

from a clerical service corporation which supplies the same type of clerical services to another bank, and the applying bank is competitive with any bank, referred to in this section as a "stockholding bank," which holds stock in such corporation, the corporation must offer to supply such services by either:

- (1) Issuing stock to the applying bank and furnishing clerical services to it on the same basis as to the other banks holding stock in the corporation; or
- (2) Furnishing clerical services to the applying bank at rates no higher than necessary to fairly reflect the cost of such services, including the reasonable cost of the capital provided to the corporation by its stockholders,

at the corporation's option, unless comparable services at competitive overall cost are available to the applying bank from another source, or unless the furnishing of the services sought by the applying bank would be beyond the practical capacity of the corporation. In any action or proceeding to enforce the duty imposed by this section, or for damages for the breach thereof, the burden shall be upon the clerical service corporation to show such availability.

Subd. 4. No clerical service corporation may engage in any activity other than the performance of clerical services for banks.

Subd. 5. No bank may cause to be performed, by contract or otherwise, any clerical services for itself from a clerical service corporation, whether on or off its premises, unless assurances satisfactory to the commissioner are furnished to the commissioner by both the bank and the party performing such services that the performance thereof will be subject to regulation and examination by the commissioner to the same extent as if such services were being performed by the bank itself on its own premises.

Subd. 6. A clerical service corporation shall not be considered a branch of any bank owning shares in such corporation.

Approved April 1, 1963.

CHAPTER 141—H. F. No. 531

An act relating to the state agricultural society; amending Minnesota statutes 1961, Section 37.04.

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

Changes or additions indicated by italics, deletions by strikeout.

Section 1. Minnesota Statutes 1961, Section 37.04, is amended to read:

37.04 State agricultural society; board of managers, meetings, selection, vacancies, quorum. *Subdivision 1.* The management and control of its ~~the~~ *affairs of the Minnesota state agricultural society* shall be vested in its *a board of managers which shall consist of a president, two vice presidents and eight nine other managers members, one from each congressional district not represented by a vice president, to be known as its governing board, all of whom shall be citizens of this state, and two of whom shall be vice-presidents, each member to represent one of nine regional districts, any six of whom shall constitute a quorum for the purposes of any meeting of the board.*

Subd. 2. *The regional districts for purposes of electing members of the board of managers of the Minnesota state agricultural society shall be identical with the nine congressional districts as established by Laws 1933, Chapter 185, and shall be accordingly numbered.*

Subd. 3. The annual meeting of the society shall be held at such place in St. Paul or Minneapolis, or upon the state fair grounds, as the governing board of managers may select. It shall begin on the Wednesday following the second Tuesday in January, and shall continue until the following Friday, on which day a president shall be elected for the term of one year; one vice president for a term of two years; and eight managers as follows: At the annual meeting in 1918; and on each third year thereafter, one manager from each of the first, third, and sixth congressional districts; at the annual meeting in 1919; and on each third year thereafter, one manager from each of the seventh and ninth congressional districts; at the annual meeting in 1920; and on each third year thereafter, one manager from each of the second, eighth, and tenth congressional districts; provided, that at the first regular meeting of the board held after the passage and approval of this chapter, the governing board shall appoint one manager from each congressional district not represented on the board by a manager, the managers so appointed to serve until the next following annual election, at which annual meetings, in January, 1916, a successor to the appointed manager from the third congressional district shall be elected for a term of three years; and a successor to the appointed manager from the eighth congressional district shall be elected for a term of two years; in addition to the election of successors to managers and officers whose elective terms expire at such meeting, all of which managers shall thereafter be elected for the term of three years; provided, further that at no time shall more than one mem-

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ber of the governing board, exclusive of president, hereinbefore provided for, be a resident of any one congressional district. On the day preceding the last day of the annual meeting, the duly accredited delegates to the meeting from each congressional district whose member of the board of managers is about to expire shall meet together at the place for holding the annual meeting and nominate and certify to the annual meeting the choice of the district for manager and, at the time fixed by law for the election of the president of the society and after the nominations have been so certified, presented, and read to the annual meeting, the annual meeting shall proceed to elect managers to fill all expiring terms. Vacancies shall be filled by the governing board. Any person appointed to fill a vacancy shall hold office until the next annual meeting of the society which shall elect a successor to serve out the unexpired term. *The meeting shall be held annually during a three day period, such period to be selected by the board of managers, to commence no earlier than January 2, and no later than January 31 in each year. Written notice of the time and place of the holding of the annual meeting shall be given to all members of the society at least 30 days prior to the time of the holding of the annual meeting.*

Subd. 4. The annual meeting of members of the society shall elect, from the then current membership of the board of managers, a president for a term of one year, who shall not be a resident of the fourth or the fifth regional districts. In addition, seven managers shall be elected, as follows:

At the annual meeting in 1963, and on each third year thereafter, one manager from each of the first, third and sixth regional districts, at the annual meeting in 1964, and on each third year thereafter, one manager from each of the seventh and ninth regional districts, at the annual meeting in 1965, and on each third year thereafter, one manager from each of the second and eighth regional districts. In addition, at the annual meeting in 1964 and every other year thereafter, a vice-president shall be elected from the fifth regional district, and in 1965 and in every other year thereafter, a vice-president shall be elected from the fourth regional district.

Subd. 5. At no time shall more than one member of the governing board, exclusive of the president, be a resident of any one regional district. On the day preceding the last day of the annual meeting, the duly accredited delegates to the meeting from each regional district, the term of whose member of the board of managers expires in that year, shall meet together at the place for holding the annual meeting and nominate and certify to the annual meeting the choice of that district for manager, and, at the time fixed

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by law for the election of the president of the society and after the nominations have been so certified, presented, and read to the annual meeting, the annual meeting shall proceed to elect such managers to fill all expiring terms.

Subd. 6. Any vacancy, prior to the expiration of any term of office of a member of the board of managers, may be filled by the remaining members of the board. Any person so appointed to fill a vacancy shall hold office until the next annual meeting of the society, which shall elect a successor in the manner provided, to serve the balance of the unexpired term.

Approved April 1, 1963.

CHAPTER 142—H. F. No. 713

An act relating to county agricultural societies; providing the county boards of certain counties with authority to levy a one mill tax to assist such societies; amending Minnesota Statutes 1961, Section 38.27, Subdivision 1.

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

Section 1. Minnesota Statutes 1961, Section 38.27, Subdivision 1, is amended to read:

38.27 County agricultural societies. Subdivision 1. **Tax levy, powers.** (a) In all counties, except counties described in subdivision 2 and except counties having a city of the first class, in addition to all other powers now or hereafter by law conferred upon county boards, authority hereby is given annually to levy a tax of not to exceed one half mill upon all property subject to taxation and, from time to time, to appropriate and pay over the proceeds of this tax, when collected, to any county agricultural society of its county which is a member of the state agricultural society, to assist the society in paying its financial obligations now or hereafter incurred, and for the construction, reconstruction, alteration, repairs and improvements of necessary buildings.

(b) *In counties having a city of the first class the county board may levy a tax of not to exceed one half mill for the purposes and in the manner provided in clause (a) of this subdivision.*

Approved April 1, 1963.

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