

*aircraft that endanger person or property on the ground, or drops leaflets for any purpose whatsoever; or*

(16) (17) While in flight in an aircraft, whether as a pilot, passenger, or otherwise, endangers, kills or attempts to kill any birds or animals or uses any aircraft for the purpose of concentrating, driving, rallying, or stirring up migratory waterfowl, except as may be permitted by other laws of this state shall be guilty of a misdemeanor.

Approved March 29, 1963.

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CHAPTER 139—H. F. No. 183

[Coded]

*An act authorizing the formation of attorneys professional corporations.*

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

Section 1. [319.26] **Title.** This act may be cited as the attorneys professional corporation act.

Sec. 2. [319.27] **Definitions.** Subdivision 1. For the purposes of this act the terms defined in this section shall have the meaning given them.

Subd. 2. “Professional service” means personal service rendered by an attorney at law duly admitted to practice before the supreme court of the state of Minnesota under the provisions of Minnesota Statutes, Chapter 481.

Subd. 3. “Professional corporation” means a corporation organized under this act for the purpose of rendering professional service.

Sec. 3. [319.28] **Formation of corporation.** One or more natural persons authorized to render professional service may form a corporation, pursuant to either Minnesota Statutes, Chapter 301, or Minnesota Statutes, Chapter 317, for the purpose hereinafter set forth.

Sec. 4. [319.29] **Purpose for which incorporated.** A professional corporation may be organized pursuant to the provisions of this act for the purpose of rendering professional service and services ancillary thereto and shall not engage in any business other

**Changes or additions indicated by italics, deletions by ~~strikeout~~.**

than rendering professional service and services ancillary thereto; provided, however, that a professional corporation may own real and personal property necessary or appropriate for rendering professional service and may invest its funds in real estate, mortgages, stocks, bonds, or any other type of investment.

Sec. 5. [319.30] **Applicability of corporation acts.** A professional corporation incorporating pursuant to the provisions of this act under either Minnesota Statutes, Chapter 301, or Minnesota Statutes, Chapter 317, shall proceed in the manner specified in the particular act under which it has elected to incorporate except that (1) if it has only one shareholder or member, it need have only one director who shall be such shareholder or member and it may permit such shareholder or member to hold all offices; (2) if it has only two shareholders or members, it need have only two directors who shall be such shareholders or members and it may permit such shareholders or members to hold all offices; and (3) if it elects to proceed pursuant to Minnesota Statutes, Chapter 317, its articles of incorporation need not contain the statement required by clause (3) of subdivision 2 of section 317.08 thereof. After incorporation a professional corporation shall enjoy the powers and privileges and shall be subject to the duties and liabilities of other corporations organized under the particular act under which it has elected to incorporate, except insofar as the same may be limited or enlarged by this act. If any provisions of this act conflicts with the provisions of the act under which a professional corporation elects to incorporate, this act shall take precedence.

Sec. 6. [319.31] **Corporate name.** The corporate name of any professional corporation organized under this act shall end with the word "Chartered" or the word "Limited," or the abbreviation "Ltd." or the words "Professional Association," or the abbreviation "P.A."

Sec. 7. [319.32] **Qualifications of directors and officers.** All directors and officers of a professional corporation shall be attorneys at law duly admitted to practice before the supreme court of the state of Minnesota under the provisions of Minnesota Statutes, Chapter 481.

Sec. 8. [319.33] **How service rendered.** A professional corporation may render professional service only through natural persons who possess a license to render professional service and may so render professional service notwithstanding any provision of law to the contrary. Such persons need not be members or shareholders of the professional corporation but may be employed by the professional corporation to perform professional service.

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Nothing contained in this act shall be construed to require a license or other legal authorization of any individual who is employed by a professional corporation to perform services for which no license or other legal authorization is otherwise required.

Sec. 9. **[319.34] Relationship to person served.** This act does not alter any law applicable to the relationship between a person furnishing professional service and a person receiving such professional service, including liability arising out of such professional service; provided, however, that nothing contained in this section shall render a person personally liable in tort for any act in which he has not personally participated and; provided further, that nothing contained in this section shall render a director, officer, or employee of such a professional corporation personally liable in contract for any contract which he executes on behalf of a professional corporation within the limits of his actual authority.

Sec. 10. **[319.35] Employees.** Each individual licensed in this state to perform professional service who is employed by a professional corporation shall remain subject to reprimand or discipline for his conduct under the provisions of the licensing statute and rules or regulations pursuant to which he is licensed.

Sec. 11. **[319.36] To whom shares and memberships may be issued.** A professional corporation may issue its stock only to, and may admit as a member only, natural persons who are licensed in this state to render professional service. A person who becomes a shareholder or member in any professional corporation may transfer his shares or his membership only to a natural person to whom a professional corporation could issue such shares or such membership pursuant to the provisions of this section. No proxy to vote any share of or any membership in a professional corporation may be given to a person who is not so licensed, nor may any voting trust be established with respect to the shares of a professional corporation unless all the voting trustees are natural persons who are so licensed. No shareholder or member of a professional corporation may be a shareholder or member of any other professional corporation.

Sec. 12. **[319.37] Death or disqualification of shareholder.** Within 90 days following the date of death of a shareholder or member or the loss of his license to practice before the supreme court of the state of Minnesota, all of the shares owned by such shareholder shall be transferred to and acquired by the professional corporation or persons qualified to own such shares. If the articles of incorporation or bylaws of a professional corporation fail to state a price or method of determining a price at which such corporation or its shareholders may purchase the shares of a deceased shareholder or a shareholder

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no longer qualified to own shares in such corporation, then the price for such shares shall be the fair market value as determined by the board of directors but not less than the book value as of the end of the month immediately preceding the death or disqualification of the shareholder. Book value shall be determined from the books and records of such corporation in accordance with the regular method of accounting used by such corporation.

Sec. 13. [319.38] **Annual report.** A professional corporation organized and operating under the provisions of this act shall, annually on or before March 31, file in the office of the secretary of state a report showing the names and residence addresses of all its shareholders or members, directors, and officers which shall certify that all such persons are attorneys at law duly admitted to practice before the supreme court of the state of Minnesota. This report shall be made on forms prescribed and furnished by the secretary of state, but shall contain no fiscal or other information except that expressly called for by this section. It shall be signed by the president or vice-president and the secretary or an assistant secretary of the corporation and acknowledged before a notary public by the person signing the report.

Sec. 14. [319.39] **Fees.** For filing each such report, a professional corporation shall pay to the state treasurer a fee of \$10.

Sec. 15. [319.40] **Severability.** If any provision of sections 1 to 16 of this act or the application thereof to any person or circumstances is held invalid, the invalidity shall not affect other provisions or application of said sections which can be given effect without the invalid provision or application, and to this end the provisions of said sections are severable.

Sec. 16. [319.41] **Savings clause.** Nothing contained herein is intended to alter the right of natural persons licensed to provide professional service, to organize as a partnership, an unincorporated association, a business trust, or any other form recognized under laws of this state.

Approved April 1, 1963.

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CHAPTER 140—H. F. No. 415

[Coded]

*An act authorizing certain banks to invest in corporations whose purpose is to provide clerical services for them, and for other purposes.*

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

**Changes or additions indicated by italics, deletions by ~~strikeout~~.**