

the procedures specified in sections 4 through 7. Only qualified voters residing in the area to be added shall be eligible to participate in the election; provided that if five percent of the qualified voters residing in the existing service area petition to participate therein, all qualified voters residing in the proposed service area shall be eligible.

Sec. 9. **Financing.** Upon adoption of the next annual budget following the creation of a subordinate county service area the county board shall include in such budget appropriate provisions for the operation of the subordinate service area including, as appropriate, a property tax levied only on property within the boundaries of the subordinate taxing area or by levy of a service charge against the users of such service within the area, or by any combination thereof.

Sec. 10. **Withdrawal.** Upon receipt of a petition signed by ten percent of the qualified voters within the territory of the subordinate service area requesting the withdrawal of the service area from the provisions of this act, or pursuant to its own resolution, the county board shall make arrangements for the holding of a special election not less than 30 nor more than 90 days after receipt of such a petition within the boundaries of the service area. The question to be submitted and voted upon by the qualified voters within the territory of the service area shall be phrased substantially as follows:

“Shall the subordinate service area heretofore established be withdrawn and the service or services of the county as provided for such service area be discontinued?”

If a majority of those voting on the question favor the withdrawal and discontinuance of such services, the service area shall be deemed withdrawn and the services of the county shall be discontinued upon certification of the vote by the county auditor. The county auditor shall administer the election.

Sec. 11. **Effective date.** This act takes effect when approved by the county board of Scott county, and upon compliance with Minnesota Statutes, Section 645.021.

Approved April 25, 1969.

CHAPTER 181—S. F. No. 191

[Coded in Part]

An act relating to business corporations; amending Minnesota Statutes 1967, Sections 301.04; 301.071, Subdivision 2; 301.24; 301.28, Subdivision 4; 301.37, Subdivision 4; 301.42, Subdivisions 1

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and 4; 301.43; and amending Minnesota Statutes 1967, Chapter 301, by adding a section.

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

Section 1. Minnesota Statutes 1967, Section 301.04, is amended to read:

301.04 Business corporations; regulation; articles of incorporation. Articles of incorporation shall be signed and acknowledged by one or more of the incorporators; and, in addition to stating the name of the corporation, shall state in the English language:

(1) Its purpose or purposes, or a statement that it has general business purposes;

(2) Its duration, which may be limited or perpetual;

(3) The location and post office address of its registered office in this state;

(4) The total authorized number of par value shares and the par value of each share; and, if any of its shares are without par value, the authorized number of such shares;

(5) A description of the classes of shares, if the shares are to be classified, and a statement of the number of shares in each class, and the relative rights, voting power, preferences, and restrictions granted to or imposed upon the shares of each class; but the articles of incorporation may authorize the board of directors, within the limitations and restrictions stated therein, if any, to fix or alter, from time to time, in respect of shares then unallotted, any or all of the following: The dividend rate, the redemption price, the liquidation price, the conversion rights and the sinking or purchase fund rights of shares of any class, or of any series of any class, or the number of shares constituting any series of any class.

(6) The *minimum* amount of stated capital with which the corporation will begin business, which shall be not less than \$1,000;

(7) The names, post office addresses, and terms of office of the first directors;

(8) The name and post office address of each of the incorporators;

(9) Such provisions as may be desired, if any, limiting or denying to the shareholders, or to any class or classes thereof, the preemptive right to subscribe for any or all shares of any or all classes or series, or denying the right of cumulative voting.

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Articles of incorporation may contain any other provisions, consistent with the laws of this state, for regulating the corporation's business or the conduct of its affairs.

Sec. 2. Minnesota Statutes 1967, Section 301.071, Subdivision 2, is amended to read:

Subd. 2. In addition to the fees prescribed in subdivision 1, fees shall be paid to the secretary of state according to the following schedule, at the time the service is performed:

(a) Filing articles of incorporation and issuing a certificate of incorporation, \$10;

(b) Filing articles of amendment superseding original articles of incorporation as provided in section 301.37, subdivision 2, \$10;

(c) Filing articles of amendment, including the reduction of stated capital pursuant to section 301.39, as provided in section 301.37, subdivision 4, \$5;

(d) Filing an agreement of consolidation ~~or merger~~, *an agreement of merger*, or a certificate of ownership, and issuing a certificate of incorporation or merger as provided in section 301.42 or section 9 of this act, \$20;

(e) Filing a certificate of resolution instituting voluntary proceedings for dissolution and appointing a trustee as provided in section 301.47, \$3;

(f) Filing a certificate of trustee in voluntary proceedings for dissolution as provided in section 301.56, \$3;

(g) Filing an order of dissolution as provided in section 301.56, \$5;

(h) Filing a certificate of change of registered office as provided in section 301.33, \$5;

(i) Filing a certificate of resolution fixing equality of shares as provided in section 301.14, \$5;

(j) Filing a consent to use of name or a notice of intention to procure incorporation as provided in section 301.05, \$3;

(k) Filing a certificate of resolution electing to accept or reject the provisions of Laws 1933, Chapter 300 and laws amendatory thereto, \$10;

(l) Filing any other instrument pursuant to the provisions of Minnesota Statutes, Chapter 301, \$5.

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Sec. 3. Minnesota Statutes 1967, Section 301.24, is amended to read:

301.24 Bylaws. The shareholders may make and alter bylaws, not inconsistent with law or the articles of incorporation, for the government of the corporation, the conduct of its affairs, the management of its property and business, and the transfer of its shares.

Authority to make and alter bylaws may be vested by the articles of incorporation in the board of directors subject to the power of the shareholders to change or repeal such bylaws; provided, the board shall not make or alter any bylaw fixing their ~~number~~, qualifications, classifications, ~~or~~ term of office, ~~or number~~, *except the board may make or alter any bylaw to increase their number*; provided, further, that the first board of directors, without such authority in the articles; shall adopt bylaws which shall remain effective until and except as legally amended.

Sec. 4. Minnesota Statutes 1967, Section 301.28, Subdivision 4, is amended to read:

Subd. 4. General provisions. Except as otherwise prescribed in the articles or bylaws:

- (1) A director shall be elected for a term of one year;
- (2) Vacancies in the board of directors shall be filled by the remaining members of the board, though less than a quorum; *newly created directorships resulting from an increase in the authorized number of directors by action of the board of directors may be filled by a two-thirds vote of the directors serving at the time of such increase*; and each person so elected shall be a director until his successor is elected by the shareholders who may make such election at their next annual meeting or at any special meeting duly called for that purpose;
- (3) Meetings of the board of directors may be held at such place, whether in this state or elsewhere, as a majority of the members of the board may from time to time appoint;
- (4) Notice shall be given to each director of the time and place of each meeting of the board, but any director may, in writing, either before or after the meeting waive notice thereof; and, without notice, any director, by his attendance at and participation in the action taken at any meeting, shall be deemed to have waived notice;
- (5) Until provision has been made by bylaw for calling meetings of the board, meetings may be called by any member thereof by

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giving to each of the other members written notice of the time and place of meeting, mailed at least ten days before the time of meeting;

(6) A majority of the board of directors shall be necessary to constitute a quorum for the transaction of business, unless the bylaws provide that a different number shall constitute a quorum, which in no case shall be less than one-third of the entire number of directors, nor less than two, except that when a board of one director is authorized under the provisions of this section, then one director shall constitute a quorum. The acts of a majority of the directors present at a meeting at which a quorum is present shall be the acts of the board of directors;

(7) Any action which might be taken at a meeting of the board of directors or of a lawfully constituted executive committee thereof may be taken without a meeting if authorized by a writing or writings signed by all of the directors or by all of the members of such committee, as the case may be; and such action shall be effective on the date on which the last signature is placed on such writing or writings, or such earlier effective date as is set forth therein.

(8) The board of directors may, by unanimous affirmative action of the entire board, designate two or more of their number to constitute an executive committee, which, to the extent determined by unanimous affirmative action of the entire board, shall have and exercise the authority of the board in the management of the business of the corporation. Any such executive committee shall act only in the interval between meetings of the board, and shall be subject at all times to the control and direction of the board.

Sec. 5. Minnesota Statutes 1967, Section 301.37, Subdivision 4, is amended to read:

Subd. 4. **When effective.** After an amendment has been adopted by the shareholders, articles of amendment setting forth the *amendment and the manner of adoption thereof shall be signed and acknowledged by the president or vice president and by the secretary or assistant secretary, and filed for record with the secretary of state. If they conform to law, he shall, when all fees and charges therefor have been paid as required by law, record the same; and thereupon. The amendment shall be effective; upon recording or upon such later date, or date and hour, not more than 31 days after recording, as may be specified in the amendment.*

Sec. 6. Minnesota Statutes 1967, Section 301.42, Subdivision 1, is amended to read:

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301.42 Consolidation, merger; procedure. Subdivision 1. **Agreement, contents.** The directors, or a majority of them, or if less than three are authorized, all of the directors, of each of the corporations to be consolidated or merged shall enter into an agreement signed by them, prescribing the terms and conditions of the consolidation or merger, the mode of carrying the same into effect, and stating such other facts as are applicable among those required or permitted by section 301.04 to be stated in articles of incorporation, and the manner and basis of converting the shares of each of the constituent corporations into the shares of the consolidated or surviving corporation (whether into the same or a different number of shares of the consolidated or surviving corporation and whether with or without par value), with such other details and provisions as are deemed necessary or desirable. ~~The agreement shall further state the amount of stated capital with which the consolidated or surviving corporation will begin business.~~

Sec. 7. Minnesota Statutes 1967, Section 301.42, Subdivision 4, is amended to read:

Subd. 4. **Filing.** The agreement so adopted, certified and acknowledged shall be filed for record with the secretary of state. If the same conforms to law, he shall, when the fees and charges provided in subdivision 5 have been paid, record the same, and issue a certificate of incorporation or merger, as the case may be. ~~Upon the issuance of such certificate of incorporation the corporate existence of the consolidated corporation shall begin, and upon the issuance of such certificate of merger the merger shall be effective. The corporate existence of a consolidated corporation shall begin upon the issuance of the certificate of incorporation, or upon such later date, or date and hour, not more than 31 days after the issuance of the certificate, as may be specified in the agreement of consolidation. A merger shall be effective upon the issuance of the certificate of merger, or upon such later date, or date and hour, not more than 31 days after the issuance of the certificate, as may be specified in the agreement of merger.~~ The certificate of incorporation, or the certificate of merger, and the agreement bearing the endorsement of the fact and time of delivery thereof to the secretary of state, ~~for~~ or a copy of such agreement certified by him, shall be filed by the secretary of state for record in the offices of the registers of deeds of the counties in which the corporate parties to the agreement have their registered offices, for which service there shall be paid to the secretary of state the fees prescribed by ~~Laws 1955, Chapter 820~~ *section 301.071.*

Sec. 8. Minnesota Statutes 1967, Section 301.43, is amended to read:

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301.43 Effect of consolidation or merger. Upon the issuance of the certificate of incorporation effective date of the consolidation or merger, as provided by section 301.42 or section 9 of this act:

(1) The separate existence of the constituent corporations, or of all except the one into which the constituent corporations have merged, as the case may be, shall cease, unless the agreement of consolidation or merger expressly provides for the continuance of the corporate existence and identity of one or more of the constituent corporations, in which case the corporate existence and identity thereof shall continue in the consolidated or surviving corporation, as the case may be;

(2) All the property, assets, rights, privileges, powers, franchises and immunities of each of the constituent corporations so consolidated or merged shall vest in the consolidated or surviving corporation, as the case may be;

(3) All debts, liabilities and obligations of the constituent corporations shall become the debts, liabilities and obligations of the consolidated or surviving corporation, as the case may be.

Sec. 9. Minnesota Statutes 1967, Chapter 301, is amended by adding a section to read:

[301.421] Merger with subsidiary. *Any domestic corporation owning all of the outstanding stock of one or more domestic or foreign corporations and any foreign corporation owning all the outstanding stock of one or more domestic corporations may merge such wholly owned subsidiary corporation or corporations, if the laws under which the foreign corporation or corporations exist permit a merger as in this section provided, by filing for record with the secretary of state a certificate of ownership in the name of the corporation owning such stock signed and acknowledged on behalf of the corporation by the president or a vice president and the secretary or an assistant secretary. The certificate shall set forth (a) that the corporation owns all the outstanding stock of the merged corporation or corporations, (b) a copy of a resolution, duly adopted, by its board of directors, to merge such other corporation or corporations and to assume all of their obligations (c) and if the surviving corporation is a foreign corporation, (i) that the surviving corporation may be served with process in this state in any proceeding for enforcement of any obligation of any constituent corporation which is a domestic corporation, (ii) that the secretary of state is irrevocably appointed as the agent of the surviving corporation to accept service of process in any such suit or other proceeding, and (iii) the address to which a copy of such process shall be mailed by the secretary of state. In any such*

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suit or proceeding, service upon the surviving corporation may be made in any one of the manners set forth in Minnesota Statutes 1967, Section 303.13. If the certificate conforms to law, the secretary of state shall, when the fees have been paid, record the same and issue a certificate of merger. The merger shall be effective upon the issuance of the certificate of merger or upon such later date, or date and hour, as is specified in the resolution, which date may not be more than 31 days after the date on which the certificate of ownership was filed in the office of the secretary of state.

Approved April 25, 1969.

CHAPTER 182—S. F. No. 216

[Not Coded]

An act authorizing Cook county to form districts for the construction of water or sewer facilities or both and to acquire land and easements, impose service charges, levy special assessments, and issue bonds for that purpose.

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

Section 1. Cook county; water and sewer facilities. The board of county commissioners of Cook county, upon receipt of a petition for the formation of a water or sewer district or combined water and sewer district within any area of the county not organized into cities, villages, or towns, and after determining the sufficiency of the petition as provided in section 2 and making such investigations and surveys as it considers necessary to ascertain whether it should be granted, may by resolutions form such a district; cause plans and specifications to be prepared for facilities adequate to obtain, store, treat, and distribute water for domestic, commercial, and industrial use therein, or facilities adequate to collect, treat, and dispose of sewage and waste in a sanitary manner, or both such types of facilities; contract for the construction of such facilities; acquire land and easements for the purpose within or outside the district by purchase, gift, condemnation, or other lawful means; establish, collect, and revise charges for the use and availability of water or sewer service or both to all premises within the district to which service is furnished or made reasonably available, and for connection to the facilities, in the manner provided in Minnesota Statutes, Section 444.075; levy special assessments upon properties specially benefited by the construction of

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