

not entitle the holder thereof to vote or preferred stock or a certificate of interest a share of such stock or a certificate of interest may be issued to him, and thereafter such patron may participate in the distribution of income upon the same basis as a stockholder or member.

Approved March 7, 1975.

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## CHAPTER 7—H.F.No.173

*An act relating to cooperatives; content of articles of incorporation; increasing the amount of authorized dividends on capital stock; amending Minnesota Statutes 1974, Section 308.06, Subdivision 2.*

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 1974, Section 308.06, Subdivision 2, is amended to read:

Subd. 2. **COOPERATIVE ASSOCIATIONS; CAPITAL STOCK DIVIDENDS.** The incorporators of a cooperative association under sections 308.05 to 308.18 shall sign and acknowledge written articles of incorporation, specifying (1) the name of the association, its purpose, and the principal place of transacting its business. Such name shall distinguish it from all other corporations, domestic or foreign, doing business in the state and shall be preserved to it during its corporate existence; (2) the period of its duration, which may be limited or perpetual; (3) if organized on a capital stock basis the total authorized number of shares and the par value of each share; a description of the classes of shares, if the shares are to be classified; a statement of the number of shares in each class and relative rights, preferences, and restrictions granted to or imposed upon the shares of each class, and a provision that only common stockholders shall have voting power; (4) that individuals owning common stock shall be restricted to one vote in the affairs of the association; (5) that shares of stock shall be transferable only with the approval of the board of directors of the association; (6) that dividends upon capital stock of the association shall not exceed ~~six~~ eight percent annually; (7) the names, post office addresses and terms of office of the first directors; and (8) that net income in excess of dividends and additions to reserves shall be distributed on the basis of patronage, and that the records of the association may show the interest of patrons, stockholders of any classes and members in the reserves. The articles of incorporation shall always contain the provisions above required and may contain any other lawful provision; except that the names, post office addresses and terms of offices of the first directors may be omitted after their successors have been elected by the stockholders or when the articles are amended in their entirety. Cooperative associations may be incorporated for any of the purposes for which an association may also be formed upon a membership basis

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and without capital stock. Such associations organized on a capital stock basis may be organized, and shall have the same powers and authority as are conferred upon such associations, and the articles of incorporation of any such non-stock associations shall contain the provisions required in the articles of incorporation of an association organized upon a capital stock basis whenever the same are applicable to an association organized upon a membership basis. Except as provided for by section 308.07, subdivision 4, no member of an association organized upon a membership basis shall have more than one vote, and a membership shall be transferable only with the consent and approval of the board of directors of the association. Holders of shares of common stock which entitle the holder thereof to vote, shall be deemed to be members of associations organized on a capital stock basis. As used in sections 308.05 to 308.18, "stockholder," unless otherwise specified, means and includes only a holder of a share of common stock which entitles the holder thereof to vote.

Approved March 7, 1975.

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## CHAPTER 8—S.F.No.216

*An act relating to towns; providing that the amount of the treasurer's bond shall be determined by the board of supervisors; amending Minnesota Statutes 1974, Section 367.15.*

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 1974, Section 367.15, is amended to read:

**367.15 TOWNS; TREASURER'S BOND.** Every ~~person elected to the office of town treasurer, before he enters upon the duties of his office, shall give bond to the town in double the probable amount of money to be received by him;~~ person elected to the office of town treasurer, before he enters upon the duties of his office, shall give bond to the town in an amount of to be determined by the board, conditioned for the faithful discharge of his duties as such treasurer. Within six days thereafter the chairman shall file such bond, with his approval endorsed thereon, for record with the register of deeds.

Sec. 2. This act is effective on the day following final enactment.

Approved March 7, 1975.

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