

Sec. 4. **EFFECTIVE DATE.**

Sections 1 to 3 are effective the day following final enactment.

Presented to the governor May 12, 1989

Signed by the governor May 16, 1989, 4:28 p.m.

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**CHAPTER 126—H.F.No. 593**

*An act relating to occupations and professions; allowing the board of electricity to issue citations for electrical violations; proposing coding for new law in Minnesota Statutes, chapter 326.*

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

Section 1. **[326.2461] UNIFORM ELECTRICAL VIOLATION CITATION.**

Subdivision 1. CITATION AUTHORIZED. The board of electricity may issue a citation for violations of sections 326.241 to 326.248, rules adopted under those sections, and ordinances of political subdivisions. The citation must be in a form as provided by subdivision 2.

Subd. 2. FORM OF CITATION. The board of electricity shall pursuant to chapter 14 prescribe the detailed form of an electrical violation citation and shall revise the citation as the board considers necessary and proper to keep the citation in conformity with the board's rules.

Subd. 3. POLITICAL SUBDIVISION MAY ALTER TICKET. A political subdivision that has made provision for inspection of electrical installations within its jurisdiction under section 326.244, subdivision 4, may use or alter by deletion or addition the electrical violation citation adopted by the board of electricity under subdivision 2.

Presented to the governor May 12, 1989

Signed by the governor May 15, 1989, 5:40 p.m.

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**CHAPTER 127—H.F.No. 635**

*An act relating to credit unions; providing members with written notice regarding proposed bylaw amendments; clarifying requirements for credit unions to maintain reserve funds; allowing private insurance of member share and deposit accounts; amending Minneso-*

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ta Statutes 1988, sections 52.02, subdivision 1; 52.17, subdivision 1; and 52.24, subdivisions 1 and 2.

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

Section 1. Minnesota Statutes 1988, section 52.02, subdivision 1, is amended to read:

Subdivision 1. **AMENDMENTS BY MEMBERS.** (a) To amend the certificate of organization or bylaws, proposed amendments shall be set forth as follows:

(1) if balloting by mail has not been authorized by the board of directors, then a statement of intent to amend which identifies the proposed amendments shall be set forth in the notice of the meeting; or

(2) if balloting by mail has been authorized by the board of directors as either the exclusive means of voting or in conjunction with voting in person, a statement of intent to amend which identifies the proposed amendments shall be set forth in a notice mailed to all members eligible to vote at least ~~ten~~ 30 days prior to the close of balloting by mail. Any amendments to the certificate of organization or bylaws shall be approved by two-thirds vote of the members actually voting, if the members actually voting constitute a quorum.

(b) A member receiving notice of a proposed bylaw amendment pursuant to this subdivision may request a written copy of the proposed bylaw amendment. This request must be made no later than ten days prior to the close of balloting by mail or the date set for the meeting. The credit union shall provide the member with a written copy of the proposed bylaw amendment upon receipt of a timely request and the original notice must inform the member of the right to make a request. A copy of the proposed amendments shall be posted in the credit union's office for member review 30 days prior to the close of balloting by mail or the date of the meeting.

Sec. 2. Minnesota Statutes 1988, section 52.17, subdivision 1, is amended to read:

Subdivision 1. **PROVISION FOR LOSSES.** Every credit union shall maintain a reserve fund, which shall be used as a reserve against losses on loans, losses on investments, and other losses, and shall not be used to pay expenses of the credit union or otherwise distributed, except in case of liquidation. At the end of each monthly accounting period the gross income shall be determined. From this amount, there shall be set aside, as a statutory reserve against losses on loans, losses on investments, and against other losses as may be specified in rules prescribed by the commissioner of commerce, sums in accordance with the following schedule:

(a) A credit union in operation for more than four years and having assets of \$500,000 or more shall set aside (1) ten percent of gross income until the statutory reserve shall equal four percent of the total of outstanding loans and

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risk assets, then (2) five percent of gross income until the statutory reserve shall equal six percent of the total of outstanding loans and risk assets;

(b) A credit union in operation less than four years or having assets of less than \$500,000 shall set aside (1) ten percent of gross income until the statutory reserve shall equal seven percent of the total of outstanding loans and risk assets, then (2) five percent of gross income until the statutory reserve shall equal ten percent of the total outstanding loans and risk assets.

Whenever the statutory reserve falls below the percent of the total of outstanding loans and risk assets required by clause (a) or (b), it shall be replenished in the manner provided by clause (a) or (b) by regular contributions to maintain the stated reserve goals. The commissioner may waive the requirements in paragraphs (a), clause (2), and (b), clause (2), based on applications by credit unions demonstrating need and considering levels of total reserves and other factors bearing on the credit union's safety and soundness. The commissioner may also require special reserves to protect the interests of members either by rule or by an individual credit union in any special case.

The following shall not be included in computing outstanding loans and risk assets pursuant to clauses (a) and (b): loans to other credit unions; loans ~~fully to the extent~~ secured by a pledge of savings in the lending credit union ~~equal to and maintained to at least the amount of the loan outstanding~~; loans which are purchased or acquired from liquidating or merging credit unions and guaranteed by an insurance corporation pursuant to section 52.24; loans insured or guaranteed by the United States or the state of Minnesota, any agency or instrumentality of the United States or the state of Minnesota, to the amount of the insurance or guarantee.

Sec. 3. Minnesota Statutes 1988, section 52.24, subdivision 1, is amended to read:

Subdivision 1. **INSURANCE ACCOUNTS.** Every credit union under the supervision of the commissioner of commerce shall at all times maintain in effect insurance of member share and deposit accounts under the provisions of title II of the National Credit Union Act, or insurance from a legally constituted credit union share insurance corporation. A credit union which fails to meet this requirement for insurance of its share and deposit accounts shall either dissolve or merge with another credit union which is insured under title II of the National Credit Union Act, or by a legally constituted credit union share insurance corporation.

Sec. 4. Minnesota Statutes 1988, section 52.24, subdivision 2, is amended to read:

Subd. 2. **CERTIFICATE OF APPROVAL.** No credit union shall be granted a certificate of approval by the commissioner of commerce unless the credit union has obtained a commitment for insurance of its member share and deposit accounts under the provisions of title II of the National Credit Union Act, or from a legally constituted credit union share insurance corporation.

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Presented to the governor May 12, 1989

Signed by the governor May 15, 1989, 5:57 p.m.

CHAPTER 128—H.F.No. 1626

*An act relating to state lands; conveying easement for sanitary sewer to city of Cambridge.*

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

Section 1. EASEMENT CONVEYED TO CAMBRIDGE.

(a) Notwithstanding contrary provisions of Minnesota Statutes, section 16B.26, the commissioner of administration, on behalf of the state, shall grant and convey a permanent easement to the city of Cambridge for the construction, maintenance, operation, and repair of city sanitary sewers, pipes, mains, and their appurtenances, and a perpetual easement for ingress and egress to them, over, under, and across the real property described in paragraph (c).

(b) The conveyance must be in a form approved by the attorney general.

(c) The commissioner shall grant and convey:

(1) a 40-foot permanent easement for the purposes stated in paragraph (a) over, under, and across part of the Northeast Quarter of the Northwest Quarter and over, across, and under part of the Southeast Quarter of the Northwest Quarter, both in Section 5, Township 35, Range 23, Isanti County, Minnesota. Said easement is 30 feet left (easterly) and 10 feet right (westerly) of the following described line: Commencing at the northeast corner of the Northwest Quarter of Section 5; thence South 89 degrees 32 minutes 15 seconds West, assumed bearing, along the north line of said Northwest Quarter, a distance of 868.75 feet to the point of beginning of the line to be herein described; thence South 10 degrees 08 minutes 55 seconds East, a distance of 1032.65 feet and there terminating. Together with a 20-foot temporary construction easement lying easterly of and adjacent to the above described permanent easement and also including a 20-foot temporary construction easement lying westerly of and adjacent to said above described permanent easement. The easterly and westerly lines of said easements are to be prolonged or shortened to terminate on the north line of said Northeast Quarter of the Northwest Quarter; and

(2) a 40-foot permanent easement for the purposes stated in paragraph (a) over, under, and across part of Government Lots 3 and 4, and over and across part of the Northwest Quarter of the Southeast Quarter, all in Section 32, Township 36, Range 23, Isanti County, Minnesota. Said easement is 30 feet right (easterly) and 10 feet left (westerly) of the following described line: Com-

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