

Be it enacted by the Legislature of the State of Minnesota:

Section 1. **Kittson county; auditor's salary.** The county auditor of Kittson county shall receive a yearly salary of not to exceed \$6,600, and the county board shall determine the amount and time of payment of such salary.

Sec. 2. This act shall expire four years from its effective date.

Sec. 3. This act shall become effective only after its approval by a majority vote of the board of county commissioners of Kittson county.

Approved March 16, 1959.

CHAPTER 87—S. F. No. 209

An act relating to nonprofit corporations; amending Minnesota Statutes 1957, Sections 317.04, Subdivision 7; 317.08, Subdivision 2; 317.15, Subdivision 1; 317.16, Subdivision 2; 317.20, Subdivision 7; 317.20, by adding a new Subdivision thereto; and 317.22, Subdivision 7.

Be it enacted by the Legislature of the State of Minnesota:

Section 1. Minnesota Statutes 1957, Section 317.04, Subdivision 7, is amended to read:

Subd. 7. **Articles and bylaws in force.** All provisions of the articles of incorporation *and by laws* of the accepting corporation that may be included in articles of incorporation *or in by laws* under this chapter remain in effect. When a provision of the articles of incorporation *or of the by laws* of the accepting corporation may not be included in articles of incorporation *or in by laws*, as the case may be, under this chapter it becomes inoperative when the corporation comes under sections 317.01 to 317.25.

Sec. 2. Minnesota Statutes 1957, Section 317.08, Subdivision 2, is amended to read:

Subd. 2. **Required provisions.** The articles of a corporation organized under this chapter shall state:

- (1) the name of the corporation ;
- (2) the purpose of the corporation ;
- (3) that the corporation does not afford pecuniary gain, incidentally or otherwise, to its members ;
- (4) the period of duration of corporate existence, which may be perpetual ;
- (5) the location by city, town or other community, of its registered office in this state ;
- (6) the name and address of each incorporator ;
- (7) the number of directors constituting the first board of directors, the name and address of each such director, and the tenure in office of the first directors ;
- (8) the extent of personal liability, if any, of members for corporate obligations and the methods of enforcement and collection ;
- (9) whether the corporation has capital stock or not, and the aggregate number of shares, if any, which the corporation has authority to issue and the par value, if any, of such share; *and*
- (10) *such other provisions as may be explicitly required for particular purposes by other sections of this chapter.*

Sec. 3. Minnesota Statutes 1957, Section 317.15, subdivision 1, is amended to read :

Subdivision 1. **Contents.** (1) Duly adopted or amended by laws may contain any provision for the purpose of administering and regulating the affairs of the corporation not inconsistent with law or the articles of incorporation.

- (2) the articles or by laws shall state the
 - (a) qualifications of members, and limitations, if any, upon their number ;
 - (b) different classes of membership, if any ;
 - (c) conditions of membership when membership in a corporation is limited to persons who are members in good standing of another corporation, organization or association ;
 - (d) property, voting and other rights and privileges of members ;

(e) manner and time of calling regular meetings of members and elections and who shall call them; and

(f) manner and conditions of termination of membership.

(3) *The by laws shall state such other provisions as may be explicitly required for particular purposes by other sections of this chapter.*

Sec. 4. Minnesota Statutes 1957, Section 317.16, subd. 2, is amended to read:

Subd. 2. **Authority.** Without limiting or enlarging the provisions of subdivision 1, and unless the articles prescribe otherwise, a corporation has authority to:

(1) continue as a corporation for the time limited in its articles of incorporation, or, if the time is not limited, perpetually;

(2) sue and be sued;

(3) have, and alter at pleasure; a corporate seal, affixing of which shall not affect the validity or enforceability of any instrument;

(4) take and hold an interest in real or personal property;

(5) lease, encumber, convey or dispose of real and personal property subject to the provisions of section 317.26, subdivision 3;

(6) enter into obligations or contracts and do any act incidental to the transaction of its business or expedient to the purposes stated in its articles of incorporation;

(7) acquire, hold, mortgage, pledge, or dispose of shares, bonds, securities, and other evidences of indebtedness of any domestic or foreign corporation, *either profit or nonprofit and either public or private*, and, if it is owner thereof, to exercise all the rights, powers, and privileges of ownership, including the right to vote;

(8) conduct its affairs within and without this state;

(9) make, amend, and repeal by-laws, not inconsistent with its articles or with law, for the administration and regulation of its affairs;

(10) merge and consolidate with other nonprofit corporations, domestic or foreign, organized for related purposes;

(11) make donations to other nonprofit corporations, domestic or foreign, organized for related purposes, and to needy persons;

(12) be a member of another nonprofit corporation, whether foreign or domestic; and

(13) dissolve and wind up.

Sec. 5. Minnesota Statutes 1957, Section 317.20, subd. 7, is amended to read:

Subd. 7. Provisions in articles or bylaws. *The articles or by-laws may prescribe the number, term of office, powers, authority, and duties of directors, the time and place of their meetings, and other regulations concerning directors.*

(2) If the articles so provide, the members may be and constitute the directors of the corporation.

(3) Except where the articles or by-laws prescribe otherwise, the term of office of a director is one year.

(4) Except where the articles or by-laws prescribe otherwise, and subject to subdivision 9 and to section 8, subdivision 2, clause (7), the members shall elect the directors.

Sec. 6. Minnesota Statutes 1957, Section 317.20 is amended by adding a subdivision 13 thereto to read:

Subd. 13. Voting by proxy. A director shall not appoint a proxy for himself or vote by proxy.

Sec. 7. Minnesota Statutes 1957, Section 317.22, subd. 7, is hereby amended to read:

Subd. 7. Voting. (1) Unless the articles or by-laws preclude cumulative voting, or provide for cumulative voting under different notice or procedure, when a member gives written notice to the president or secretary, at least 24 hours before the time when the meeting is actually held, for the election of directors by the members, of his intention to vote cumulatively in that election, each member or shareholder may multiply the number of votes to which he is entitled by the number of directors to be elected, and may cast all such cumulated votes for one candidate or distribute them among any two or more candidates. Upon the convening of the meeting, the presiding officer shall announce that such notice has been given.

(2) Except where otherwise prescribed in the articles or by laws, and also in the membership certificate, if any, or

share certificate, a member of a nonstock corporation has one vote, and a shareholder of a capital stock corporation has one vote for each share of stock standing in his name on the books of the corporation.

(3) Members may vote (a) by voice or ballot, or (b) when authorized by the articles or by laws, by mail or other reasonable means.

(4) Where the articles or by laws authorize members to vote by mail, the notice shall be given as provided in this chapter. The entire vote on any single issue may be by mailed ballots if so stated in the notice. Such a vote shall have all the effects of a vote taken at a regular or special meeting, provided that at least 20 percent of the membership so votes, unless otherwise provided in the articles or by laws.

(5) When a corporation is a member or owns shares in another domestic or foreign corporation, it may vote through

(a) its president; or,

(b) a proxy appointed by the president; or

(c) when its board of directors has authorized a person to vote, through such person if he produces a certified copy of the resolution.

Sec. 8. The provisions of this act shall not affect the rights of parties in any action pending in any court at the time of the passage of this act.

Approved March 16, 1959.

CHAPTER 88—S. F. No. 309

An act relating to banks and banking; amending Minnesota Statutes 1957, Sections 45.04, Subdivision 1; 46.08, Subdivision 1; 46.11; 46.17; 48.10; 48.151; 48.22, Subdivision 1; 48.24, Subdivision 6, and by adding a new subdivision thereto; and renumbering Subdivision 7; 48.25; 48.27; 48.38; 48.518, Subdivision 3; 48.74; 50.14, Subdivision 5; and 50.145.

Be it enacted by the Legislature of the State of Minnesota:

Section 1. Minnesota Statutes 1957, Section 45.04, Subdivision 1, is amended to read:

45.04 Subdivision 1. **Filing; fee; hearing.** The in-