

Sec. 2. **Effective date.** *This act shall take effect January 1, 1968.*

Approved April 12, 1967.

CHAPTER 156—H. F. No. 645

[Coded]

An act relating to banks and banking; prohibiting non-par banking; setting forth certain reserve requirements; and amending Minnesota Statutes 1965, Section 48.22 by adding a subdivision.

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

Section 1. **[48.158] Banks and banking; regulation; settlement of checks at less than par.** *No bank or trust company organized under the laws of this state shall settle any check drawn on it otherwise than at par. The provisions of this section shall not apply with respect to the settlement of a check sent to such bank or trust company as a special collection item. This section is in effect on and after November 1, 1968.*

Sec. 2. Minnesota Statutes 1965, Section 48.22, is amended by adding a subdivision to read:

Subd. 6. Investment in short term federal obligations. Not more than 30 percent of a bank's reserves may be invested in obligations of the United States which mature within one year from the date such obligations are first considered as a part of the bank's reserve.

Approved April 12, 1967.

CHAPTER 157—H. F. No. 1266

An act relating to the powers of savings, building and loan associations; amending Minnesota Statutes 1965, Sections 51.20 and 51.26.

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

Section 1. Minnesota Statutes 1965, Section 51.20, is amended to read:

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

51.20 Savings, building and loan associations; powers; capital; types of shares. The capital of an association shall be unlimited and shall consist of the aggregate of payments on share accounts by its members, plus dividends credited to these accounts, less redemptions and withdrawals made thereon. At least \$10,000 of its capital shall be subscribed and paid in before the association shall commence business, and the paid-in capital shall never be less than \$10,000.

The following types of shares may be issued in the discretion of the board of directors:

(1) Full paid shares, when the full par value thereof is paid at the time of issuance, or when the full par value of other types of shares has been paid in thereon, including credited dividends;

(2) Instalment shares, on which payments shall be paid as may be fixed by the board of directors;

(3) Optional payment shares, on which, after the first payment has been made, the shareholder may pay any amount at any time desired, subject to such limitations as may be fixed by the board of directors; and

(4) Loan stock, when the bylaws provide that a loan is an advance on shares of stock, these shares and the payments thereon shall constitute capital, the same as any other shares, until such time as the payments are actually withdrawn and applied in reduction of the loan, as provided by the contract.

When payments on instalment shares or on optional payment shares, together with dividends credited thereon, equal the full par value of shares in the association, these instalment or optional payment shares shall be exchangeable for certificates representing full paid shares, at the option of the holder thereof, without costs; provided, that transfer to full paid stock shall not be made until the optional or instalment share certificate or pass book has been surrendered and full paid certificates issued therefor, as herein provided. When payments on shares, or the dividends credited thereon, exceed the par value of these shares, this excess shall not constitute a common creditor liability of the association, but shall be deemed for the purchase of other like shares. Any holder of instalment shares or optional payment shares may at any time pay the difference between the amount paid in thereon, including credited dividends, and the full par value of shares in the association, and shall, thereupon, be entitled to a certificate representing full paid shares.

The capital shall be accumulated only by payments by members

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and earnings on shares, as provided in this chapter. The withdrawal value of each share account held by a member shall be the aggregate of payments upon the share account, plus dividends credited thereon, less redemption and withdrawals made. Except as limited by the board of directors, from time to time, a member may make payments on share accounts in such amounts and at such times as he may elect. Shares may be issued for cash, or property in which the association is authorized to invest, and, in the absence of fraud in the transaction, the value of the property taken in payment therefor, as determined by the board of directors, shall be conclusive. The members of an association shall not be responsible for any losses which its capital shall not be sufficient to satisfy, and the share accounts shall not be subject to assessment, nor shall the shareholders be liable for any unpaid instalments on their share accounts. Dividends shall be declared in accordance with the provisions of this chapter. No association shall prefer one of its share accounts over any other share account, *except as otherwise provided in this section*, as to the right to participate in dividends as to time or amount; provided, the by-laws may provide that on share accounts of \$5 or less dividends need not be paid. No preference between shareholders shall be created with respect to the distribution of assets upon voluntary or involuntary liquidation, dissolution, or winding up of an association. No association shall have power to contract with respect to the capital or participations in the capital in a manner inconsistent with the provisions of this chapter.

Subject to the approval of the commissioner, every association may enter into agreements with members designed to promote systematic thrift by providing for regular payments over agreed periods of time and in connection with any such plan to provide thrift incentive may classify members according to character, amount, regularity or duration of accounts or type of agreement, and may pay or provide for the declaration of dividends at different rates based on any such classification, provided that all members of the same class shall receive dividends at the same rate. When it shall appear to the commissioner from an examination made by him or otherwise that the classification of members as to character, amount, regularity or duration of accounts or type of agreement and the different dividend rates based on any such classification are not in the best interests of an association and its members, he may by written order direct that changes be made and thereafter such changes shall be adopted by resolution of the board of directors of such association.

Sec. 2. Minnesota Statutes 1965, Section 51.26, is amended to read:

51.26 **Dividends.** As of July 30 and December 31, each

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year, the board of directors shall declare a dividend payable semi-annually as of the last business day of each June and December, or may, with the approval of the commissioner, declare a dividend payable quarterly as of March 31, June 30, September 30, and December 31, or as of the last business day of each of said months. No dividend shall be declared except dividends payable as herein provided unless permission is first obtained from the commissioner, provided that no quarterly dividends shall be authorized under this section prior to June, 1957. Payments of net earnings to shareholders are dividends and shall not be referred as interest. Dividends shall be credited to share accounts on the books of the association on the dividend payment date, and shall be known as stock dividends unless a shareholder shall have requested and the board of directors shall have agreed to pay dividends on all or part of any share account in cash. Dividends payable in cash shall be paid within 30 days from the date declared. All shareholders shall participate equally in dividends pro rata to the withdrawal value of their respective *class of* share accounts; provided, that if the bylaws so provide, no association shall be required to pay or credit dividends on share accounts of \$5 or less. Except as above provided, dividends shall be declared on the withdrawal value of each share account at the beginning of the dividend period, plus payment thereon made during the dividend period (less amounts withdrawn, which for dividend purposes shall be deducted from the latest previous payments thereon) computed at the dividend rate for the time invested, determined as provided below. The date of investment shall be the date of the actual receipt by the association of a payment on a share account, except that the board of directors may fix a date, which shall not be later than the 15th day of the month, for determining the date of payment; provided that upon approval by the commissioner, the period may be extended to the 20th day of the month. Payments on share accounts, affected by this determination date, received by the association on or before the determination date, shall receive dividends as if made on the first of the month during which the payment was made, although withdrawn within the last three business days of the month ending a quarterly or semiannual dividend period.

Approved April 12, 1967.

CHAPTER 158—S. F. No. 376

An act relating to civil causes of action, providing for the survival of certain causes of action; amending Minnesota Statutes 1965, Sections 573.01 and 573.02.

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