

CHAPTER 438—H. F. No. 728.

(AMENDING SECTION 308.06 MINNESOTA STATUTES 1941.)

An act relating to cooperative associations; amending Mason's Supplement 1940, Section 7835, as amended by Laws 1941, Chapter 114, Section 2.

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

Section 1. **Law amended.**—Mason's Minnesota Statutes of 1927, Section 7835, as amended by Laws 1941, Chapter 114, Section 2, is amended to read as follows:

7835. Incorporators—number—articles of incorporation—filing.—A co-operative association may be organized under the provisions of this act by five or more incorporators, who may act for themselves as individuals or as the agents of other co-operative associations, whether organized under this act or otherwise.

Persons forming a co-operative association under this act shall sign and acknowledge written articles of incorporation. The articles of incorporation of any association organized under or subject to the provisions hereof shall always contain provisions specifying (1) the name of the association; its purpose, the general nature of its business, and the principal place of transacting the same. Such name shall distinguish it from all other corporations, domestic or foreign, doing business in the state and shall be preserved to it during its corporate existence; (2) the highest amount of indebtedness to which the association shall at any time be subject; (3) the period of its duration, which shall not exceed 50 years in the first instance, but the articles of incorporation may from time to time be amended so as to provide for an additional term or terms not exceeding 50 years each; (4) if organized on a capital stock basis the total authorized number of shares and the par value of each share; a description of the classes of shares, if the shares are to be classified; a statement of the number of shares in each class and relative rights, preferences, and restrictions granted to or imposed upon the shares of each class, and a provision that only common stockholders shall have voting power; (5) that individuals owning common stock shall be restricted to one vote in the affairs of the association; (6) that shares of stock shall be transferable only with the approval of the board of directors of the association; (7) that dividends upon capital stock of the association shall not exceed six per cent annually; (8) in what governing board its management shall be vested, the time of the annual meeting of the stockholders at which such governing boards shall be elected, and the names and places of residence of those who shall compose such governing board until the first annual meeting of the stockholders;

and (9) that net income in excess of dividends and additions to reserves and surplus shall be distributed on the basis of patronage, and that the records of the association may show the interest of patrons, stockholders and members in the reserves and surplus. The articles of incorporation may contain any other lawful provision. Co-operative associations *may be incorporated for any of the purposes for which an association may also be formed upon a membership basis and without capital stock.* Such associations organized on a capital stock basis may be organized, and shall have the same powers and authority as are conferred upon such associations, and the articles of incorporation, of any such non-stock association shall contain the provisions required in the articles of incorporation of an association organized upon a capital stock basis wherever the same are applicable to an association organized upon a membership basis. No member of an association organized upon a membership basis shall have more than one vote. Common stockholders shall be deemed to be members of associations organized on a capital stock basis.

Co-operative associations organized under or subject to the provisions *hereof shall be subject to the provisions of Mason's Minnesota Statutes of 1927, Chapter 21b, as amended, except as specifically provided in Mason's Supplement 1940, Section 3996-2 (9).*

The original articles of incorporation, or a certified copy thereof, verified as such by the affidavits of two of the incorporators, shall be filed with the secretary of state and a copy thereof, certified as above required, shall be recorded in the office of the register of deeds of the county in which the principal place of business of the association is located. For filing the articles of incorporation or amendments thereto with the secretary of state there shall be paid to the state treasurer a fee of \$5.00.

Approved April 14, 1943.

CHAPTER 439—H. F. No. 766.

(AMENDING SECTION 41.34 AND 41.36 MINNESOTA STATUTES 1941.)

An act relating to rural credit funds and obligations, providing for the levying of taxes and the issuance of certificates of indebtedness therefor, and appropriating moneys therefor, and amending Laws 1941, Chapter 463, Sections 2 and 4.