

CHAPTER 346—H. F. No. 1162

An act to amend Mason's Minnesota Statutes of 1927, Sections 7774-2, 7774-7, 7774-17 and 7774-20, relating to the operation and supervision of cooperative savings and credit associations, termed credit unions.

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

Section 1. **By-laws and amendments to be approved.**—That Mason's Minnesota Statutes of 1927, Section 7774-2, be and the same hereby is amended so as to read as follows :

"7774-2. To amend certificate of organization or by-laws whether at a general or special meeting; proposed amendments shall be fully set forth in the notice of the meeting. Any amendments to the by-laws shall be approved by three-fourths of the members then present, which number shall constitute a quorum. Any and all amendments to the certificate of organization or by-laws must be approved by the Commissioner of Banks, before they become operative. The certificate of organization may be amended by a majority vote of the entire membership of the credit union at a meeting called for that purpose. In case such amendment is adopted the resolution containing a full text thereof and verified by its president and treasurer and approved by the Commissioner of Banks shall be recorded in the office of the register of deeds in the county in which said credit union is located."

Sec. 2. **Fiscal year—meetings.**—That Mason's Minnesota Statutes of 1927, Section 7774-7, be and the same hereby is amended so as to read as follows :

"7774-7. The fiscal year of all credit unions shall end December 31. General and special meetings may be held in the manner and for the purposes indicated in the by-laws, provided, however, that 30 days before any regular meeting and ten days before any special meeting written notice shall be mailed to each member and in the case of a special meeting the notice shall clearly state the purpose of the meeting and what matters will be considered thereat. At all meetings a member shall have but a single vote whatever his share holdings. There shall be no voting by proxy, provided, however, that any firm, society or corporation having a membership in the credit union may cast its vote by one person upon presentation by him of written authority of such firm, society or corporation."

Sec. 3. **Reserve funds.**—That Mason's Minnesota Statutes of 1927, Section 7774-17, be and the same hereby is amended so as to read as follows :

"7774-17. Every credit union shall maintain a reserve fund which at all times shall be kept liquid and in tact and used as a reserve against bad loans and other losses and shall not be loaned to members or used to pay expenses of the credit union or otherwise distributed except in case of liquidation. All entrance fees, fines and each year, before the declaration of a dividend ten per cent of the gross earnings shall be set aside as a reserve fund against said bad loans and other losses until such time as such fund shall equal fifteen per cent of the assets of the credit union, and thereafter there shall be added to such fund at the end of each fiscal year such per cent of the gross earnings as will be required to maintain such fund as herein provided. There shall also be established and at all times maintained a reserve of not less than five per cent of the amount of the deposits; which shall be in cash and balances due from solvent banks."

Sec. 4. **Voluntary dissolution.**—That Mason's Minnesota Statutes of 1927, Section 7774-20, be and the same hereby is amended so as to read as follows:

"7774-20. The process of voluntary dissolution shall be as follows:

(a) A credit union may be voluntarily liquidated after four-fifths of the entire membership shall have voted such liquidation at a special meeting called by a majority of the board of directors for that purpose, upon thirty days' mailed written notice to each member clearly stating the purpose of such special meeting. By a majority vote of the members present at such meeting, a committee of three members shall be elected to liquidate the credit union.

(b) Immediately after such meeting and before such committee shall proceed with the liquidation, the officers of the credit union shall file with the Commissioner of Banks a certified copy of the minutes of such meeting, a written statement outlining the plan of liquidation and a verified statement in writing signed by a majority of the officers consenting to such liquidation containing the names and addresses of all officers and directors of the credit union. After the Commissioner of Banks shall by proper examination determine that such credit union is solvent, he shall issue a certificate of approval of the liquidation, which certificate shall be filed with the Register of Deeds in the County where such credit union is located. From and after such special meeting the credit union shall cease to do business except for purposes of liquidation. Before commencing such liquidation such committee shall execute and file with the Commissioner of Banks a bond running to the State of Minnesota for the benefit of the members and creditors of the credit union in such amount and with such sureties and in such form as

shall be approved by the Commissioner of Banks conditioned for the faithful performance of all duties of its trust.

(c) Upon filing of such certificate with the Register of Deeds, the credit union shall be deemed dissolved and its corporate existence terminated except for the purpose of discharging its debts, collecting and distributing its assets and doing all other acts required in order to liquidate. The credit union shall have a corporate existence and may sue and be sued.

(d) If the credit union shall not be completely liquidated and its assets discharged within three years after such special meeting of the members, the Commissioner of Banks shall take possession of the books, records and assets and proceed to complete the liquidation in the manner then provided by law for the liquidation of closed banks.

(e) Funds representing unclaimed dividends in liquidation in the hands of such liquidating committee or the Commissioner of Banks for six months after date of final dividend, shall be deposited with the State Treasurer who shall within one year thereafter pay over the money so held by him to the persons respectively entitled thereto upon being furnished satisfactory evidence of their right to the same, and at the end of such year the State Treasurer shall credit all residue of such deposit to the General Revenue Fund.

(f) Upon completion of the liquidation by such liquidating committee it shall file with the Commissioner of Banks a verified statement in writing signed by the members of such committee stating that all debts of the credit union, including deposits, have been paid except unclaimed dividends, and if any such, the amount thereof, the names of the persons entitled thereto with their last known addresses, and all books and papers of the credit union shall thereupon be deposited with the Commissioner of Banks."

Approved April 20, 1933.

CHAPTER 347—H. F. No. 1974

An act to appropriate money for the payment of certain soldier bonus claims.

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