

Section 1. [245A.17] REFORM OF RULES AND REGULATIONS AFFECTING SERVICES TO PERSONS WITH MENTAL RETARDATION AND RELATED CONDITIONS.

Subdivision 1. DEFINITIONS. For the purposes of this section, the following terms have the meanings given.

(a) "Commissioners" means the commissioners of human services and health.

(b) "Services" means all services provided to persons with mental retardation or related conditions that are licensed, certified, or regulated by the department of human services or health.

(c) "Rules and regulations" means all laws, interpretative bulletins, or program standards established or administered by the department of human services or health affecting services to persons with mental retardation and related conditions.

(d) "Affected parties" means all consumers of services, providers of services, advocacy groups, and licensing staff.

Subd. 2. POLICY. The Minnesota legislature intends to ensure that rules and regulations (1) assure quality of care and services, (2) conform with federal and state codes, (3) are cost effective, and (4) are concise, clear, and noncontradictory.

Subd. 3. OBJECTIVES. The commissioners shall submit by February 1, 1991, a plan for simplification of rules and regulations governing services to persons with developmental disabilities and related conditions. This plan shall be developed in consultation with affected parties.

Presented to the governor April 24, 1990

Signed by the governor April 26, 1990, 10:30 p.m.

CHAPTER 488—S.F.No. 2483

An act relating to corporations; clarifying and modifying provisions relating to the organization and operation of nonprofit corporations; amending Minnesota Statutes 1989 Supplement, sections 317A.011, subdivision 15; 317A.021, subdivisions 1, 2, 4, and 7; 317A.111, subdivisions 3 and 4; 317A.115, subdivision 2; 317A.133, subdivisions 1, 2, 3, and 4; 317A.181, subdivision 2; 317A.201; 317A.205; 317A.207, subdivision 1; 317A.213; 317A.225; 317A.237; 317A.251, subdivision 3; 317A.301; 317A.311; 317A.321; 317A.341, subdivision 2; 317A.401, subdivision 4; 317A.403; 317A.431; 317A.435, subdivision 2; 317A.443, subdivision 1; 317A.453, subdivision 3; 317A.455, subdivision 3; 317A.615, subdivision 1; 317A.711, subdivision 2; 317A.735, subdivisions 1 and 2; 317A.811, subdivisions 1, 4, and 6; 317A.821, subdivisions 1 and 2; 317A.823, subdivisions 2 and 3; and 354A.021, subdivision 2.

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

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

Section 1. Minnesota Statutes 1989 Supplement, section 317A.011, subdivision 15, is amended to read:

Subd. 15. **OFFICER.** "Officer" means a person elected, appointed, or otherwise designated as an officer by the board or the members, and a person considered elected an officer under section 317A.321.

Sec. 2. Minnesota Statutes 1989 Supplement, section 317A.021, subdivision 1, is amended to read:

Subdivision 1. **ELECTION BY CHAPTER 300, 309, OR 315 CORPORATIONS.** A corporation incorporated under or governed by chapter 300, 309, or 315 that has not later become governed by chapter 317 may elect to be governed by this chapter.

Sec. 3. Minnesota Statutes 1989 Supplement, section 317A.021, subdivision 2, is amended to read:

Subd. 2. **ELECTION BY CHAPTER 317 CORPORATIONS.** On or after August 1, 1989, and before January 1, 1991, a corporation incorporated under or governed by chapter 317 may elect to become governed by this chapter.

Sec. 4. Minnesota Statutes 1989 Supplement, section 317A.021, subdivision 4, is amended to read:

Subd. 4. **METHOD OF ELECTION.** An election by a corporation to become governed by this chapter must be made by resolution approved by the affirmative vote of the members with voting rights of the same proportion that is required for amendment of the articles of the corporation before the election. If there are no members with voting rights, the corporation must elect to be governed by this chapter by a resolution adopted by a majority vote of the directors entitled to vote at a ~~special~~ meeting of the board, with proper notice given. The notice must include a statement that a purpose of the meeting is to consider an election to become governed by this chapter. The resolution, articles of amendment, if required, and a certified copy of corporate documents previously filed with the county recorder that would be filed with the secretary of state under this chapter, must be filed with the secretary of state and are effective upon filing. If an amendment of the articles is not required, the resolution must state that the articles of the corporation conform to the requirements of this chapter.

Sec. 5. Minnesota Statutes 1989 Supplement, section 317A.021, subdivision 7, is amended to read:

Subd. 7. **NONELECTING NONPROFIT CORPORATIONS SUBJECT TO THIS CHAPTER AS OF JANUARY 1, 1991.** (a) A corporation in existence on January 1, 1991, that is within the scope of this chapter and incorporated

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

under another statute of this state, other than a corporation incorporated under chapter 300, 309, or 315 that has not later become governed by chapter 317, is governed by this chapter as of January 1, 1991, as though the corporation had been incorporated under this chapter. The provisions of the articles and bylaws of the corporation that may be included in the articles or bylaws under this chapter remain in effect. The provisions of the articles and bylaws of the corporation that are inconsistent with this chapter are not effective as of January 1, 1991. Provisions required by this chapter to be contained in the articles that do not appear in the articles are read into them as a matter of law.

(b) On and after January 1, 1991, a corporation that elected to reject Laws 1951, chapter 500, sections 1 to 25, that does not elect to be governed by this entire chapter is governed by sections 317A.131 to 317A.151; 317A.461; and 317A.601 to 317A.791.

Sec. 6. Minnesota Statutes 1989 Supplement, section 317A.111, subdivision 3, is amended to read:

Subd. 3. **STATUTORY PROVISIONS THAT MAY BE MODIFIED IN ARTICLES OR BYLAWS.** The following provisions govern a corporation unless modified in the articles or bylaws:

- (1) a certain method must be used for amending the articles (section 317A.133);
- (2) a corporation has perpetual duration and certain powers (section 317A.161);
- (3) a certain method must be used for the members to adopt, amend, procedures apply to the adoption, amendment, or repeal existing of bylaws by the members (section 317A.181);
- (4) a director holds office until expiration of the director's term and election of a successor (section 317A.207);
- (5) the term of a director filling a vacancy expires at the end of the term the director is filling (section 317A.207);
- (6) the compensation of directors is fixed by the board (section 317A.211);
- (7) a certain method must be used for removal of directors (section 317A.223);
- (8) a certain method must be used for filling board vacancies (section 317A.227);
- (9) board meetings must be held at least once per year and if the board fails to select a place for a board meeting, it must be held at the registered office (section 317A.231);
- (10) a director may call a board meeting, and the notice of the meeting need not state the purpose of the meeting (section 317A.231);
- (11) a majority of the board is a quorum (section 317A.235);

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

(12) the affirmative vote of the majority of directors present is required for board action (section 317A.237);

(13) a committee consists of one or more persons, who need not be directors, appointed by the board (section 317A.241);

(14) the president and treasurer have certain duties, until the board determines otherwise (section 317A.305);

(15) officers may delegate some or all of their duties and powers, if not prohibited by the board from doing so (section 317A.351);

(16) a corporation does not have members (section 317A.401);

(17) the board may determine the consideration required to admit members (section 317A.401);

(18) all members are entitled to vote and have equal rights and preferences in matters not otherwise provided for by the board or members (section 317A.401);

(19) memberships may not be transferred (section 317A.405);

(20) a corporation with voting members must hold a regular meeting of voting members annually (section 317A.431);

(21) if a specific minimum notice period has not been fixed by law, at least five days' notice is required for a meeting of members (section 317A.435);

(22) the board may fix a date up to 60 days before the date of a members meeting as the date for determination of the members entitled to notice of and entitled to vote at the meeting (section 317A.437);

(23) each member has one vote (section 317A.441);

(24) the affirmative vote of the majority of members with voting rights present and entitled to vote is required for action of the members, unless this chapter or the articles or bylaws require a greater vote or voting by class (section 317A.443);

(25) members may take action at a meeting by voice or ballot, by unanimous action without a meeting, by mailed ballot, or by electronic communication (section 317A.443);

(26) the number of members required for a quorum is ten percent of the members entitled to vote (section 317A.451);

(27) certain procedures govern acceptance of member acts (section 317A.455); and

(28) indemnification of certain persons is required (section 317A.521).

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

Sec. 7. Minnesota Statutes 1989 Supplement, section 317A.111, subdivision 4, is amended to read:

Subd. 4. **OPTIONAL PROVISIONS; SPECIFIC SUBJECTS.** The following provisions relating to the management or regulation of the affairs of a corporation may be included in the articles or, except for naming members of the first board ~~or fixing a greater than majority director or member vote~~, in the bylaws:

- (1) the first board of directors may be named in the articles (section 317A.171);
- (2) additional qualifications for directors may be imposed (section 317A.205);
- (3) terms of directors may be staggered (section 317A.207);
- (4) the day or date, time, and place of board meetings may be fixed (section 317A.231);
- (5) in addition to the president, authority to sign and deliver certain documents may be delegated to an officer or agent of the corporation (section 317A.305);
- (6) additional officers may be designated (section 317A.311);
- (7) additional powers, rights, duties, and responsibilities may be given to officers (section 317A.311);
- (8) a method for filling vacant offices may be specified (section 317A.341);
- (9) membership criteria and procedures for admission may be established (section 317A.401);
- (10) membership terms may be fixed (section 317A.401);
- (11) a corporation may levy dues, assessments, or fees on members (section 317A.407);
- (12) a corporation may buy memberships (section 317A.413);
- (13) a corporation may have delegates with some or all the authority of members (section 317A.415);
- (14) the day or date, time, and place of regular member meetings or the place of special meetings may be fixed (section 317A.431);
- (15) certain persons may be authorized to call special meetings of members (section 317A.433);
- (16) notices of special member meetings may be required to contain certain information (section 317A.433);
- (17) a larger than majority vote may be required for member action (section 317A.443);

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

(18) members may vote by proxy (section 317A.453); and

(19) members may enter into voting agreements (section 317A.457).

Sec. 8. Minnesota Statutes 1989 Supplement, section 317A.115, subdivision 2, is amended to read:

Subd. 2. **USE OF DECEPTIVELY SIMILAR NAME MUST BE DISTINGUISHABLE.** (a) A corporate name must be distinguishable upon the records in the office of the secretary of state from the name of a domestic corporation or limited partnership, a foreign corporation or limited partnership authorized or registered to do business in this state, whether profit or nonprofit, or a name the right to which is, at the time of incorporation, reserved, registered, or provided for in section 317A.117, 302A.117, 322A.03, or sections 333.001 to 333.54, unless one of the following is filed with the articles:

(1) the written consent of the organization having the name that is not distinguishable;

(2) a certified copy of a final decree of a court in this state establishing the prior right of the applicant to use its corporate name in this state; or

(3) an affidavit of nonuse of the kind required by section 302A.115, subdivision 1, paragraph (d), clause (3).

(b) The secretary of state shall determine whether a name is distinguishable from another name for purposes of this section and section 317A.117.

(c) This subdivision does not affect the right of a corporation existing on January 1, 1991, or a foreign corporation authorized to do business in this state on that date, to use its corporate name.

Sec. 9. Minnesota Statutes 1989 Supplement, section 317A.133, subdivision 1, is amended to read:

Subdivision 1. **APPROVAL BY INCORPORATORS OR BOARD.** A majority of incorporators may amend the articles by written action if no directors are named in the original articles, if no directors have been elected, and if there are no members with voting rights. A majority of directors may amend the articles if there are no members with voting rights, if members with voting rights have authorized the board to amend the articles under subdivision 3, or if the amendment merely restates the existing articles, as amended. Notice of the meeting and of the proposed amendment must be given to the board. An amendment restating the existing articles may, but need not, be submitted to and approved by the members as provided in subdivision 2.

Sec. 10. Minnesota Statutes 1989 Supplement, section 317A.133, subdivision 2, is amended to read:

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

Subd. 2. **APPROVAL BY BOARD AND MEMBERS WITH VOTING RIGHTS.** Amendments to the articles must be approved by a majority of the directors and a ~~majority of~~ by the members with voting rights. If an amendment is initiated by the directors, proper notice of the proposed amendment must precede a member meeting at which the amendment will be considered and must include the substance of the proposed amendment. If an amendment is proposed and approved by the members, the members may demand a special board meeting within 60 days for consideration of the proposed amendment if a regular board meeting would not occur within 60 days.

Sec. 11. Minnesota Statutes 1989 Supplement, section 317A.133, subdivision 3, is amended to read:

Subd. 3. **APPROVAL BY BOARD WHERE MEMBERS HAVE VOTING RIGHTS.** (a) ~~A majority of~~ The members with voting rights may authorize the board of directors, subject to paragraph (c), to exercise from time to time the power of amendment of the articles without member approval.

(b) When the members have authorized the board of directors to amend the articles, the board of directors, by a majority vote, unless the articles, bylaws, or the members' resolution authorizing the board action require a greater vote, may amend the articles at a meeting of the board. Notice of the meeting and of the proposed amendment must be given to the board.

(c) ~~A majority of~~ The members with voting rights voting at a meeting duly called for the purpose, may prospectively revoke the authority of the board to exercise the power of the members to amend the articles.

Sec. 12. Minnesota Statutes 1989 Supplement, section 317A.133, subdivision 4, is amended to read:

Subd. 4. **RESTRICTION OF APPROVAL METHODS.** Articles or bylaws may require greater than majority approval by ~~either~~ the board or approval by greater than a majority of a quorum of the voting members for an action under this section and may limit or prohibit the use of mail ballots by voting members.

Sec. 13. Minnesota Statutes 1989 Supplement, section 317A.181, subdivision 2, is amended to read:

Subd. 2. **ADOPTION; AMENDMENTS.** (a) Initial bylaws may be adopted under section 317A.171 by the incorporators or by the first board. Unless reserved by the articles to the members, the power to adopt, amend, or repeal the bylaws is vested in the board. The power of the board is subject to the power of the members with voting rights under paragraph (b) to adopt, amend, or repeal bylaws adopted, amended, or repealed by the board. After the adoption of the initial bylaws and if there are members with voting rights, the board may not adopt, amend, or repeal a bylaw fixing a quorum for meetings of members, prescribing procedures for removing directors or filling vacancies in the board,

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

or fixing the number of directors or their classifications, qualifications, or terms of office, but may adopt or amend a bylaw to increase the number of directors. A bylaw amendment to increase or decrease the vote required for a member action must be approved by the members.

(b) If Unless the articles or bylaws provide otherwise, at least 50 members with voting rights or ten percent of the members with voting rights, whichever is less, may propose a resolution for action by the members to adopt, amend, or repeal bylaws adopted, amended, or repealed by the board ~~and~~. The resolution ~~sets forth~~ must contain the provisions proposed for adoption, amendment, or repeal. The limitations and procedures for submitting, considering, and adopting the resolution are the same as provided in section 317A.133, for amendment of the articles, except that board approval is not required. The articles or bylaws may impose different or additional requirements for the members to adopt, amend, or repeal the bylaws.

Sec. 14. Minnesota Statutes 1989 Supplement, section 317A.201, is amended to read:

317A.201 BOARD.

The business and affairs of a corporation must be managed by or under the direction of a board of directors. All directors are entitled to vote and have equal rights and preferences except as otherwise provided in the articles or bylaws. The members of the first board may be named in the articles, designated or appointed pursuant to the articles, or elected by the incorporators under section 317A.171.

Sec. 15. Minnesota Statutes 1989 Supplement, section 317A.205, is amended to read:

317A.205 QUALIFICATIONS; ELECTION.

The qualifications and method of election, ~~designation,~~ or appointment of directors may be imposed by or in the manner provided in the articles or bylaws, provided that directors must be natural persons and a majority of the directors must be adults. The articles or bylaws may provide for ex officio directors who are directors because they hold another office or position.

Sec. 16. Minnesota Statutes 1989 Supplement, section 317A.207, subdivision 1, is amended to read:

Subdivision 1. **LENGTH.** (a) Directors are elected, ~~designated,~~ or appointed and hold office for fixed terms provided for in the articles or bylaws. A term of a director, other than an ex officio director, may not exceed ten years. If the articles or bylaws do not provide for a fixed term, the term is one year. An ex officio director serves as long as the director holds the office or position designated in the articles or bylaws.

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

(b) Unless the articles or bylaws provide otherwise, a director holds office until expiration of the term for which the director was elected or appointed and until a successor is elected and qualified, or until the earlier death, resignation, removal, or disqualification of the director.

(c) A decrease in the number of directors or term of office does not shorten an incumbent director's term.

(d) Except as provided in the articles or bylaws, the term of a director filling a vacancy expires at the end of the unexpired term that the director is filling.

Sec. 17. Minnesota Statutes 1989 Supplement, section 317A.213, is amended to read:

317A.213 CLASSIFICATION OF DIRECTORS.

(a) Except as provided in paragraph (b), directors may be divided into classes.

(b) Directors of a corporation described in section 317A.811, subdivision 1, may not vote by class except ~~to the extent that~~ when the articles or bylaws provide that ~~a only one~~ class of directors may ~~not vote or that not all classes of directors may vote~~ on a particular matter.

Sec. 18. Minnesota Statutes 1989 Supplement, section 317A.225, is amended to read:

317A.225 REMOVAL OF ~~DESIGNATED OR~~ APPOINTED DIRECTORS.

Except as otherwise provided in the articles or bylaws, ~~a designated or an~~ appointed director may be removed without cause by the person ~~designating or~~ appointing the director. The person removing the director shall do so by giving written notice of the removal to the director and either the presiding officer of the board or the corporation's president or secretary. A removal is effective when the notice is effective unless the notice states a future effective date.

Sec. 19. Minnesota Statutes 1989 Supplement, section 317A.237, is amended to read:

317A.237 ACT OF THE BOARD.

The board shall take action by the affirmative vote of a majority of directors with voting rights present and entitled to vote at a duly held meeting, unless this chapter or the articles or bylaws require the affirmative vote of a larger proportion or number.

Sec. 20. Minnesota Statutes 1989 Supplement, section 317A.251, subdivision 3, is amended to read:

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

Subd. 3. **PRESUMPTION OF ASSENT; DISSENT.** A director who is present at a meeting of the board when an action is approved by the board is presumed to have assented to the action approved, unless the director:

(1) objects at the beginning of the meeting to the transaction of business because the meeting is not lawfully called or convened and does not participate in the meeting, in which case the director is not considered to be present at the meeting for purposes of this chapter;

(2) votes against the action at the meeting; or

(3) is prohibited by the articles or bylaws or by section 317A.255 from voting on the action.

Sec. 21. Minnesota Statutes 1989 Supplement, section 317A.301, is amended to read:

317A.301 OFFICERS REQUIRED.

A corporation must have one or more natural persons exercising the functions of the offices of president and treasurer, however designated. The board shall elect or appoint officers, except to the extent that the articles or bylaws provide that the members may elect or appoint officers.

Sec. 22. Minnesota Statutes 1989 Supplement, section 317A.311, is amended to read:

317A.311 OTHER OFFICERS.

Except to the extent that the articles or bylaws provide that the members may exercise the powers under this section, the board may elect or appoint, in a manner set forth in the articles or bylaws or in a resolution adopted by the board, other officers or agents the board considers necessary for the operation and management of the corporation, each of whom has the powers, rights, duties, responsibilities, and terms in office provided for in the articles or bylaws or determined by the board.

Sec. 23. Minnesota Statutes 1989 Supplement, section 317A.321, is amended to read:

317A.321 OFFICERS CONSIDERED ELECTED.

In the absence of an election or appointment of officers by the board or the members, the person exercising the principal functions of the president or the treasurer is considered to have been elected to the office.

Sec. 24. Minnesota Statutes 1989 Supplement, section 317A.341, subdivision 2, is amended to read:

Subd. 2. **REMOVAL.** An officer may be removed, with or without cause, by a resolution adopted by the board or by the members, whichever elected or

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

appointed the officer. The removal is without prejudice to contractual rights of the officer.

Sec. 25. Minnesota Statutes 1989 Supplement, section 317A.401, subdivision 4, is amended to read:

Subd. 4. **RIGHTS.** Members are of one class unless the articles establish, or authorize the ~~board or members~~ bylaws to establish, more than one class. Members are entitled to vote and have equal rights and preferences ~~in matters not otherwise provided for by the board or members, unless and~~ except to the extent that the articles or bylaws have fixed or limited the rights and preferences of members or different classes of members or provide for nonvoting members. The articles or bylaws may fix the term of membership.

Sec. 26. Minnesota Statutes 1989 Supplement, section 317A.403, is amended to read:

317A.403 MEMBERSHIP CERTIFICATES.

A corporation may issue certificates showing membership in the corporation. In lieu of a membership certificate, a corporation may issue preferred or common stock ~~to a subdivision, unit, or agency of the United States or a state or local government that is a member of the corporation.~~ The Stock may be issued upon the terms and conditions that the board considers appropriate, ~~except that it may be transferable only to another government subdivision, unit, or agency.~~

Sec. 27. Minnesota Statutes 1989 Supplement, section 317A.431, is amended to read:

317A.431 REGULAR ANNUAL MEETINGS OF VOTING MEMBERS.

Subdivision 1. **FREQUENCY.** Unless the articles or bylaws provide otherwise, a corporation with voting members shall hold ~~a regular~~ at least an annual meeting of voting members annually.

Subd. 2. **DEMAND BY MEMBERS.** If ~~a regular~~ an annual meeting of voting members has not been held during the preceding 15 months, at least 50 members with voting rights or ten percent of the members with voting rights, whichever is less, may demand ~~a regular~~ an annual meeting of members by written notice of demand given to the president or the treasurer of the corporation. Within 30 days after receipt of the demand, the board shall cause a ~~regular~~ meeting of members to be called and held at the expense of the corporation on notice no later than 90 days after receipt of the demand ~~at the expense of the corporation.~~ If the board fails to cause a ~~regular~~ meeting to be called and held as required by this subdivision, the members making the demand may call the ~~regular~~ meeting at the expense of the corporation by giving notice as required by section 317A.435 ~~at the expense of the corporation.~~

Subd. 3. **TIME; PLACE.** ~~A regular~~ An annual meeting of members must

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

be held at the time and place stated in or fixed in accordance with the articles or bylaws. If a place is not stated or if a demand for a meeting is made under subdivision 2, the meeting must be held in the county where the corporation's registered office is located.

Subd. 4. **ELECTIONS; BUSINESS.** At a ~~regular~~ an annual meeting of members:

(1) there must be an election of successors for directors elected by members ~~who serve for an indefinite term or~~ and whose terms have expired or ~~will expire before the next regular meeting of the members~~ whose terms expire at an annual meeting;

(2) ~~the president and treasurer shall~~ there must be a report on the activities and financial condition of the corporation; and

(3) the members shall consider and act upon other matters as may be raised consistent with the notice of meeting requirements.

Subd. 5. **EFFECT OF FAILURE TO HOLD MEETING.** The failure to hold a meeting in accordance with a corporation's articles or bylaws does not affect the validity of a corporate action.

Sec. 28. Minnesota Statutes 1989 Supplement, section 317A.435, subdivision 2, is amended to read:

Subd. 2. **WHEN GIVEN; CONTENTS.** In all cases where a specific minimum notice period has not been fixed by law, the notice must be given at least five days before the date of the meeting, or a shorter time provided in the articles or bylaws, and not more than ~~30~~ 60 days before the date of the meeting. The notice must contain the date, time, and place of the meeting, and other information required by this chapter. If proxies are permitted at the meeting, the notice must so inform members and state the procedure for appointing proxies.

Sec. 29. Minnesota Statutes 1989 Supplement, section 317A.443, subdivision 1, is amended to read:

Subdivision 1. **GENERAL.** Unless this chapter or the articles or bylaws require a greater vote or voting by class, if a quorum is present, or if a quorum has been present at a meeting, the affirmative vote of the majority of the members with voting rights present and entitled to vote, which must also be a majority of the required quorum, is the act of the members. ~~A bylaw amendment to increase or decrease the vote required for a member action must be approved by the members.~~

Sec. 30. Minnesota Statutes 1989 Supplement, section 317A.453, subdivision 3, is amended to read:

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

Subd. 3. **REVOCAATION.** An appointment of a proxy is revocable by the member. Appointment of a proxy is revoked by the person appointing the proxy by:

(1) attending a meeting and voting in person; or

(2) signing and delivering to the ~~secretary or other~~ officer or agent authorized to tabulate proxy votes either a writing stating that the appointment of the proxy is revoked or a later appointment form.

Sec. 31. Minnesota Statutes 1989 Supplement, section 317A.455, subdivision 3, is amended to read:

Subd. 3. **REJECTION OF VOTE.** The corporation may reject a vote, consent, waiver, or proxy appointment if the ~~secretary or other~~ officer or agent authorized to tabulate votes, acting in good faith, has reasonable basis for doubt about the validity of the signature on it or about the signatory's authority to sign for the member.

Sec. 32. Minnesota Statutes 1989 Supplement, section 317A.615, subdivision 1, is amended to read:

Subdivision 1. **CONTENTS OF ARTICLES.** Upon receiving the approval required by section 317A.613 and after compliance with section 317A.811, if applicable, articles of merger or consolidation must be prepared that contain:

(1) the plan of merger or consolidation;

(2) a statement that the plan has been approved by each corporation under this chapter; and

(3) ~~if applicable~~, a statement that the notice to the attorney general required by section 317A.811 has been given and the waiting period has expired or has been waived by the attorney general or a statement that section 317A.811 is not applicable.

Sec. 33. Minnesota Statutes 1989 Supplement, section 317A.711, subdivision 2, is amended to read:

Subd. 2. **ARTICLES OF DISSOLUTION.** (a) A majority of the incorporators shall sign articles of dissolution containing:

(1) the name of the corporation;

(2) the date of incorporation;

(3) a statement that the first board of directors has not been named in the articles, designated or appointed pursuant to the articles, or elected at an organizational meeting;

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

(4) a statement that no debts remain unpaid; and

(5) ~~if applicable~~, a statement that notice to the attorney general required by section 317A.811 has been given and the waiting period has expired or has been waived by the attorney general or a statement that section 317A.811 is not applicable.

(b) The articles of dissolution must be filed with the secretary of state.

Sec. 34. Minnesota Statutes 1989 Supplement, section 317A.735, subdivision 1, is amended to read:

Subdivision 1. **GENERAL.** In performing their duties under section 317A.725, the board, or the officers acting under the direction of the board, shall distribute the assets of the corporation in the following order of priority:

(1) distribution of assets received and held under a special condition or limit for a special use or purpose under subdivision 2;

(2) payment of costs and expenses of the dissolution proceedings, including attorney fees and disbursements;

(3) payment of debts, obligations, and liabilities of the corporation;

(4) distribution of assets pursuant to articles or bylaws of the dissolving corporation or the rules or canons of another organization under subdivision 3; and

(5) distribution of remaining assets under subdivision 4.

Sec. 35. Minnesota Statutes 1989 Supplement, section 317A.735, subdivision 2, is amended to read:

Subd. 2. **SPECIAL CONDITIONS USE OR PURPOSE.** ~~Assets held by of the corporation upon condition or subject to an executory or special limitation; if the condition or limitation occurs by reason of the dissolution of the corporation; must revert, be returned, transferred, or conveyed in accordance with the condition or limitation may not be diverted from the uses and purposes for which the assets have been received and held, or from the uses and purposes expressed or intended by the original donor.~~

Sec. 36. Minnesota Statutes 1989 Supplement, section 317A.811, subdivision 1, is amended to read:

Subdivision 1. **WHEN REQUIRED.** (a) Except as provided in subdivision 6, the following corporations shall notify the attorney general of their intent to dissolve, merge, or consolidate, or to transfer all or substantially all of their assets:

(1) a corporation that holds assets for a ~~public or~~ charitable purpose as defined in section 501B.35, subdivision 2; or

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

(2) a corporation that is ~~recognized~~ as exempt under section 501(c)(3) of the Internal Revenue Code of 1986, or any successor section.

~~(b) The notice must include the plan of dissolution, merger or consolidation, or, in the case of a transfer of assets under section 317A.661, a list of the persons to whom the assets will be transferred and the terms and conditions of the transfer;~~

(1) the purpose of the corporation that is giving the notice;

(2) a list of assets owned or held by the corporation for charitable purposes;

(3) a description of restricted assets and purposes for which the assets were received;

(4) a description of debts, obligations, and liabilities of the corporation;

(5) a description of tangible assets being converted to cash and the manner in which they will be sold;

(6) anticipated expenses of the transaction, including attorney fees;

(7) a list of persons to whom assets will be transferred, if known;

(8) the purposes of persons receiving the assets; and

(9) the terms, conditions, or restrictions, if any, to be imposed on the transferred assets.

The notice must be signed on behalf of the corporation by an authorized person.

Sec. 37. Minnesota Statutes 1989 Supplement, section 317A.811, subdivision 4, is amended to read:

Subd. 4. **NOTICE AFTER TRANSFER.** When all or substantially all of the assets of a corporation described in subdivision 1 have been transferred or conveyed following approval by the attorney general expiration or waiver of the waiting period, the board shall deliver to the attorney general a list of persons to whom the assets were transferred or conveyed. The list must include the addresses of each person who received assets and show what assets the person received.

Sec. 38. Minnesota Statutes 1989 Supplement, section 317A.811, subdivision 6, is amended to read:

Subd. 6. **EXCEPTION.** Subdivisions 1 to 4 do not apply to a merger with, consolidation into, or transfer of assets to a ~~corporation described in subdivision 1, clause (2), or to a transfer of assets to an organization recognized as exempt~~ under section 501(c)(3) of the Internal Revenue Code of 1986, or any successor section. A corporation that is exempt under this subdivision shall send a copy

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

of the certificate of merger or certificate of consolidation and incorporation to the attorney general.

Sec. 39. Minnesota Statutes 1989 Supplement, section 317A.821, subdivision 1, is amended to read:

Subdivision 1. **NOTICE FROM SECRETARY OF STATE; REGISTRATION REQUIRED.** (a) Before February 1, 1990, the secretary of state shall mail a corporate registration form by first-class mail to each corporation at its last registered office address listed in the records of the secretary of state. The form must include the exact legal corporate name and registered office address currently on file with the secretary of state.

(b) A corporation that is subject to chapter 317 shall file an initial corporate registration with the secretary of state between January 1, 1990, and December 31, 1990. The registration must include the exact legal corporate name and registered office address of the corporation and must be signed by an authorized person. If the current registered office address listed in the records of the secretary of state is not in compliance with section 317A.011, subdivision 2, or if the corporation has changed its registered office address to an address other than that listed with the secretary of state, the corporation shall list a new registered office address that complies with section 317A.011, subdivision 2, on the registration form. A fee of \$35 must be paid for filing the registered office address change, provided that a fee may not be charged if the registered office address is being changed only because of failure to comply with section 317A.011, subdivision 2. The new registered office address must have been approved by the board.

Sec. 40. Minnesota Statutes 1989 Supplement, section 317A.821, subdivision 2, is amended to read:

Subd. 2. **LOSS OF GOOD STANDING; CORPORATE NAME.** A corporation that does not file the initial corporate registration required under subdivision 1 with the secretary of state on or before December 31, 1990, loses its good standing. To regain its good standing, the corporation must file the initial corporate registration. If a corporation loses its good standing under this subdivision, its corporate name or a ~~deceptively similar~~ name that is not distinguishable may be registered after January 1, 1992, by another person before the corporation regains its good standing. If the name or a ~~deceptively similar~~ name that is not distinguishable has been registered by another person, the corporation may not file its initial corporate registration and regain its good standing unless it obtains the consent of the other person as provided in section 317A.115, subdivision 2, or adopts a new corporate name that complies with section 317A.115.

Sec. 41. Minnesota Statutes 1989 Supplement, section 317A.823, subdivision 2, is amended to read:

Subd. 2. **LOSS OF GOOD STANDING; CORPORATE NAME.** A corpo-

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

ration that files an initial corporate registration under section 317A.821 or that is incorporated on or after January 1, 1990, and that does not file a corporate registration during a calendar year loses its good standing after December 31 of that year. To regain its good standing, the corporation must file the annual corporate registration and pay a \$25 fee. If a corporation loses its good standing under this subdivision, its corporate name or a ~~deceptively similar~~ name that is not distinguishable may be registered by another person before the corporation regains its good standing. If the name or a ~~deceptively similar~~ name that is not distinguishable has been registered by another person, the corporation may not file its corporate registration and regain its good standing unless it obtains the consent of the other person as provided in section 317A.115, subdivision 2, or adopts a new corporate name that complies with section 317A.115.

Sec. 42. Minnesota Statutes 1989 Supplement, section 317A.823, subdivision 3, is amended to read:

Subd. 3. **NOTICE; DISSOLUTION.** If a corporation fails to file a report required under this section for ~~two~~ three consecutive calendar years, the secretary of state shall give notice to the corporation by first-class mail at its registered office that it has violated this section and is subject to dissolution under section 317A.827 if the delinquent registrations are not filed with a ~~\$35~~ \$25 fee within 60 days after the mailing of the notice. A corporation that fails to file the delinquent annual registrations within the 60 days is dissolved under section 317A.827.

Sec. 43. Minnesota Statutes 1989 Supplement, section 354A.021, subdivision 2, is amended to read:

Subd. 2. **ORGANIZATION.** Each teachers retirement fund association shall be organized and governed pursuant to this chapter and chapter 317A, except that each association shall be deemed to be a nonprofit corporation without coming within the definition in section 317A.011, subdivision ~~7~~ 6. Any corporate action of any teachers retirement fund association taken prior to April 9, 1976, shall be deemed to be valid if it conformed with Minnesota Statutes 1976, chapter 317 or 354A, or Revised Laws 1905, chapter 58, as amended through April 9, 1976.

Sec. 44. **EFFECTIVE DATE.**

Sections 1 to 31 and 37 to 43 are effective the day following final enactment.

Presented to the governor April 24, 1990

Signed by the governor April 24, 1990, 9:27 p.m.

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