

The provisions of this subdivision are subject to the following exceptions:

A fishhouse or shelter may be used on the ice after February 28 if the season for taking any species of fish therefrom is open at the location thereof, provided no fishhouse or shelter be placed upon the ice prior to 7:00 o'clock A.M. and they are removed therefrom by 7:00 o'clock P.M. each day. Any such fishhouse or shelter left on the ice after 7:00 o'clock P.M. shall be subject to all the foregoing provisions hereof.

Approved May 4, 1967.

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CHAPTER 301—H. F. No. 1193

[Coded in Part]

*An act relating to credit unions; amending Minnesota Statutes 1965, Sections 52.04; 52.09, Subdivisions 2 and 3; 52.10; 52.18; 52.20, Subdivisions 2, 4, and 6.*

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

Section 1. Minnesota Statutes 1965, Section 52.04, is amended to read:

**52.04 Credit unions; regulations; 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;

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

(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 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; and

*(10) To indemnify each director, officer, or committee member, or former director, officer, or committee member against all expenses, including attorney's fees but excluding amounts paid pursuant to a judgment or settlement agreement, reasonably incurred by him in connection with or arising out of any action, suit, or proceeding to which he is a party by reason of being or having been a director, officer, or committee member of the credit union, except with respect to matters as to which he shall be finally adjudged in such action, suit, or proceeding to be liable for negligence or misconduct in the performance of his duties. Such indemnification shall not be exclusive of any other rights to which he may be entitled under any bylaw, agreement, vote of members, or otherwise; and*

~~(10)~~ (11) 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 1965, 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; ;

(11) *With the permission of the commissioner of banks to suspend any member or members of the credit committee or supervisory committee if it deems such action to be necessary to the proper conduct of the credit union, and to call the members together to act on the suspension within a reasonable time after the suspension. The members at the meeting may, by majority vote of those present, sustain the suspension and remove the committee members permanently or may reinstate the committee members; and*

(12) *To provide financial assistance to the supervisory committee in carrying out its audit responsibilities.*

Sec. 3. Minnesota Statutes 1965, Section 52.09, Subdivision 3, is amended to read:

Subd. 3. **Officers, bylaws; compensation.** The duties of the officers shall be as determined in the bylaws, except that the treas-

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urer ~~shall~~ *may* be the general manager. No member of the board or of either committee shall receive a salary as such, but may be compensated for time actually spent in his official duties at an hourly rate as determined by the annual meeting of members.

Sec. 4. Minnesota Statutes 1965, Section 52.10, is amended to read:

52.10 **Credit committee, powers.** The credit committee shall have the general supervision of all loans to members as provided herein. Applications for such loans shall be on a form prepared by the credit committee, shall set forth the purpose for which the loan is desired, the security, if any, offered and such other data as may be required. Within the meaning of this section an assignment of shares or deposits or the endorsement of a note may be deemed security. At least a majority of the members of the credit committee shall pass on all such loans and approval must be in writing and by unanimous vote of the members present. The credit committee shall meet as often as may be necessary after due notice to each member thereof. Provided, however, in the case of any credit union having total assets in excess of \$10,000, the board of directors may authorize the credit committee to appoint ~~a credit manager; one or more loan officers.~~ *The credit manager; Loan officers,* subject to the supervision of the committee, may be delegated authority by the credit committee, to act on all or some applications for loans and to approve them, reporting thereon to the credit committee at their next meeting or within 15 days. The credit committee and the board of directors, meeting jointly, and acting collectively as a whole, shall have the general supervision of all loans to a member who is a director, officer, or a member of the credit or supervisory committee whenever the application exceeds the amount of such member's holdings in shares and deposits. Application for such loans shall be in similar form as may be required to be furnished to the credit committee for a loan in the case of any other member. At least a majority of the members of the credit committee and of the board of directors at a joint meeting and acting collectively as a whole, shall pass on all such loans in the absence of the applicant, and the approval of such loan must be in writing and by unanimous vote of all members present. The credit committee and the board of directors shall meet for this purpose as often as may be necessary after due notice to each member thereof.

Sec. 5. [52.141] **Loan expenses.** *In addition to the interest charged on loans, the borrowing member may be required to pay all reasonable expenses incurred in connection with the making, closing, disbursing, extending, readjusting, or renewing of personal or real estate loans. The commissioner of banks may prescribe by*

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*regulation which of said expenses may be charged to the member and may further prescribe maximum amounts which may be charged.*

Sec. 6. Minnesota Statutes 1965, Section 52.18, is amended to read:

**52.18 Dividends.** The directors of a credit union may, on a quarterly, semiannual, or annual basis as its board of directors may determine, declare a dividend from net earnings or accumulated net undivided profits remaining after statutory reserve has been set aside, which dividend shall be paid on all shares outstanding at the end of a dividend period. Shares withdrawn during a dividend period shall receive no dividend. Shares which become fully paid up during a dividend period shall be entitled to a proportional part of the dividend calculated from the first day of the month following the payment in full. For the purpose of this section, shares which become fully paid up by the ~~tenth~~ *fifteenth* day of any month may be treated as being paid up from the first day of the month.

Sec. 7. Minnesota Statutes 1965, Section 52.20, Subdivision 2, is amended to read:

Subd. 2. Immediately after this meeting and before the committee shall proceed with the liquidation, the officers of the credit union shall file with the commissioner of banks a certified copy of the minutes of this meeting, a written statement outlining the plan of liquidation, and a verified statement, in writing, signed by a majority of the officers, consenting to this liquidation containing the names and addresses of all officers and directors of the credit union. After the commissioner of banks shall, by proper examination, determine that the credit union is solvent, he shall issue a certificate of approval of the liquidation, which certificate shall be filed with the register of deeds in the county where the credit union is located. *A "solvent" credit union is one which is able to pay all of its debts and deposits.* From and after this special meeting the credit union shall cease to do business except for purposes of liquidation. Before commencing the liquidation the committee shall execute and file with the commissioner of banks a bond running to the state of Minnesota for the benefit of the members and creditors of the credit union in such amount and with such sureties and in such form as shall be approved by the commissioner of banks, conditioned for the faithful performance of all duties of its trust. A bond may be waived in case of a bulk sale of assets to one or more purchasers upon terms approved by the commissioner of banks. Such purchasers may include other credit unions or an association of credit unions; ~~provided, that upon any purchase the membership of the credit union organization shall be consistent with the provisions of section 52.05.~~

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

Sec. 8. Minnesota Statutes 1965, Section 52.20, Subdivision 4, is amended to read:

Subd. 4. If the credit union shall not be completely liquidated and its assets discharged within three years after the special meeting of the members, the commissioner of banks may take possession of the books, records and assets and proceed to complete liquidation. *If the commissioner determines after one year from the commencement of liquidation proceedings that the liquidation is not proceeding in a reasonable and expeditious manner under all of the circumstances, he may take possession of the books, records, and assets and appoint a liquidating agent who shall give a bond running to the state of Minnesota.*

Sec. 9. Minnesota Statutes 1965, Section 52.20, Subdivision 6, is amended to read:

Subd. 6. Upon completion of the liquidation by the liquidating committee, it shall file with the commissioner of banks a verified statement in writing signed by the members of the committee stating that all debts of the credit union, ~~including deposits, and all deposits, and all shares, or portions of shares which can be paid from the liquidation proceeds,~~ have been paid, except any unclaimed dividends, and if any such, the amount thereof, the names of the persons entitled thereto, with their last known addresses, and all books and papers of the credit union shall thereupon be deposited with the commissioner of banks.

Approved May 4, 1967.

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#### CHAPTER 302—H. F. No. 1301

*An act relating to the investigation and enforcement of certain laws relating to unfair, discriminatory, and other unlawful practices in business, commerce or trade; transferring the administration thereof from the department of business development to the attorney general; amending Minnesota Statutes 1965, Section 362.14.*

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

Section 1. Minnesota Statutes 1965, Section 362.14, is amended to read:

**362.14 Department of economic development; law enforcement; additional duties of the attorney general.** Subdivision 1.

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