

issue subpoenas for the attendance of witnesses and the production of evidence, which subpoenas shall be enforced in the same manner as subpoenas issued by the Commission under section 179.08. Any such temporary arbitration tribunal shall file with the conciliator a copy of its report, duly certified by its chairman.

Sub. 4. Minnesota Statutes 1953, Sections 572.01 to 572.07 are hereby repealed.

Approved April 24, 1957.

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CHAPTER 634—S. F. No. 538

[Coded]

*An act authorizing the issuance of preferred stock by state banks under certain conditions.*

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

Section 1. [49.51] **Issuance of preferred stock, conditions.** Subdivision 1. Any state bank may issue preferred stock of one or more classes, with or without voting rights, with the approval of the commissioner of banks and without change of its certificate of incorporation, when its board of directors is so authorized by a majority vote of its stockholders, at a general or special meeting thereof called for such purpose. Provided, however, that in no event shall the amount of preferred stock exceed 50 percent of the total common stock and surplus of such issuing bank.

Subd. 2. Such preferred stock may be issued to any person, firm, or corporation, and the holders thereof shall have such rights as are set forth under the terms of issue of such preferred stock. No issue of preferred stock shall be valid until the capital stock shall have been fully paid in, and no dividend shall be paid on the common stock of a bank until all terms of the issue of such preferred stock shall have been satisfied.

Subd. 3. The terms of issue of such preferred stock shall set its rank or priority as between other stock issue, provided that such preferred stock shall be subordinated to all claims of depositors or other creditors in case of the insolvency of the issuing bank. Such preferred stock shall in no case be subject to any assessment, nor shall otherwise be liable for the obligations of the issuing bank. Before any such preferred

stock is retired or paid by the issuing bank, it must first obtain the approval of the commissioner of banks.

Subd. 4. At the end of each dividend period, after deducting all necessary expenses, losses, amounts receivable more than one year overdue and not well secured, interest, and taxes due or levied, all of the remaining net profits for the period shall be set aside as a surplus fund, if the surplus fund of such bank is not then equal to one-fifth of the capital stock. If the surplus fund is more than one-fifth of the capital stock, ten percent of the remaining net profits for the period shall be set aside as a surplus fund until it equals fifty percent of the total capital stock. After these provisions are complied with, the bank may, without prior approval of the Commissioner, pay dividends as provided under the terms of issue of such preferred stock. Dividends on preferred stock may be paid out of the undivided profit account without regard to earnings in the last concluded year, if the surplus equals fifty percent of the total capital stock and the undivided profit account would not be thereby reduced to less than 25 percent of the total capital stock.

Subd. 5. Any preferred stock issued by a state bank shall be part of its capital stock structure, and the terms "capital stock" or "capital" in any laws of this state pertaining to state banks shall be deemed to also include and apply to preferred stock, except that only stock issued with or having succeeded to voting rights shall qualify a director under the provisions of Section 48.06.

Subd. 6. The commissioner is authorized to issue such regulations and orders as may be necessary to administer and carry out the provisions and purposes of this section.

Approved April 24, 1957.

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#### CHAPTER 635—S. F. No. 559

*An act appropriating money from the state income tax school fund for aid to certain public school districts which contain tax exempt land; amending Minnesota Statutes 1953, Section 128.234, Subdivision 3.*

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

Section 1. Minnesota Statutes 1953, Section 128.234, Subdivision 3, is amended to read:

Subd. 3. No school district with an assessed valuation