

352.36, Subdivisions 1 and 2; Section 352.37; Section 352.38, Subdivision 2; Section 352.61, Subdivisions 1, 2 and 3; Section 352.62, Subdivisions 1 and 2; Section 352.63, Subdivisions 1, 2, 3 and 4; Section 352.64; Section 352.65; Section 352.651; Section 352.66, Subdivision 3; Section 352.67; Section 352.68 and Section 352.69 are repealed.

Approved April 30, 1963.

CHAPTER 384—H. F. No. 280

An act relating to credit unions; amending Minnesota Statutes 1961, Sections 52.04; 52.09, Subdivisions 1 and 2.

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

Section 1. Minnesota Statutes 1961, Section 52.04, is amended to read:

52.04 **Credit unions; powers.** A credit union shall have the following powers:

(1) To receive the savings of its members either as payment on shares or as deposits, including the right to conduct Christmas clubs, vacation clubs, and other such thrift organizations within its membership;

(2) To make loans to members for provident or productive purposes as provided in section 52.16;

(3) To make loans to a cooperative society or other organization having membership in the credit union;

(4) To deposit in state and national banks and trust companies authorized to receive deposits;

(5) To invest in any investment legal for savings banks or for trust funds in the state;

(6) To borrow money as hereinafter indicated;

(7) To adopt and use a common seal and alter the same at pleasure; and

(8) To make payments on shares of and deposit with any other credit union operating under the provisions of this chapter, or operating in this state under the provisions of the federal credit

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union act, in amounts not exceeding in the aggregate 25 percent of its unimpaired assets;

(9) To contract with any licensed insurance company or society to insure the lives of members to the extent of their share accounts, in whole or in part, and to pay all or a portion of the premium therefor; ~~provided that so long as the credit union pays a premium for such insurance, the directors shall, for each dividend period, declare and pay a special dividend on all share accounts, or portions thereof, not covered by such life insurance contract. Such special dividend shall be at the same annual rate as the premium paid for insurance on insured share balances and computed as of the end of the dividend period in the same manner as provided for the payment of regular dividends; and~~

(10) In furtherance of the twofold purpose of promoting thrift among its members and creating a source of credit for them at legitimate rates of interest for provident purposes, and not in limitation of the specific powers hereinbefore conferred, to have all the powers enumerated, authorized, and permitted by this chapter, and such other rights, privileges and powers as may be incidental to, or necessary for, ~~the accomplishment of the objectives and purposes of the credit union.~~

Sec. 2. Minnesota Statutes 1961, Section 52.09, Subdivision 1, is amended to read:

52.09 Directors; powers and duties. Subdivision 1. **Meetings; officers.** At their first meeting, and annually thereafter at the first meeting following the annual meeting of members, the directors shall elect from their own number a president, vice-president, *and from their own number or otherwise a treasurer,* and secretary, of whom the last two named may be the same individual, and the directors may engage such other employees as may be necessary to properly conduct the business of the credit union.

Sec. 3. Minnesota Statutes 1961, Section 52.09, Subdivision 2, is amended to read:

Subd. 2. **Particular duties.** It shall be the duty of the directors to have general management of the affairs of the credit union, particularly:

(1) To act on applications for membership; *, provided that this power may be delegated to a membership chairman who shall serve at the pleasure of the board of directors and subject to its rules, however such application shall contain a certification signed by the*

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membership chairman or a member of the board showing the basis of membership;

- (2) To determine interest rates on loans and on deposits;
- (3) To fix the amount of the surety bond which shall be required of all officers and employees handling money;
- (4) To declare dividends, and to transmit to the members, recommended amendments to the bylaws;
- (5) To fill vacancies in the board and in the credit committee until successors are chosen and qualify at the next annual meeting;
- (6) To determine the maximum individual share holdings, the maximum amount of deposits, and the maximum individual loan which can be made with and without security, including liability indirectly as a co-maker, guarantor, or endorser;
- (7) To have charge of investments other than loans to members;
- (8) To fix the salaries of the treasurer and other employees, which shall be on a fixed monthly or annual basis, in dollars (not percentage);
- (9) To designate the bank or banks in which the funds of the credit union shall be deposited; and
- (10) To authorize the officers of the credit union to borrow money from any source, in a total sum which shall not exceed in the aggregate 40 percent of its unimpaired assets.

Approved April 30, 1963.

CHAPTER 385—H. F. No. 286

[Coded]

An act relating to regulation and supervision of the placement of surplus line insurance.

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

Section 1. **[60.931] Surplus line insurance; purpose clause.** Insurance transactions with unauthorized insurers are so affected with a public interest as to require regulation, taxation, supervision and control as provided in this act in order to: protect the citizens of this state in transactions involving the purchase of

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