

spoken, the judges may select two persons from different political parties to act as interpreters, who shall take an oath similar to that taken by the judges, and assist such person in voting. When the voter shall prefer, he may call to his aid any voter of the same precinct, who, unaccompanied by a judge, may retire with him to the voting machine booth and prepare such voter's ballot on such voting machine for him; but no such person shall prepare the ballot of more than three such voters at one election. Before registering his vote such voter may show his ballot, as prepared for recording, privately to a judge to ascertain that it is prepared as directed. No judge or other person so assisting a voter shall in any manner request, persuade, or induce, or attempt to persuade such voter to vote for or against any particular political party, candidate or question, but shall prepare the ballot as requested, and shall not reveal to any other person the name of any candidate for whom the voter has voted, or anything that took place while so assisting him.

Approved May 10, 1965.

CHAPTER 381—S. F. No. 629

An act relating to savings, building and loan associations; amending Minnesota Statutes 1961, Sections 51.01, Subdivision 8, as amended; 51.13; 51.14, Subdivision 3; 51.34, Subdivision 2, as amended; and 51.34, Subdivision 3, as amended.

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

Section 1. Minnesota Statutes 1961, Section 51.01, Subdivision 8, as amended by Laws 1963, Chapter 606, Section 1, is amended to read:

Subd. 8. **Savings, building and loan associations; direct reduction loan.** "Direct reduction loan" means a loan repayable in consecutive monthly installments, equal or unequal, beginning not later than 60 days after the date of the advance of the loan, sufficient to retire the debt, interest and principal, within 30-35 years; provided, that the initial loan contract shall not provide for any subsequent monthly installment of an amount larger than any previous monthly installment; and, provided, further, that in the case of construction loans the first payment shall not be later than six 12 months after the date of the first advance. Any such loan is an amortized loan whether interest is computed and adjusted every month or semi-annually.

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

Sec. 2. Minnesota Statutes 1961, Section 51.13, is amended to read:

51.13 **Bylaws.** The bylaws of every association:

- (1) Shall state the principal place of business where the association is located;
- (2) Shall provide the date and the place of the regular annual meeting of members; the notice, if any, to be given; the manner of calling special meetings, and the notice to be given; and the number of members necessary to constitute a quorum;
- (3) Shall provide for meetings of the board of directors, which meetings shall be held not less frequently than once a month; the place of these meetings; the quorum necessary to conduct a meeting, and for the resignation and removal of directors;
- (4) Shall prescribe the number of directors, their duties and powers, their term of office, and how vacancies are to be filled;
- (5) May provide for an executive committee, which shall have the powers of the board of directors between meetings of the board of directors, and shall provide for the time and place of meetings of the executive committee, and the quorum necessary;
- (6) Shall provide that the board of directors, at their annual meeting, which shall be held within ten days after the annual meeting of the members (1) shall elect a president, one or more vice-presidents, a secretary, and a treasurer, and (2) may elect such additional officers as the board of directors may, from time to time, determine, and (3) may designate an attorney, provided that the offices of secretary and treasurer may be held by the same person;
- (7) Shall state the voting rights of members and the vote necessary to decide an issue;
- (8) Shall prescribe the duties and powers of the officers, how vacancies are to be filled, and terms of office;
- (9) Shall prescribe the method whereby written instruments shall be executed, and what officers shall be authorized to sign checks;
- (10) Shall prescribe the method of making loans, the filing of applications, closing of loans, terms of loans, loan expense, insurance on loans, building loans, and may prescribe the maximum loan limit, which shall be a fixed percentage of the appraised valuation of the property;
- (11) Shall prescribe the manner in which share certificates

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shall be signed and delivered; provided, that the bylaws shall provide that these share certificates shall be manually signed by an officer or employee of the association designated by the board of directors;

(12) Shall prescribe how shares may be withdrawn and how shares may be transferred from one person to another;

(13) Shall set forth the corporate seal of the association, which shall be two concentric circles between which shall be the name of the association; the year of incorporation and the name of the state shall, and an emblem may, appear in the center;

(14) Shall provide for the depositing of the association's funds, and shall provide that the board of directors shall name a bank or banks as depository;

(15) May provide for the sale or cancellation of delinquent share interests;

(16) May contain such other provisions as are not unlawful or inconsistent herewith; and

(17) May be amended at any time by *a two thirds affirmative vote of the board of directors or by a majority vote of the members of the association present at an annual or special meeting called for that purpose, the notice of the meeting stating what sections are to be amended; no amendment to the bylaws shall be effective unless and until the commissioner has given his written approval to the amendment.*

The members may, at any regular or special meeting called for that purpose, adopt or abolish any or all of the bonus plans provided in section 51.23 without the approval of the commissioner.

Sec. 3. Minnesota Statutes 1961, Section 51.14, Subdivision 3, is amended to read:

Subd. 3. **Voting.** In the determination of all questions requiring action by members, each borrower and each obligor upon a loan shall be entitled to one vote as such borrower or obligor and each shareholder shall be permitted to cast one vote for each share or fraction thereof of the withdrawal value of his share account, except only one vote may be cast for each share of stock or fraction thereof owned jointly, and except that an association may, in its bylaws, limit or determine the number of votes to be cast by each shareholder. *Voting may be by proxy, provided the proxy instrument authorizing the proxy to vote shall have been executed in writing, by the member within eight months prior thereto. A shareholder may cast his vote in person or through proxy. The appointment of a proxy shall be in writing filed with the secretary at or before the*

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meeting. The authority of a proxy, if not coupled with an interest, may be terminated at will. Unless otherwise provided in the appointment, the proxy's authority shall cease 11 months after the appointment. A termination of a proxy's authority by act of the shareholder shall be ineffective until written notice of the termination has been given to the secretary. Unless otherwise provided therein, the appointment filed with the secretary shall have the effect of revoking all appointments of prior date. A majority of all votes cast at any meeting of the members shall determine any question, except voluntary liquidation. The members who shall be entitled to vote at any meeting of the members shall be those owning share account of record and borrowers and obligors who are members of record at the end of the calendar month next preceding the date of the meeting of members, except those who have ceased to be members. The number of votes of each member shall be determined by the withdrawal value of his share account, or, if a borrower or obligor, owning shares by the number of shares owned by him on such record date or if such a member, not owning shares, as provided above. Nothing contained in this subdivision shall be construed as applying to federal savings and loan associations.

Sec. 4. Minnesota Statutes 1961, Section 51.34, Subdivision 2, as amended by Laws 1963, Chapter 606, Section 9, is amended to read:

Subd. 2. **Specific.** Every association shall have the following powers:

- (1) To sue and to be sued, complain and defend, in any court;
- (2) To purchase, hold, and convey real and personal estate consistent with its objects and powers, and to mortgage, pledge, or lease any real or personal estate; and to take property by gift, devise or bequest;
- (3) To have a corporate seal, which may be affixed by imprint, facsimile or otherwise;
- (4) To appoint officers, agents, and employees as its business shall require, and allow them suitable compensation;
- (5) To adopt and amend bylaws as provided in this chapter;
- (6) To accept savings and investments as payments on accounts, as provided in this chapter, but this shall apply only to cases where one association assumes the share liabilities of another and sufficient assets are transferred to cover these liabilities;

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(7) To make loans to members on the sole security of share accounts. (No such loan shall exceed the withdrawal value of the share accounts owned or otherwise pledged by the borrower. No such loan shall be made when an association has applications for withdrawal which have been on file more than 60 days and not reached for payments.)

(8) To make direct reduction or unamortized home loans of any amount and secured by home property, subject to the following limitations: It shall be unlawful for an association, the assets of which do not exceed \$50,000, to make any mortgage loan exceeding \$5,000; if its assets exceed \$50,000, but do not exceed \$100,000, it shall be unlawful for it to make any mortgage loan exceeding \$7,500; if its assets exceed \$100,000 but do not exceed \$200,000, it shall be unlawful for it to make any mortgage loan exceeding \$10,000; if its assets exceed \$200,000, but do not exceed \$500,000, it shall be unlawful for it to make any mortgage loan exceeding \$20,000; if its assets exceed \$500,000 but do not exceed \$1,000,000, it shall be unlawful for it to make any mortgage loan exceeding \$30,000; if its assets exceed \$1,000,000, but do not exceed \$3,000,000, it shall be unlawful for it to make any mortgage loan exceeding \$50,000; if its assets exceed \$3,000,000, it shall be unlawful for it to make any mortgage loan exceeding two and one half percent of its total assets. It shall be unlawful for any association to make any loan on vacant lands or on vacant lots unless these lands or lots are to be improved or are included with other improved real estate; all real estate loans shall be subject to the limitations which may be fixed in the bylaws, which shall be a fixed percentage of the valuation of the property;

(9) Without regard to any other provisions of this chapter, to make any loan for the purchase or construction, the repair, alteration, improvement or modernization of a home or other residential property or for the payment of delinquent indebtedness, taxes or special assessments thereon, secured or unsecured, which is insured or guaranteed in whole or in part by the United States or any instrumentality thereof, or by this state or any instrumentality thereof, or for which a commitment to so insure or guarantee, or for which a conditional guarantee has been issued. The portions of such loans or obligations not so insured or guaranteed shall be subject to the limitations set forth in clause 8.

(10) Without regard to any other provisions of this chapter, to make property improvement loans to home owners and other property owners for the repair, alteration, improvement or rehabilitation of their properties, with or without security, provided that no such loan shall exceed \$3,500 \$5,000 and provided further that not

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in excess of 15 20 percent of the assets of the association shall be so invested.

(11) *Without regard to any other provisions of this chapter, to invest in loans, obligations and advances of credit, all of which are hereinafter referred to in this section as "loans", made for the payment of expenses of college or university education, but no association shall make any investment in loans under this clause if the principal amount of its investment in such loans would thereupon exceed five percent of its assets. Such loans may be secured, partly secured, or unsecured, and the association may require a comaker or comakers, insurance, guaranty under a governmental student loan guarantee plan, or other protections against contingencies. The borrower shall certify to the association that the proceeds of the loan are to be used by a fulltime student soley for the payment of expenses of college or university education. For the purpose of this clause, the term "college or university education" means education at an institution which provides an educational program for which it awards a bachelor's degree, or provides not less than a two-year program which is acceptable for full credit towards such a degree.*

Sec. 5. Minnesota Statutes 1961, Section 51.34, Subdivision 3, as amended by Laws 1963, Chapter 606, Section 10, is amended to read:

Subd. 3. **Investments.** Every association shall have power to invest in securities as follows:

(1) Without limit in obligations of or guaranteed as to principal and interest by the United States or this state, or in obligations of political subdivisions of this state;

(2) Without limit in obligations of federal loan banks and in obligations of the federal savings and loan insurance corporations;

(3) In stock of a federal home loan bank of which it is eligible to be a member; *and*

(4) In time, demand, or savings deposits with any bank or trust company, the deposits of which are insured by the Federal Deposit Insurance Corporation and in savings or share accounts of any state or federal savings and loan association, the accounts of which are insured by the Federal Savings and Loan Insurance Corporation; *and*

(5) (a) *Subject to the provisions of this section, an association may invest in the capital stock, obligations, or other securities of any service corporation organized under the laws of the state*

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in which the home office of such association is located if the entire capital stock of such service corporation is available for purchase by, and only by, any and all savings and loan associations with a home office in that state and the stock is owned by more than one association. An association may make and hold an investment, pursuant to this section, in any service corporation whose activities consist of clerical, bookkeeping, accounting, statistical or similar functions performed primarily for savings and loan associations, plus such other activities as the commissioner of banks may approve.

(b) No association shall form a service corporation or invest in the capital stock, obligations or other securities of any service corporation other than that permitted by paragraph (a) of this section without the prior specific approval of the commissioner of banks. Each application for approval to invest in a service corporation pursuant to this paragraph (b) shall contain a statement setting forth the need for such corporation.

Approved May 10, 1965.

CHAPTER 382—H. F. No. 705

An act relating to leased state land; amending Minnesota Statutes 1961, Section 84.153 and Section 89.17.

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

Section 1. Minnesota Statutes 1961, Section 84.153, is amended to read:

84.153 Leased state land; hunting. The commissioner is hereby authorized at public or private vendue and at such prices and under such terms and conditions as he may prescribe, to lease any buildings or lands not now authorized to be leased, acquired in the name of the state of Minnesota by any of the several divisions of the department which are not presently needed for the uses and purposes of any of the divisions of the department. The purposes for which such leases may be executed shall be in the furtherance of the interests of conservation and such uses shall not result in any permanent injury to the land. No such lease shall be made for a term to exceed two years and shall contain a provision for cancellation at any time by the commissioner upon three months written notice. All money received from these leases shall be credited to the fund from which the property was acquired.

The commissioner is hereby authorized to rent or lease to em-

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