

message, and the company shall forthwith send a written report in detail giving full particulars available in such form as the commission may require. All other accidents, including accidents resulting in personal injury or death, other than train accidents, shall be reported to the commission on the first day of each month, covering the preceding month. *Provided that neither the reports required under this section nor any part thereof, shall be admitted as evidence or used for any purpose in any suit or action for damages growing out of any matter mentioned in said reports."*

Approved April 14, 1937.

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CHAPTER 212—H. F. No. 652

*An act authorizing the county boards of any county in the state, having an assessed valuation of more than \$250,000,000 and an area of more than 5000 square miles, to levy a tax for the relief of the county agricultural societies.*

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

**Section 1. Certain counties may appropriate money for agricultural societies.**—In any county in this state in which the assessed valuation of property, exclusive of money and credits, is more than \$250,000,000 and an area of more than 5,000 square miles, the county board of commissioners from such county may, by unanimous vote, in addition to appropriations otherwise provided by law, be authorized to levy and appropriate an amount not exceeding \$15,000.00, to be paid to any agricultural society in such county that has heretofore incurred any indebtedness which it is unable to pay from its current receipts.

Sec. 2. This act shall be in force and take effect from and after passage.

Approved April 14, 1937.

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CHAPTER 213—S. F. No. 738

*An act to amend Mason's Minnesota Statutes of 1927, Section 7774-4; Section 7774-7 as amended by Laws 1933, Chapter 346, Section 2; Sections 7774-9, and 7774-11; Section 7774-17 as amended by Laws 1933, Chapter 346, Section 3; Section 7774-18; Section 7774-20 as amended by Laws 1933, Chapter 346, Section 4; and Section 7774-21; 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. **Law amended.**—That Mason's Minnesota Statutes of 1927, Section 7774-4 is hereby amended so as to read as follows :

"7774-4. **Powers enumerated.**—A credit union shall have the following powers :

(a) To receive the savings of its members either as payment on shares or as deposits (including the right to conduct Christmas Clubs, Vacation Clubs and other such thrift organizations within its membership).

(b) To make loans to members for provident or productive purposes.

(c) To make loans to a cooperative society or other organization having membership in the credit union.

(d) To deposit in state and national banks and trust companies authorized to receive deposits.

(e) To invest in any investment legal for savings banks or for trust funds in the state.

(f) To borrow money as hereinafter indicated.

(g) *To adopt and use a common seal and alter the same at pleasure."*

Sec. 2. **Law amended.**—That Mason's Minnesota Statutes of 1927, Section 7774-7, as amended by Laws of 1933, Chapter 346, Section 2, is hereby amended so as to read as follows :

"7774-7. **Fiscal year—meetings—voting at.**—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 *at least 10* days before any regular meeting and *at least 7* days before any special meeting written notice shall be mailed *or handed* 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. **Law amended.**—That Mason's Minnesota Statutes of 1927, Section 7774-9, is hereby amended so as to read as follows :

"7774-9. **Officers—directors—powers and duties.**—At their first meeting and annually thereafter at the first meeting following the annual meeting of members, the directors shall elect from their own number a president, vice-president, treasurer and secretary, of whom the last two named may be the same individual, and the directors may engage such other employees as may be necessary to properly conduct the business of the credit union.

It shall be the duty of the directors to have general management of the affairs of the credit union, particularly:

- (a) To act on applications for membership.
- (b) To determine interest rates on loans and on deposits.
- (c) To fix the amount of the surety bond which shall be required of all officers and employees handling money.
- (d) To declare dividends, and to transmit to the members recommended amendments to the by-laws.
- (e) To fill vacancies in the board and in the credit committee until successors are chosen and qualify at the next annual meeting.
- (f) To determine the maximum individual share holdings, the maximum amount of deposits and the maximum individual loan which can be made with and without security, including liability indirectly as a co-maker, guarantor or endorser.
- (g) To have charge of investments other than loans to members.
- (h) To fix the salary of the treasurer and other employees, which shall be on a fixed monthly or annual basis in dollars. (Not percentage.)
- (i) To designate the bank or banks in which the funds of the credit union shall be deposited.
- (j) To authorize the officers of the credit union to borrow money from any source, in a total sum which shall not exceed fifty percent of its assets.

The duties of the officers shall be as determined in the by-laws, except that the treasurer shall be the general manager. No member of the board or of either committee shall, as such, be compensated."

Sec. 4. **Law amended.**—That Mason's Minnesota Statutes of 1927, Section 7774-11 is hereby amended so as to read as follows:

"7774-11. **Supervisory committee.**—The supervisory committee shall—

- (a) Make an examination of the affairs of the credit union at least semi-annually, in June and December, including an audit of its

books and, in the event said committee feels such action to be necessary, it shall call the members together thereafter and submit to them its report.

(b) Make an annual report of *its audits* and submit the same at the annual meeting of the members.

(c) By unanimous vote, if it deem such action to be necessary to the proper conduct of the credit union, suspend any officer, director or member of committee and call the members together to act on such suspension. The members at said meeting may by *majority vote of those present* sustain such suspension and remove such officer permanently or may reinstate said officer.

By majority vote the supervisory committee may call a special meeting of the members to consider any matter submitted to it by said committee. The said committee shall fill vacancies in its own membership *until successors are chosen and qualify at the next annual meeting.*"

Sec. 5. Law amended.—That Mason's Minnesota Statutes of 1927, Section 7774-17, as amended by Laws of 1933, Chapter 346, Section 3, is hereby amended so as to read as follows:

"7774-17. **Reserve funds.**—Every credit union shall maintain a reserve fund which *shall be* used as a reserve against bad loans and other losses and shall not be 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 percent 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 percent of the assets of the credit union, and thereafter there shall be added to such fund at the end of each fiscal year such percent 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 percent of the amount of the deposits; which shall be in cash and balances due from solvent banks."

Sec. 6. Law amended.—That Mason's Minnesota Statutes of 1927, Section 7774-18 is hereby amended so as to read as follows:

"7774-18. **Dividends.**—The directors of a credit union may in *December of each year* declare a dividend from net earnings or *accumulated net undivided profits remaining after statutory reserve has been set aside*, which dividend shall be paid on all shares outstanding at the end of the fiscal year. *Shares withdrawn during the year shall receive no dividend.* Shares which become fully paid up during the year shall be entitled to a proportional part of said dividend calculated from the first day of the month following such payment in

full. *For the purpose of this section shares which become fully paid up by the 10th day of any month may be treated as being paid up from the first day of said month.*"

Sec. 7. **Law amended.**—That Mason's Minnesota Statutes of 1927, Section 7774-20, as amended by Laws of 1933, Chapter 346, Section 4, is hereby amended so as to read as follows:

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

(a) A credit union may be voluntarily liquidated after *two-thirds* 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 *fourteen 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. *Vacancies in this committee shall be filled by the remaining members of the committee, acting jointly with the board of directors or by and with the approval of any ten or more shareholders.*

(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 *may* 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."

Sec. 8. Law amended.—That Mason's Minnesota Statutes of 1927, Section 7774-21 is hereby amended so as to read as follows:

"7774-21. **Change of place of business.**—A credit union may change its place of business *within this state only with the written consent of the Commissioner of Banks.*"

Approved April 14, 1937.

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#### CHAPTER 214—H. F. No. 821

*An act authorizing certain counties to establish and maintain sewers and sewer systems in platted areas and to provide for the cost thereof and to create sewer districts and to obtain loans or grants from the federal government.*

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

Section 1. **Certain counties may establish sewer systems in platted areas.**—Whenever a petition signed by fifty-one per cent of the freeholders in any platted area located in any county in this state, having an assessed valuation of more than \$200,000,000 and an area of more than 5,000 square miles, and not contained within the limits of any organized village or city, shall be filed with the county auditor of such county, the Board of County Commissioners of such