

council of the village of Mendota as to all licenses issued or renewed thereafter, and upon compliance with Minnesota Statutes, Section 645.021.

Approved May 23, 1969.

CHAPTER 598—S. F. No. 1774

[Coded in Part]

An act relating to domestic mutual insurance companies; amending Minnesota Statutes 1967, Section 60A.07, Subdivision 8, and Chapter 66A; by adding a section.

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

Section 1. Minnesota Statutes 1967, Section 60A.07, Subdivision 8, is amended to read:

Subd. 8. **Domestic mutual insurance companies; conversion; special provisions as to mutual companies.** (1) **Amendment of articles or certificate of incorporation.** The certificate of incorporation or articles of association of any domestic insurance company without capital stock, now or hereafter organized and existing under the laws of this state, may be amended in respect to any matter which an original certificate of incorporation or articles of association of a corporation of the same kind might lawfully have contained by the adoption of a resolution specifying the proposed amendment, at a regular meeting of the members thereof or at a special meeting called for that expressly stated purpose, by the affirmative vote of a majority of the members present, in person or by proxy, at the meeting, and by causing the resolution to be embraced in a certificate duly executed by its president and secretary or other presiding and recording officers, under its corporate seal, and approved, filed, recorded, and published in the manner prescribed by law for the execution, approval, filing, recording, and publishing of a like original certificate of incorporation or articles of association.

(2) **Renewal of corporate existence.** Any domestic insurance company or corporation having no capital stock, heretofore or hereafter organized and existing under the laws of this state, whose period of duration has expired or is about to expire, may, on or before the date of the expiration, or within six months after the date of expiration, renew its corporate existence from the date of such expira-

Changes or additions indicated by *italics*; deletions by ~~strikeout~~.

tion for any period permitted by the laws of this state, by the adoption of a resolution to that effect by the affirmative vote of three-fourths of the members present, in person or by proxy, at a regular meeting of the members, or at any special meeting called for that expressly stated purpose, and by causing the resolution to be embraced in a certificate duly executed by its president and secretary or other presiding and recording officers, under its corporate seal, and approved, filed, recorded, and published in the manner prescribed by law for the execution, approval, filing, recording, and publishing of an original certificate of incorporation or articles of association.

(3) **Bylaws.** The bylaws of any domestic insurance corporation without capital stock, in cases where the bylaws must be adopted or approved by the members thereof, may be adopted, altered, or amended at a regular meeting of the members thereof, or at a special meeting called for that expressly stated purpose, by the affirmative vote of a majority of the members present, in person or by proxy, at the meeting.

(4) **Conversion of a domestic mutual into a stock insurance corporation.** *A domestic mutual corporation may be converted into a stock insurance corporation as follows:*

(a) **Action by board of directors.** *The board of directors shall adopt a plan of conversion.*

(b) **Plan of conversion.** (i) *The plan of conversion shall provide that, upon consummation of the conversion, each policyholder at the date of the passage of the resolution by the board of directors shall be entitled to such shares of stock of the new company as his equitable share of the surplus of the company will purchase. This equitable share shall be determined by independent certified auditors or consulting actuaries and shall be subject to approval by the commissioner. If a policyholder's equitable share of the surplus of the company produces a fractional share, the policyholder shall be given the option of either receiving the value of the fractional share in cash or of purchasing the fractional part of a share that will entitle him to a full share.*

(ii) *No shares of the corporation being organized shall be issued or subscribed for, formally or informally, directly or indirectly during the conversion except as authorized under subparagraph (i).*

(iii) *The corporation shall not pay compensation or remuneration of any kind to any person in connection with the proposed conversion, except at reasonable rates for printing costs, and for legal and other professional fees for services actually rendered.*

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(iv) *The plan of conversion shall include a copy of the proposed articles of incorporation which shall comply with the requirements of Minnesota Statutes, Chapter 300. Except as otherwise specifically provided, the corporation resulting from conversion under this section shall be deemed to have been organized as of the date of issuance of the initial certificate of authority to the mutual corporation being converted.*

(c) **Approval by policyholders.** *Within 30 days after its adoption by the board of directors, the plan of conversion shall be submitted to the policyholders for approval by the affirmative vote of a majority of the policyholders entitled to vote, in the manner prescribed by subparagraph (1) of this subdivision. Every policyholder as of the date of the adoption under subparagraph (a) shall be entitled to one vote for each policy held by him. Only such policyholders shall be entitled to vote.*

(d) **Approval by the commissioner.** (i) *Within 30 days after its adoption by the policyholders, the plan of conversion shall be submitted to the commissioner with an application for his approval.*

(ii) *The commissioner shall not approve if the value of single shares is set at a figure that substantially burdens policyholders who wish to purchase a fractional share under subparagraph (b) (i).*

(iii) *If the commissioner finds that the plan of conversion has been duly approved by the policyholders, that the conversion would not violate any law and would not be contrary to the interests of the policyholders, he shall approve the plan of conversion and shall issue a new certificate of authority to the corporation.*

(e) **Conversion.** *After filing an amendment of the articles of incorporation as provided by Minnesota Statutes, Chapter 300, the corporation shall become a stock corporation and shall no longer be a mutual corporation, and the board of directors shall execute the plan of conversion.*

(f) **Securities regulation.** *The filing with the department of securities of a certified copy of the plan of conversion as adopted by the policyholders and approved by the commissioner shall constitute registration under Minnesota Statutes, Chapter 80, of the securities authorized to be issued to policyholders thereunder.*

Sec. 2. Minnesota Statutes, Chapter 66A, is amended by adding a section to read:

[66A.075] Conversion to stock insurance company. The

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procedure for conversion of a domestic mutual corporation into a stock insurance corporation is governed by section 60A.07, subdivision 8, clause (4).

Approved May 23, 1969.

CHAPTER 599—S. F. No. 2080

[Coded]

An act relating to rules and procedures of departments and agencies in the state government; amending Minnesota Statutes 1967, Chapter 15, by adding a section.

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

Section 1. Minnesota Statutes 1967, Chapter 15, is amended by adding a section to read:

[15.42] Administrative procedure act; citation. *Minnesota Statutes 1967, Sections 15.01 to 15.41, may be cited as the Administrative Procedure Act.*

Approved May 23, 1969.

CHAPTER 600—S. F. No. 2135

[Not Coded]

An act relating to the tax levy by the board of estimate and taxation of the city of Minneapolis.

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

Section 1. **Minneapolis, city of; board of estimate and taxation; tax levy.** Notwithstanding any contrary provisions of the charter of the city of Minneapolis the board of estimate and taxation of such city may for its own expenses levy upon all the taxable property of the city a tax not exceeding one-tenth of a mill to be collected and enforced as prescribed by said charter and the laws of this state.

Sec. 2. This act shall become effective upon approval by a

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