

Minnesota Statutes 1941, Section 291.32, as amended, and which was originally paid to the county treasurer of any such county. Said payments shall be transmitted to the county auditor of each county, to be placed to the credit of the county revenue fund. It shall be the duty of the state treasurer to pay warrants therefor out of any funds in the state treasury not otherwise appropriated. The moneys necessary to pay such warrants are hereby appropriated out of any moneys in the state treasury not otherwise appropriated.

Approved April 23, 1953.

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CHAPTER 650—H. F. No. 70

[Coded]

*An act relating to nonprofit corporations; amending Laws 1951, Chapter 550, Sections 3, 6, 14, 28, 67; amending Laws 1951, Chapter 550, Section 2, Subdivision 6; Section 4, Subdivisions 1, 5; Section 8, Subdivision 2; Section 15, Subdivisions 1, 2; Section 19, Subdivision 2; Section 20, Subdivisions 7, 10, 11; Section 22, Subdivision 7; Section 23, Subdivision 1; Section 26, Subdivisions 1, 3; Section 27, Subdivisions 1, 3; amending Minnesota Statutes 1949, Sections 300.09, 300.45, 300.58, 300.59, as amended; amending Minnesota Statutes 1949, Section 300.14, Subdivision 1, as amended.*

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

Section 1. Laws 1951, Chapter 550, Section 2, Subdivision 6, is amended to read:

Subd. 6. Notice. "Notice" means a written notification of a meeting

(a) stating time, place and, in the case of a special meeting, purpose,

(b) properly addressed according to the last available corporate records,

(c) sent or delivered by a duly authorized person to each director or member entitled to vote at the meeting, and

(d) delivered or mailed not less than five nor more than 30 days before the meeting, excluding the day of the meeting, or a published notification of a meeting of a corporation having at least 300 members, if its board of directors should elect to give such notification thereof in lieu of written notification, to be made by publication in a newspaper of gen-

*eral circulation published in the county of the principal place of business of the corporation for three successive weeks previous to the date of the meeting stating the time, place, and in the case of a special meeting, its purpose.*

Sec. 2. Laws 1951, Chapter 550, Section 3, is amended to read:

Sec. 3. [317.03] **Foreign nonprofit corporations, sections applicable.** Except for *this section* and sections 42 and 43 concerning merger or consolidation, this act does not apply to foreign corporations.

(2) Except as provided in clauses (3) and (4) a foreign corporation is subject to the provisions of the Minnesota Foreign Corporations Act, Minnesota Statutes, Chapter 303. Unless it complies with that chapter a foreign corporation shall not transact business in this state.

(3) Minnesota Statutes, Sections 303.07, 303.14, 303.15, 303.22, and Section 303.02, Subdivision 2, and Section 303.16, Subdivision 2, Clauses (6) and (7), do not apply to foreign corporations.

(4) A foreign corporation transacting business in this state on the date this act takes effect shall comply with this section within one year.

Sec. 3. Laws 1951, Chapter 550, Section 4, Subdivision 1, is amended to read:

Sec. 4. [317.04] **Application to domestic corporations.** Subdivision 1. **Acceptance, rejection.** (1) *Except as provided in section 6* and subject to clause (2), this act applies to all domestic corporations.

(2) Sections 1 to 25 do not apply to a domestic corporation in existence at the time this act becomes law. Every such domestic corporation may accept and come under sections 1 to 25 by complying with subdivision 3; and, unless it has signified its election to reject these sections in the manner provided in subdivision 2 within 15 months from the effective date of this act, it shall be deemed to accept and come under them.

(3) If the election to reject sections 1 to 25 becomes effective under subdivision 2, the rejecting corporation, notwithstanding the express and implied repeal of a statute by this act, shall continue to exist and to exercise and enjoy all rights, powers, privileges, immunities, and franchises, and to be subject to all duties and liabilities conferred and imposed by the laws under which it exists, or to which it is subject, at the time this act takes effect, as amended or supplemented by sections 26 to 77.

Sec. 4. Laws 1951, Chapter 550, Section 4, Subdivision 5, is amended to read:

Subd. 5. **Principal place of business.** The principal place of business of the accepting corporation is its registered office. If its articles or certificate of incorporation do not state the location of the principal place of business, the accepting corporation shall, upon coming under sections 1 to 25, file with the secretary of state a certificate stating the location *by city, town, or other community* of its registered office *in this state*.

Sec. 5. Laws 1951, Chapter 550, Section 6, is amended to read:

Sec. 6. [317.06] **Scope of act.** (1) This act does not apply to (a) cooperative associations, (b) public cemetery corporations and associations, (c) private cemeteries, (d) non-profit medical service plan corporations, (e) nonprofit hospital service plan corporations.

(2) Religious corporations authorized by Minnesota Statutes, Chapter 315, may be formed under that chapter or under this act.

(3) This act does not apply to a religious corporation unless *it is formed under this act or* has elected to come under this act in the manner prescribed by section 4, subdivision 3.

Sec. 6. Laws 1951, Chapter 550, Section 8, Subdivision 2, is amended to read:

Subd. 2. **Required provisions.** The articles of a corporation organized under this act shall state:

- (1) the name of the corporation;
- (2) the purpose of the corporation;
- (3) that the corporation does not afford pecuniary gain, incidentally or otherwise, to its members;
- (4) the period of duration of corporate existence, which may be perpetual;
- (5) the location by city, town, or other community, of its registered office in this state;
- (6) the name and address of each incorporator;
- (7) the number of directors constituting the first board of directors, the name and address of each such director, and the tenure in office of the first directors;
- (8) the extent of personal liability, if any, of members for corporate obligations and the methods of enforcement and collection; and

(9) whether the corporation has capital stock or not, and the aggregate number of shares, if any, which the corporation has authority to issue and the par value, if any, of each share.

Sec. 7. Laws 1951, Chapter 550, Section 14, is amended to read:

Sec. 14. [317.14] **Organization meetings.** After commencement of corporate existence, the first meeting of the directors shall be held at the call of the incorporators or of the directors, after notice, for the purpose of *adopting* the initial by-laws, electing officers, and for any other business that comes before the meeting.

(2) The first meeting of the members shall be held at the call of an officer or of the initial board of directors after notice.

Sec. 8. Laws 1951, Chapter 550, Section 15, Subdivision 1, is amended to read:

Sec. 15. [317.15] **Bylaws.** Subdivision 1. **Contents.** (1) Duly adopted or amended by-laws may contain any provision for the purpose of administering and regulating the affairs of the corporation not inconsistent with law or the articles of incorporation.

(2) The articles or by-laws shall state the

(a) qualifications of members, *and limitations, if any, upon their number;*

(b) different classes of membership, if any;

(c) conditions of membership when membership in a corporation is limited to persons who are members in good standing of another corporation, organization or association;

(d) property, voting and other rights and privileges of members;

(e) manner and time of calling regular meetings of members and elections and who shall call them; and

(f) manner and conditions of termination of membership.

Sec. 9. Laws 1951, Chapter 550, Section 15, Subdivision 2, is amended to read:

Subd. 2. **Adoption, alteration.** Except as provided in *section 14 for the initial by-laws*, by-laws shall be adopted or amended in the manner prescribed in section 27, subdivisions 2, 3, and 4 for amendment of articles.

Sec. 10. Laws 1951, Chapter 550, Section 19, Subdivision 2, is amended to read:

Subd. 2. **Change of location.** When a corporation desires to change the location of its registered office, the corporation shall file with the secretary of state a certificate of change of location of registered office, stating the new *location by city, town or other community* and effective date of the change, accompanied by the fees prescribed by section 67. When the certificate of change of location has been duly filed and the required fees paid, the board of directors may make the change without amending the articles.

Sec. 11. Laws 1951, Chapter 550, Section 20, Subdivision 7, is amended to read:

Subd. 7. **Bylaws, provisions as to directors.** (1) Subject to clause (3), the articles or by-laws may prescribe the number, term of office, powers, authority, and duties of directors, the time and place of their meetings, and other regulations concerning directors.

(2) If the articles so provide, the members may be and constitute the directors of the corporation.

(3) Except where the articles prescribe otherwise, the term of office of a director is one year.

(4) Except where the articles or by-laws prescribe otherwise, and subject to subdivision 9 and to section 8, subdivision 2, clause (7), the members shall elect the directors.

Sec. 12. Laws 1951, Chapter 550, Section 20, Subdivision 10, is amended to read:

Subd. 10. **Removal.** (1) The articles or by-laws may provide for the removal of a director or the entire board by a method in addition to, or other than, the method provided in clause (2).

(2) Except where the articles or by-laws prescribe otherwise, and subject to clauses (1) and (3), the members, by a majority vote of those entitled to vote at an election of directors, may, with or without cause, remove a director or the entire board from office. *Neither a director nor the entire board shall be removed from office unless the notice of the annual or special meeting at which removal is to be considered states such purpose.* When the board or a director has been removed, new directors may be elected at the same meeting.

(3) Where the members vote cumulatively under section 22, subdivision 7, clause (1), unless the entire board is

removed, a director shall not be removed if the number of votes cast against his removal would be sufficient to elect him if voted cumulatively.

Sec. 13. Laws 1951, Chapter 550, Section 20, Subdivision 11, is amended to read:

Subd. 11. **Executive Committee.** *Unless the articles or by-laws provide otherwise,* the board of directors may designate two or more of its members to constitute an executive committee. To the extent determined by the board, the executive committee has the authority of the board in the management of the business of the corporation. The executive committee shall act only in the interval between meetings of the board and at all times is subject to the control and direction of the board.

Sec. 14. Laws 1951, Chapter 550, Section 22, Subdivision 7, is amended to read:

Subd. 7. **Voting.** (1) Unless the articles or by-laws preclude cumulative voting, when a member gives written notice to the president or secretary, at least 24 hours before the time fixed for the election of directors by the members, of his intention to vote cumulatively in that election, he may multiply the number of votes to which he is entitled by the number of directors to be elected, and he may cast all such cumulated votes for one candidate, or he may distribute them among any two or more candidates. Upon the convening of the meeting, the presiding officer shall announce that such notice has been given.

(2) Except where otherwise prescribed in the articles or by-laws, and also in the membership certificate, if any, or share certificate, a member of a non-stock corporation has one vote, and a shareholder of a capital stock corporation has one vote for each share of stock standing in his name on the books of the corporation.

(3) Members may vote (a) by voice or ballot, or (b) when authorized by the articles or by-laws, by mail or other reasonable means.

(4) *Where the articles or by-laws authorize members to vote by mail, the notice shall be given as provided in this chapter. The entire vote on any single issue may be by mailed ballots if so stated in the notice. Such a vote shall have all the effects of a vote taken at a regular or special meeting, provided that at least 20 percent of the membership so votes, unless otherwise provided in the articles or by-laws.*

(5) When a corporation is a member or owns shares in another domestic or foreign corporation, it may vote through:

(a) its president; or,

(b) a proxy appointed by the president; or

(c) when its board of directors has authorized a person to vote, through such person if he produces a certified copy of the resolution.

Sec. 15. Laws 1951, Chapter 550, Section 23, Subdivision 1, is amended to read:

Sec. 23. [317.23] **Quorums.** Subdivision 1. **Meetings of members.** Unless the articles or by-laws provide for a different percentage, a quorum *for meetings of the members* is

(a) ten percent of the total voting membership present in person or by proxy, or

(b) *Where the meeting is by mail vote, twenty percent of the total voting membership.*

Sec. 16. Laws 1951, Chapter 550, Section 26, Subdivision 1, is amended to read:

Sec. 26. [317.26] **Voluntary transfer of corporate assets.** Subdivision 1. **Extent of authority.** Except where the articles provide otherwise, and subject to subdivisions 2 and 3, a *domestic* corporation has authority to sell, lease, exchange, mortgage, encumber, or dispose of all, or substantially all, of its property and assets, including its good will, upon the terms and conditions and for the consideration, which may be money, shares, bonds, or other instruments for the payment of money or other property, that the board of directors deems expedient.

Sec. 17. Laws 1951, Chapter 550, Section 26, Subdivision 3, is amended to read:

Subd. 3. **Certain property not to be diverted.** Subject to Minnesota Statutes, Section 501.12, when a *domestic* corporation holds property in trust for a designated purpose, or subject to a specific use, or subject to a condition subsequent, or upon a special or executory limitation, it shall not divert such property from such trust, use, condition, or limitation.

Sec. 18. Laws 1951, Chapter 550, Section 27, Subdivision 1, is amended to read:

Sec. 27. [317.27] **Amendment of articles.** Subdivision 1. **Extent.** A *domestic* corporation may amend its

articles in the manner prescribed by this section to include or omit any provisions which it could lawfully include or omit from the original articles at the time the amendment is made, or to extend its duration for a further definite time or perpetually. Any number of amendments, or an entire revision of the articles, may be submitted and voted upon at a single meeting.

Sec. 19. Laws 1951, Chapter 550, Section 27, Subdivision 3, is amended to read:

Subd. 3. **Procedure, by directors where members have voting rights.** (1) Unless the articles or by-laws require a greater vote, the members may, by a majority vote of *the members voting* at a meeting duly called for the purpose, authorize the board of directors, subject to clause (3), to exercise from time to time the power of amendment of the articles in the manner prescribed in clause (2).

(2) When the members have authorized the board of directors under clause (1) to amend the articles, the board of directors, by a two-thirds vote, unless the articles or by-laws require a greater vote, of the directors who are present and entitled to vote on the proposed amendment, may amend the articles at any meeting of the board. Notice of the meeting and of the proposed amendment shall be given.

(3) The members, by a majority vote of *the members voting* at a meeting duly called for the purpose, may revoke, at any time prior to its exercise, the authority of the board to exercise the power of the members to amend the articles.

Sec. 20. Laws 1951, Chapter 550, Section 28, is amended to read:

Sec. 28. [317.28] **Corporation records.** (1) A *domestic* corporation shall keep at its registered office correct and complete books of account and minutes of proceedings of meetings of (a) members, (b) board of directors, and (c) committees having any of the authority of the board of directors.

(2) A member, his agent or his attorney, may inspect all books and records for any proper purpose at any reasonable time.

(3) Upon request by a member, the *domestic* corporation shall furnish the member with a statement showing the financial result of all operations and transactions affecting income and surplus during its last annual accounting period and a balance sheet containing a summary of its assets and liabilities as of the closing date of such accounting period.

Sec. 21. Minnesota Statutes 1949, Section 300.09, as amended by Laws 1951, Chapter 550, Section 70, is amended to read:

**300.09 Property; sale, lease, exchange; procedure.** Every corporation heretofore or hereafter organized under the laws of this state, except those formed or coming under the Minnesota Business Corporation Act, or a nonprofit corporation subject to the Minnesota Nonprofit Corporation Act *or any part thereof*, at any meeting of its board of directors, may sell, lease, or exchange all its property, rights, privileges, and franchises upon such terms and conditions as its board of directors deems expedient and for the best interests of the corporation, when and as authorized by the affirmative vote of the holders of two-thirds of the shares of stock of the company issued and outstanding having voting power, given at a stockholders' meeting duly called for that purpose, or when authorized by the written consent of the holders of two-thirds of the shares of stock of the company issued and outstanding having voting power. The certificate of incorporation may require the vote or written consent of a larger portion of the stockholders.

Sec. 22. Minnesota Statutes 1949, Section 300.14, Subdivision 1, as amended by Laws 1951, Chapter 550, Section 72, is amended to read:

**300.14 Certain corporations. Subdivision 1. Consolidation.** Any two or more corporations, except corporations organized for the purpose of carrying on the business of a railroad, bank, savings bank, trust company, building and loan association, or insurance company, or a nonprofit corporation subject to the Minnesota Nonprofit Corporation Act *or any part thereof*, may consolidate into a single corporation, which may be either one of such consolidating corporations or a new corporation created by such consolidation. The directors, or a majority of them, of such corporations as desire to consolidate, may enter into an agreement signed by them and under the corporate seals of the respective corporations, prescribing the terms and conditions of the consolidation, the mode of carrying the same into effect, and stating such other facts as are deemed applicable among those necessary to be set out in a certificate of incorporation, as provided in section 47.13, as well as the manner and basis of converting the shares of stock of each of the constituent corporations into the shares of the consolidated corporation, whether into the same or a different number of shares of the consolidated corporation and whether par value or no par value stock, with such other details and provisions as are deemed necessary or desirable. The agreement shall state the amount of capital stock with

which the consolidated corporation will begin business, which may be any amount not less than the aggregate par value of shares of stock having par value to be distributed in place of previously issued and outstanding shares of stock of the constituent corporations. The agreement may provide for the distribution of cash, notes, or bonds in whole or in part in lieu of stock to stockholders of the constituent corporations, or any of them.

Sec. 23. Minnesota Statutes 1949, Section 300.45, as amended by Laws 1951, Chapter 550, Section 73, is amended to read:

**300.45 Certificates of incorporation, amendment; exceptions.** Except for a nonprofit corporation subject to the Minnesota Nonprofit Corporation Act *or any part thereof*, the certificate of incorporation of any corporation now or hereafter organized and existing under the laws of this state may be amended so as to change its name, or so as to increase or decrease its capital stock, or so as to change the number and par value of the shares of its capital stock or in respect to any other matter which an original certificate 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 or at a special meeting called for that expressly stated purpose, in either of the following ways:

(1) By a majority vote of all its shares, if a stock corporation; or, if not,

(2) By a majority vote of its members; or, in either case,

(3) By a majority vote of its entire board of directors, trustees, or other managers within one year after having been thereto duly authorized by specific resolution duly adopted at such meeting of stockholders or members, and 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 for the execution, approval, filing, recording, and publishing of a like original certificate. If such amendment be made for the purpose of changing the principal place of the business of such corporation, the certificate shall be published, filed, and recorded in the office of the register of deeds of the county of such principal place of business immediately prior to such amendment and recorded in the county where the business is to be carried on after the amendment.

As to a local building and loan association and corporations organized for the establishing, maintaining, and operating of hospitals not for profit, the resolution to amend may be adopted as above provided or by a two-thirds vote of the stockholders or members of the association attending the meeting in person or by proxy.

Sec. 24. Minnesota Statutes 1949, Section 300.58, as amended by Laws 1951, Chapter 550, Section 75, is amended to read:

**300.58 Dissolution of corporations; exceptions.** When any corporation, except a bank of discount and deposit, or a savings bank, or a nonprofit corporation subject to the Minnesota Nonprofit Corporation Act or any part thereof, has determined, upon the affirmative vote of a majority of each class of its stock entitled to vote, or of its members, if without capital stock, that it is for the interest of all persons concerned therein that it be dissolved, it may cause appropriate action to be taken to effect such dissolution.

Sec. 25. Minnesota Statutes 1949, Section 300.59, as amended by Laws 1951, Chapter 550, Section 76, is amended to read:

**300.59 Continuance to close affairs; exceptions.** Except for a corporation subject to the Minnesota Nonprofit Corporation Act or any part thereof, every corporation whose existence terminates by limitation, forfeiture, or otherwise shall continue for three years thereafter for the purpose of prosecuting and defending actions, closing its affairs, disposing of its property, and dividing its capital, but for no other purpose.

Sec. 26. Laws 1951, Chapter 550, Section 67, is amended to read:

**Sec. 67. [317.67] Fees; filing documents, issuing certificates.** (1) The secretary of state shall collect the amount of the fees charged by the register of deeds for recordation of any instrument required by this act to be forwarded by the secretary of state to a register of deeds.

(2) In addition to the fees prescribed by clause (1), the secretary of state shall collect when he files:

(a) a resolution to accept or to reject the provisions of sections 1 to 25, \$5;

(b) articles of incorporation and issues a certificate of incorporation, \$10;

(c) articles of merger or consolidation and issues a certificate thereof, \$5;

(d) agreement of merger or consolidation of a domestic and foreign corporation executed pursuant to the law of a foreign state or place, \$5;

(e) a certificate of address of registered office, \$1;

(f) statement of change of address of registered office, \$1;

(g) a certificate of amendment, \$5;

(h) any other instrument, \$1.

(3) The commissioner of insurance shall collect when he files:

(a) articles of incorporation, \$1;

(b) articles of amendment, \$1;

(c) articles of merger or consolidation, \$1;

(d) certificate of trustworthiness, \$1.

Approved April 23, 1953.

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## CHAPTER 651—H. F. No. 388

[Coded]

*An act providing that the patrol motor vehicles of the state highway department, the county sheriffs, and local police departments be equipped with and carry first aid equipment, and that operators of such vehicles be trained in the application of first aid treatment.*

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

Section 1. [169.751] **Definitions.** For the purposes of this act the following words shall have the meaning ascribed to them in this section:

(a) "First aid equipment" shall mean equipment for the purpose of rendering first aid to sick or injured persons as prescribed by the State Highway Department for its highway patrol vehicles, such equipment to include materials for the application of splints to fractures.

(b) "Patrol motor vehicles" shall mean the highway patrol motor vehicles used in law enforcement of the State Highway Department, the County Sheriffs, and the various city, village, town, and other local police departments.

Section 2. [169.752] **Patrol motor vehicles, first aid equipment.** Every patrol motor vehicle shall be equipped with and carry first aid equipment.