

This act is effective the day following final enactment.

Approved March 18, 1982

CHAPTER 428 — H.F.No. 1906

An act relating to local government; allowing the city of Orr and the town of Leiding to assess the cost of maintenance of television relay service.

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

Section 1. TELEVISION SERVICE; ORR AND LEIDING.

The city of Orr and the town of Leiding may assess the cost of maintenance of television relay service upon residents of the city and town who use the service. The costs shall be assessed annually against the users and may be billed directly to them or collected with the property tax levied on real property owned by users. If the assessment is billed directly, it may be collected in the same manner as any other debt. If the assessment is collected with the property tax, it shall be administered as far as possible in the same manner as the property tax and be subject to the same penalties and conditions.

Sec. 2. LOCAL APPROVAL.

This act is effective the day after compliance with Minnesota Statutes, Section 645.021, Subdivision 3, by the governing body of the city of Orr and the town board of the town of Leiding.

Approved March 18, 1982

CHAPTER 429 — H.F.No. 1863

An act relating to credit unions; providing for approval of amendments to certificates of organization and bylaws; authorizing the board of directors to appoint a credit committee or a credit manager; prescribing the powers of a credit committee and credit manager; allowing certain nonmembers to establish individual retirement accounts; amending Minnesota Statutes 1980, Sections 52.02; 52.08; 52.09, Subdivisions 2 and 3; 52.10; and 52.135.

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

Section 1. Minnesota Statutes 1980, Section 52.02, is amended to read:

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

52.02 BYLAWS AND AMENDMENTS, APPROVAL.

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

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

(b) (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, the proposed amendments shall be set forth in a notice mailed to all members eligible to vote at least ten 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, ~~provided~~ if the members actually voting constitute a quorum.

Subd. 2. BYLAW AMENDMENTS BY DIRECTORS. The members may, pursuant to subdivision 1, provide for the bylaws to be amended by the board of directors. If the bylaws permit amendment by the directors, any amendments shall be approved by a two-thirds vote of the total number of directors authorized. The board of directors shall 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, 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. If three percent or more of all members 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 the provisions proposed for adoption, amendment, or repeal, the resolution shall be submitted to the members for a vote as provided in subdivision 1.

Subd. 3. APPROVAL. Any and all Amendments to the certificate of organization or bylaws must be approved by the commissioner of banks before they become operative. The commissioner shall not unreasonably withhold ~~such~~ approval if ~~such~~ the amendments do not violate any provision of this chapter or other state law. In any event, the commissioner shall approve or disapprove the proposed amendment within ~~90~~ 60 days of the date the proposed amendment is submitted to ~~him~~ the commissioner by the credit union. In case of disapproval the credit union shall have the right to appeal to a court of competent jurisdiction within the time limits as stated in ~~clause (5)~~ clause (5) of section 52.01, clause (5). In case ~~the~~ any amendment to the certificate of organization is adopted, the resolution, containing a full text ~~thereof~~ of the amendment and verified by its president and treasurer and approved by the commissioner of banks, shall be recorded in the office of the county recorder in the county in which the credit union is located. If the amendment proposes to change the place of business from one county to

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another, it shall be recorded in the office of the county recorder of the county of the place of business immediately prior to the amendment and a certified copy of the original certificate of organization and all amendments ~~thereto~~ to it shall be recorded in the office of the county recorder in the county in which the credit union desires to do business.

Sec. 2. Minnesota Statutes 1980, Section 52.08, is amended to read:
52.08 ANNUAL MEETING.

At the annual meeting (~~the organization meeting shall be the first annual meeting~~) the credit union shall elect a board of directors of not less than five members, a credit committee of not less than ~~three~~ three members, and a supervisory committee of three members, and may elect a credit committee of not less than three members, all to hold office for such the terms, respectively, as provided in the bylaws provide and until successors qualify. Some or all of such the terms of office may be staggered, as provided in the bylaws provide. A record of the names and addresses of the members of the board and committees and the officers shall be filed with the commissioner of banks within ten days of their election. No full time manager of a credit union shall be a director of such a credit union operating under this chapter.

The organization meeting shall be the first annual meeting.

Sec. 3. Minnesota Statutes 1980, Section 52.09, Subdivision 2, is amended to read:

Subd. 2. PARTICULAR DUTIES. It shall be the duty of the directors to have general management of the affairs of the credit union, particularly:

(1) to act on applications for membership, ~~provided that~~. This power may be delegated to a membership chairman who ~~shall serve~~ serves at the pleasure of the board of directors and is subject to its rules, ~~however such~~. The application shall contain a certification signed by the membership chairman or a member of the board showing the basis of membership;

(2) to determine interest rates on loans and on deposits. The interest period on deposits may be on a daily, monthly, quarterly, semi-annual or annual basis, and may be paid on all deposits whether or not said the deposits have been withdrawn during the interest period. Interest may be computed on a daily basis. At the discretion of the board of directors interest may not be paid on deposit accounts of less than \$10;

(3) to fix the amount of the surety bond which shall be required of all officers and employees handling money;

(4) to declare dividends, and to transmit to the members, recommended amendments to the bylaws;

(5) to fill vacancies in the board and in the credit committee until successors are chosen and qualify at the next annual meeting;

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(6) to limit the number of shares and deposits which may be owned by a member, not to exceed ~~40~~ ten percent of the outstanding shares and deposits, or \$2,000, whichever is larger, and the maximum individual loan which can be made with and without security, including liability indirectly as a co-maker, guarantor, or endorser to ~~40~~ ten percent of outstanding shares and deposits; ~~provided, however, that~~. The ~~40~~ ten percent share and deposit limitation shall not be applicable to the Minnesota Central Credit Union, or to credit unions insured by the National Credit Union Administration;

(7) to have charge of investments ~~other than~~ including loans to members, unless a credit committee is established pursuant to section 52.08 or paragraph (13) of this subdivision;

(8) to fix the salaries of the treasurer and other employees, which shall be on a fixed monthly or annual basis, in dollars (not percentage);

(9) to designate the bank or banks in which the funds of the credit union shall be deposited;

(10) to authorize the officers of the credit union to borrow money from any source, as provided in section 52.15;

(11) with the permission of the commissioner of banks to suspend any member ~~or members~~ of the credit committee or supervisory committee if it deems such this action to be necessary to the proper conduct of the credit union, and to call the members together to act on the suspension within a reasonable time after the suspension. The members at the meeting may, by majority vote of those present, sustain the suspension and remove the committee members permanently or may reinstate the committee members; ~~and~~

(12) to provide financial assistance to the supervisory committee in carrying out its audit responsibilities; and

(13) if the bylaws so provide and no credit committee has been elected pursuant to section 52.08, to appoint a credit manager or a credit committee of not less than three members.

Sec. 4. Minnesota Statutes 1980, Section 52.09, Subdivision 3, is amended to read:

Subd. 3. **OFFICERS, BYLAWS; COMPENSATION.** The duties of the officers shall be as determined in the bylaws, except that the treasurer may be the general manager. No member of the board ~~or of either~~, the supervisory committee or an elected credit committee shall receive a salary as such, but may be compensated for time actually spent in his official duties at an hourly rate as determined by the annual meeting of members.

Sec. 5. Minnesota Statutes 1980, Section 52.10, is amended to read:

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52.10 CREDIT COMMITTEE; CREDIT MANAGER; POWERS.

Subdivision 1. AUTHORITY OF CREDIT COMMITTEE. The credit committee shall have the general supervision of all loans to members as provided herein. Applications for loans shall be on a form prepared by the credit committee, shall set forth the purpose for which the loan is desired, the security, if any, offered and such other data as may be required. Within the meaning of this section, an assignment of shares or deposits or the endorsement of a note may be deemed security. Except where the credit committee approves the extension of a self-replenishing line of credit pursuant to section 52.16, subdivision 2, at least a majority of the members of the credit committee shall pass on all loans and approval must be in writing and by unanimous vote of the members present. The credit committee shall meet as often as may be necessary after due notice to each member ~~thereof~~ of the committee. ~~Provided, however,~~ In the case of any credit union having total assets in excess of \$10,000, the board of directors may authorize the credit committee to appoint one or more loan officers. Loan officers, subject to the supervision of the committee, may be delegated authority by the credit committee, to act on all or some applications for loans and to approve them, reporting thereon to the credit committee at their next meeting or within 15 days. The credit committee and the board of directors, meeting jointly and acting collectively as a whole, shall have the general supervision of all loans to a member who is a director, officer, or a member of the credit or supervisory committee whenever the application exceeds the amount of the member's holdings in shares and deposits. Application for these loans shall be in similar form as may be required to be furnished to the credit committee for a loan in the case of any other member. At least a majority of the members of the credit committee and of the board of directors at a joint meeting and acting collectively as a whole, shall pass on all such loans in the absence of the applicant, and the approval of the loan must be in writing and by unanimous vote of all members present. The credit committee and the board of directors shall meet for this purpose as often as may be necessary after due notice to each member ~~thereof~~ of the board and credit committee.

Subd. 2. AUTHORITY OF CREDIT MANAGER. If a credit manager is appointed, the board shall have the powers and responsibilities described in subdivision 1 for a credit committee. The board may delegate in writing any or all of these powers and responsibilities to a credit manager.

Sec. 6. Minnesota Statutes 1980, Section 52.135, is amended to read:

52.135 INDIVIDUAL RETIREMENT ACCOUNTS.

A credit union, upon approval of the commissioner of banks of an application in the prescribed form filed with him together with a filing fee of \$100, may act as trustee or custodian within the contemplation of the federal self-employed individuals tax retirement act of 1962, as amended and may act as trustee or custodian within the contemplation of the federal employee retirement

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income security act of 1974, as amended, to establish an individual retirement account. The funds shall be invested only in savings, or time deposits, except that this restriction shall not prevent a credit union from accepting and retaining, as a deposit, property or investments derived from any qualified plan from which the applicant desires to transfer the property.

Funds held in the fiduciary capacity may be commingled for purposes of investment or for other purposes approved by the commissioner of banks, but individual records shall be maintained by the fiduciary for each participant and show in detail all transactions engaged in under authority of this section. In passing upon applications the commissioner shall take into consideration all pertinent facts that relate to a credit union's financial responsibility and may grant or refuse the application accordingly.

Notwithstanding the provisions of sections 52.04, subdivision 1, clause (1), and 52.05, a credit union may receive payment as deposits to establish an individual retirement account for the spouse of a blood or adoptive relative of a regularly qualified member if the blood or adoptive relative is a member of the credit union.

Approved March 18, 1982

CHAPTER 430 — H.F.No. 1235

An act relating to state lands; authorizing the conveyance by the state of its interest in certain lands in Lyon County and Wright County.

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

Section 1. CONVEYANCE OF LANDS; LYON COUNTY.

The commissioner of administration, by quitclaim deed, in a form approved by the attorney general, for a consideration of \$1, shall convey to Gentius L. and Alice G. Shriver the interest of the state in the following described property:

The North 7 acres of NW 1/4 of SE 1/4 adjacent to Government Lot 7 on the North of Section 31, Range 43, Township 109, in Lyon County.

Sec. 2. QUITCLAIM DEED.

The commissioner of natural resources, in the name of the state, shall convey by quitclaim deed, in a form approved by the attorney general, without monetary consideration any interest which the state may have in Lot 38 of Clearwater Beach, Wright County, Minnesota, to David C. and Rosemary Carlson, Robert J. and Jan Bowman, and Linda F. Schwichtenberg.

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