

Subd. 4. As of June 30, 1971, the assets equal to the actuarially determined reserves for the benefits provided in this section together with 4-¼ percent interest for the 1969-70 fiscal year plus interest at the rate established by the state board of investment for the 1970-71 fiscal year shall be transferred to the Minnesota adjustable fixed benefit fund established in Minnesota Statutes, Section 11.25 and all money necessary to meet the requirements of certification or withdrawal are authorized in accordance with said section 11.25, subdivision 11.

Sec. 3. This act is effective July 1, 1971.

Approved March 29, 1971.

CHAPTER 89—S.F.No.206

[Coded in Part]

An act relating to cooperative associations; organization and method of operation; amending Minnesota Statutes 1969, Sections 308.05, Subdivision 4, and by adding a subdivision; 308.07, Subdivisions 6, 7, and 8; 308.09; 308.14, Subdivisions 2 and 3; 308.15; 308.68; and 308.69.

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

Section 1. Minnesota Statutes 1969, Section 308.05, Subdivision 4, is amended to read:

Subd. 4. **COOPERATIVE ASSOCIATIONS; ORGANIZATION AND OPERATION.** Minnesota Statutes, Sections 308.68, 308.69 and 308.78 shall apply to marketing contracts of associations organized under or subject to sections 308.05 to 308.18.

Sec. 2. Minnesota Statutes 1969, Section 308.05, is amended by adding a subdivision to read:

Subd. 6. When authorized by the stockholders the board of directors may dispose of all or substantially all of the property of the cooperative association upon such basis and upon such terms and conditions as may be agreed to by the board. Such authorization by the stockholders shall be in the form of a resolution adopted at a special or regular meeting of stockholders in which the notice of the meeting shall include a statement that such disposition of the property of the association will be considered at said meeting. If a quorum is present in person or by mail ballot at such meeting, the

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resolution approving of such disposition shall be adopted if approved by two thirds of the votes cast, unless the articles of incorporation or bylaws of the association require a greater proportion of the votes cast or of the total number of stockholders with voting rights. No such disposition heretofor or hereafter consummated shall be held invalid if it complies with all other provisions of law. The enactment of this amendment shall not be construed as a declaration of legislative intent as to whether the statutes prior to this enactment permitted such method of disposition.

Sec. 3. Minnesota Statutes 1969, Section 308.07, Subdivision 6, is amended to read:

Subd. 6. Where district or other local units are so created, the bylaws may provide for the election of all or part of the directors upon a district or unit basis, in which event directors may be nominated or elected at district meetings as may be provided in the bylaws. Directors who are nominated at district meetings shall be elected at the annual meeting by vote of the members of the entire membership. However, the bylaws of a cooperative association may provide, in the alternative, that directors who are nominated at district meetings shall be elected by vote of the members of the district at the annual meeting.

Sec. 4. Minnesota Statutes 1969, Section 308.07, Subdivision 7, is amended to read:

Subd. 7. ~~Each unit of a central association shall be entitled to be represented at any and all stockholders' meetings of the central association by delegates of their own choosing and such delegates shall exercise the same powers at such stockholders' meetings as any stockholder of the central association may exercise on such basis of voting rights as is provided for in the articles and bylaws of the central association pertaining to such stockholders~~ Any cooperative association may provide in its articles or bylaws that local units of its members shall be entitled to be represented at meetings of its stockholders by delegates chosen by the members of the unit and such delegates may exercise the same powers to vote on matters that may be brought before the meeting as may be exercised by any stockholder of the association at such meeting. Delegates shall exercise voting rights on such basis and such number of votes as shall be prescribed in the articles or bylaws. Wherever it is provided in sections 308.05 to 308.18 that approval of a certain portion of the stockholders or members is required for adoption of amendments, or dissolution, or merger, or consolidation, or sale of assets, the votes of delegates cast at a meeting where such delegates are authorized to vote shall be counted the same as if cast by the stockholders or members for whatever number of votes said delegates may be authorized to cast.

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Sec. 5. Minnesota Statutes 1969, Section 308.07, Subdivision 8, is amended to read:

Subd. 8. The directors of the ~~central~~ association shall have the power to do all things necessary to give full force and effect to this section including the power to fix the time and place and rules of conduct for the holding of meetings by such units for the purpose of their electing a delegate or delegates to all stockholders' meetings of the ~~central~~ association.

Sec. 6. Minnesota Statutes 1969, Section 308.09, is amended to read:

308.09 STOCKHOLDERS, REGULAR AND SPECIAL MEETINGS, NOTICE. Subdivision 1. **ANNUAL MEETINGS; NOTICE.** Regular meetings of the stockholders of cooperative associations organized under sections 308.05 to 308.18 shall be held annually at such time as may be determined by the board of directors of the association, unless otherwise provided for in its articles of incorporation or bylaws, and at the principal place of business of the association, or at any other place conveniently located within the area served by it, or, in the case of cooperative associations wholly or partially constituted of other cooperative associations organized under the laws of, or doing business in, any other state, at such place within or without the state, as may be designated in the notice of the meeting. At such annual meeting reports covering the business of the association for the previous fiscal year and showing the condition of the association at the close of the fiscal year shall be submitted to the stockholders by the officers, and directors shall be elected for such terms of office as shall be prescribed in the bylaws of the association. The secretary of the association shall give notice of such meeting, by publication in a legal newspaper published in the county of the principal place of business of the association, or by publication in a magazine, periodical or house organ regularly published by or on behalf of the association and circulated generally among its members, at least two weeks previous to the date of the meeting, or by mailing notice thereof to each and every member personally, or, in case of an association, to the secretary thereof, at his last known postoffice address, not less than 15 days previous to the date of the meeting.

Subd. 2. **SPECIAL MEETINGS; HOW CALLED; NOTICE.** Special meetings of the stockholders may be called by a majority vote of the directors of the association or upon the written petition of at least 20 percent of the stockholders, ~~in which case~~. It shall be the duty of the president of the association to cause notice of the special meeting to be given as above provided. The notice shall state the time, place, and purpose of the special meeting and shall be issued within ten days from and after the date of the presentation of such petition, and such special meeting shall be held within 30 days from and after the date of the presentation of the petition. Upon the

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mailing of any notice of a regular or special meeting of the stockholders of any association, as provided by sections 308.05 to 308.18, the secretary of the association shall execute a certificate, setting forth a correct copy of the notice and showing the date of the mailing thereof and that the same was mailed within the time and in the manner prescribed by sections 308.05 to 308.18. The certificate shall be made a part of the record of the meeting. Failure of any stockholder to receive any such notice shall not invalidate any action which may be taken by the stockholders at any such regular or special meeting.

Sec. 7. Minnesota Statutes 1969, Section 308.14, Subdivision 2, is amended to read:

Subd. 2. Voluntary proceedings for dissolution of any association organized under or subject to the provisions of sections 308.05 to 308.18 or any other law of Minnesota relating to the organization of cooperative associations may be instituted whenever a resolution therefor is adopted by two-thirds of the ~~voting power~~ voting votes cast thereon at a meeting duly called for that purpose, at which a quorum is present. The resolution may provide that the affairs of the association shall be wound up out of court, in which case the resolution shall designate a trustee or trustees to conduct the winding up, and may provide a method for filling vacancies in the office of trustees; and may provide for the election of a president and secretary of the trustees from their own number, but such appointment shall not be operative until a certificate setting forth the resolution and the manner of adoption thereof, signed and acknowledged by the president or vice president and by the secretary or assistant secretary of the association, shall be filed for record with the secretary of state. If the association's current articles of incorporation or certificate of incorporation and amendments are not on file with the secretary of state, the certificate of voluntary dissolution shall be filed with the public officer having custody of the current articles of incorporation or certificate of incorporation and amendments. If the association's current articles of incorporation or certificate of incorporation and amendments are not on file with a public officer, the certificate of voluntary dissolution shall be filed with the public officer with whom the articles or certificate should have been filed pursuant to law. If a vacancy occurs in the office of trustee, it may be filled by resolution adopted by a majority of the voting power represented at a meeting of stockholders or members. The meeting may be called by the remaining trustee or trustees, if any, and if none, then by any stockholder or member. Unless the resolution to dissolve otherwise provides, the trustee or trustees may be removed with or without cause by the vote of a majority of the voting power at a meeting called for that purpose. The resolution to dissolve may provide that the affairs of the corporation shall be wound up under the supervision of the court, in which case the

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resolution shall authorize certain directors or stockholders to sign and present a petition to the court praying that the corporation be wound up and dissolved under the supervision of the court. Where a corporation is being wound up and dissolved out of court, the trustee, or if there be more than one then a majority of the trustees, may by petition apply to the court for a receiver and to have the proceedings continued under the supervision of the court, and thereafter the proceedings shall continue as if originally instituted subject to the supervision of the court.

Sec. 8. Minnesota Statutes 1969, Section 308.14, Subdivision 3, is amended to read:

Subd. 3. Except as otherwise provided in the resolution for dissolution, the trustee or trustees appointed by the stockholders or members to conduct the winding up out of court shall, as speedily as practicable after the appointment has become operative, as hereinabove provided, proceed to collect all sums due or owing to the corporation; to sell and convert into cash all corporate assets; to collect any amounts remaining unpaid on subscriptions to shares, and to pay all debts and liabilities of the association according to their respective priorities. Any property remaining after discharging the debts and liabilities of the corporation shall be distributed by the trustee or trustees to the stockholders of the several classes according to their respective priorities, members, or patrons of the association. Stockholders of the several classes according to their respective priorities shall first be paid the par value of their shares, and the remainder of such property shall be distributed among patrons, members, and common stockholders in accordance with their interest in the reserves and surplus as shown by the records of the association. Nothing contained in this subdivision shall prevent the resolution for dissolution from including therein a different method or plan of liquidation of the association, and such resolution may include a plan or procedure whereby all or part of the property of the association may be acquired by another cooperative association on a basis other than that hereinabove provided for. No such plan of acquisition heretofore or hereafter consummated, contained in the resolution for dissolution, shall be held invalid if all other provisions of subdivisions 2 to 6 of this section 308.14 have been fully complied with. The enactment of this amendment shall not be construed as a declaration of legislative intent as to whether the statutes prior to this enactment permitted such different method of liquidation.

Sec. 9. Minnesota Statutes 1969, Section 308.15, is amended to read:

308.15 ARTICLES OF INCORPORATION, AMENDMENT, PROCEDURE. Subdivision 1. The articles of incorporation of any association organized under sections 308.05 to 308.18 or which may elect to come under the provisions of those sections may be amended

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in the following manner: The board of directors, by majority vote of its members may pass a resolution setting forth the full text of the proposed amendment. Upon such action by the board of directors, notice shall be mailed to each and every stockholder containing the full text of the proposed amendment — and a mail ballot attached thereto if the board of directors has provided for a mail ballot in its resolution. Such notice shall also designate the time and place of the meeting at which such proposed amendment shall be considered and voted upon, in the same manner as elsewhere provided in those sections. An association having in excess of 200 stockholders or members may publish such notice and ballot if required in the manner provided for in section 308.09, subdivision 1. If a quorum of the stockholders is registered as being present or represented by mail vote at such meeting, ~~a majority of the members so present or represented by mail vote, may adopt or reject such proposed amendment shall be adopted if approved by a majority of the votes cast~~. After an amendment has been adopted by the stockholders, 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 in the office of the secretary of state and recorded in the office of the register of deeds of the county of its principal place of business.

Subd. 2. The bylaws of any cooperative association may be amended at any regular or special meeting at which a quorum is registered as being present or represented by mail vote, ~~by a majority of the stockholders or members so present or represented by mail vote if approved by a majority of the votes cast~~, where the notice of any such meeting contains a summary statement of the proposed amendment.

Subd. 3. Articles of incorporation and of amendment shall be approved by the attorney general before the same are filed in the office of the secretary of state.

Subd. 4. If otherwise lawful, any two or more associations organized under or subject to the provisions of sections 308.05 to 308.18, or any other law of Minnesota relating to the organization of cooperative associations, may merge or consolidate with each other, or with one or more associations incorporated under the laws of another state relating to organization of cooperative associations, by complying with the provisions of this subdivision or under the law of the state where the surviving or new association will exist. Before an association may merge or consolidate with any other association, a written plan of merger or consolidation shall be prepared by the board or by a committee selected by the board or the members or stockholders for that purpose. Such plan shall set forth all the terms of the merger or consolidation and the proposed effect thereof on all members or stockholders of the association. In case of consolidation,

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the plan shall also contain the articles of the new association. Notice shall be mailed to each and every stockholder or member containing the full text of the plan. Such notice shall also designate the time and place of the meeting at which such plan shall be considered and voted upon, in the same manner as elsewhere provided in these sections. An association having in excess of 200 stockholders or members may publish such notice in ~~two successive issues of a legal newspaper of general circulation in the area served by such association, in lieu of notice by mail the manner provided for in section 308.09, subdivision 1.~~ If a quorum of the stockholders or members is registered as being present or represented by mail vote at such meeting, the plan may be adopted by approval of two thirds of those so present or represented by mail vote shall be adopted if approved by two thirds of the votes cast.

After the plan has been adopted by the stockholders or members, articles of merger or consolidation setting forth the plan and the manner of adoption thereof shall be signed and acknowledged by the president or vice president and by the secretary or assistant secretary of each association merging or consolidating and shall be approved by the attorney general and filed in the office of the secretary of state and recorded in the office of the register of deeds of each county where each merging or consolidating association has its principal place of business. Unless otherwise specified in the plan, the merger or consolidation shall be effective when said articles are filed in the office of the secretary of state.

After the effective date, the associations, which are parties to the plan become a single association. In the case of a merger, the surviving association is that association so designated in the plan. In the case of a consolidation, the new association is the association provided for in the plan. The separate existence of all associations which are parties to the plan, except the surviving or new association, then ceases.

The surviving or new association possesses all the rights and all the property of each of the individual associations, and is responsible for all their obligations. Title to any property is vested in the surviving or new association with no reversion or impairment thereof caused by the merger or consolidation. No right of any creditor may be impaired by the merger or consolidation without his consent.

The articles of the surviving association are deemed amended to the extent provided in the plan of merger.

Sec. 10. Minnesota Statutes 1969, Section 308.68, is amended to read:

308.68 MARKETING CONTRACT. The association and its members or patrons may make and execute marketing contracts,

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requiring the members or patrons to sell ~~for any period of time, not over five years~~, all or any specified part of their agricultural products or specified commodities exclusively to or through the association or any facilities to be created by the association. If they contract a sale to the association, it shall be conclusively held that title to the products passes absolutely and unreservedly, except for recorded liens, to the association upon delivery; or at any other specified time if expressly and definitely agreed in the contract. The contract may provide that the association may sell or re-sell the products of its members, or patrons, with or without taking title thereto, and pay over to them the re-sale price, after deducting all necessary selling, overhead and other costs and expenses; and other proper reserves, and interest not exceeding eight percent per annum upon common stock, if any. The term of the contract may not exceed five years, but may be made self-renewing for periods not exceeding five years each, subject to the right of either party to terminate at the end of the original and each renewal term upon giving written notice of such termination during a period specified in the contract, which period shall be not more than 180 days or less than 30 days before the end of the term.

Sec. 11. Minnesota Statutes 1969, Section 308.69, is amended to read:

308.69 REMEDIES FOR BREACH OF CONTRACT. The bylaws ~~and~~ or the marketing contract may fix, as liquidated damages, specific sums to be paid by the member or stockholder or patron to the association upon the breach by him of any provisions of the marketing contract regarding the sale or delivery or withholding of products; and may further provide that the member or patron will pay all costs, premiums for bonds, expenses and fees in case any action is brought upon the contract by the association; and any such provisions shall be valid and enforceable in the courts of this state, and such provisions, or provisions fixing liquidated damages, shall be enforceable as such and shall not be considered or regarded as a penalty.

In the event of any such breach or threatened breach of such marketing contract by a member, or patron, the association shall be entitled to an injunction to prevent the further breach of the contract, and to a decree of specific performance thereof. Pending the adjudication of such an action, and upon filing a certified complaint showing the breach or threatened breach, and upon filing a sufficient bond, the association shall be entitled to a temporary restraining order and preliminary injunction against the member or patron.

In any action upon such marketing agreement, it shall be conclusively presumed that a landowner or landlord or lessor is able to control the delivery of products produced on his land by tenants or others, whose tenancy or possession or work on such land or the terms

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of whose tenancy or possession or labor thereon were created or changed after execution by the landowner or landlord or lessor, of such a marketing agreement; and in such actions the foregoing remedies for nondelivery or breach shall lie and be enforceable against such landowner or lessor.

Approved March 29, 1971.

CHAPTER 90—S.F.No.208

[Coded]

An act declaring drunkenness not a crime; amending Minnesota Statutes 1969, Chapter 340, by adding a section; and repealing Minnesota Statutes 1969, Section 340.96.

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

Section 1. Minnesota Statutes 1969, Chapter 340, is amended by adding a section to read:

[340.961] INTOXICATING LIQUOR; DRUNKENNESS NOT A CRIME. Notwithstanding any provision of local laws or ordinances no person shall be charged with or convicted of the offense of drunkenness or public drunkenness. Nothing herein shall prevent the prosecution and conviction of any intoxicated person for offenses other than drunkenness or public drunkenness nor shall this section relieve any person from civil liability for any injury to persons or property caused by such person while intoxicated.

Sec. 2. Minnesota Statutes 1969, Section 340.96, is repealed.

Sec. 3. This act is effective as to acts occurring on or after July 1, 1971.

Approved March 29, 1971.

CHAPTER 91—S.F.No.278

An act relating to adult corrections, the manufacture and sale of machinery, rope and ply goods at the state prison; amending Minnesota Statutes 1969, Section 243.66.

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