

Notwithstanding Minnesota Statutes, section 103F.535, the commissioner of natural resources shall not be required to include in the determination and delineation of marginal lands to be reserved and restricted by a conservation easement any marginal lands located on the parcel described in section 4 which the board of water and soil resources determines may be altered after the conveyance without adversely affecting the public interests and general welfare. This provision shall apply only to those marginal lands for which a written alteration plan has been approved by the board prior to the conveyance. The deed to the purchaser must contain a restrictive covenant providing that no alteration of marginal lands shall be permitted except in accordance with the approved plan. Alteration of any wetlands on the parcel is not authorized by this section.

**Sec. 7. REPEALER.**

Minnesota Statutes 1990, section 103F.535, subdivisions 2 and 3, are repealed.

**Sec. 8. EFFECTIVE DATE.**

This act is effective the day following final enactment.

Presented to the governor April 17, 1992

Signed by the governor April 23, 1992, 11:52 a.m.

**CHAPTER 503—S.F.No. 2088**

*An act relating to corporations; making miscellaneous changes in provisions dealing with the organization and operation of nonprofit corporations; amending Minnesota Statutes 1990, sections 309.52, subdivision 1; 317A.011, subdivision 14; 317A.111, subdivision 3; 317A.227; 317A.251, subdivision 3; 317A.255, subdivisions 1, 2, and by adding a subdivision; 317A.341, subdivision 2; 317A.431, subdivision 2; 317A.447; 317A.461; 317A.751, subdivision 3; 317A.821, subdivision 3; and 317A.827, by adding a subdivision; Minnesota Statutes 1991 Supplement, sections 317A.821, subdivision 2; 317A.823; and 317A.827, subdivision 1.*

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

Section 1. Minnesota Statutes 1990, section 309.52, subdivision 1, is amended to read:

Subdivision 1. No charitable organization, except as otherwise provided in section 309.515, shall solicit contributions from persons in this state by any means whatsoever unless, prior to any solicitation, there shall be on file with the attorney general upon forms provided by the attorney general, a registration statement containing, without limitation, the following information:

(a) Legally established name.

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- (b) Name or names under which it solicits contributions.
- (c) Form of organization.
- (d) Date and place of organization.
- (e) Address of principal office in this state, or, if none, the name and address of the person having custody of books and records within this state.
- (f) Names and addresses of, and total annual compensation paid to, officers, directors, trustees, and chief executive officer.
- (g) Federal and state tax exempt status.
- (h) Denial at any time by any governmental agency or court of the right to solicit contributions.
- (i) Date on which accounting year of the charitable organization ends.
- (j) General purposes for which organized.
- (k) General purposes for which contributions to be solicited will be used.
- (l) Methods by which solicitation will be made.
- (m) Copies of contracts between charitable organization and professional fund raisers relating to financial compensation or profit to be derived by the professional fund raisers. Where any such contract is executed after filing of the registration statement, a copy thereof shall be filed within seven days of the date of execution.
- (n) Board, group or individual having final discretion as to the distribution and use of contributions received.
- (o) The amount of total contributions received during the accounting year last ended.
- (p) Such other information as the attorney general may by rule or order require to promote fairness of the solicitation and to assure full and fair disclosure of all material information to the attorney general.

Sec. 2. Minnesota Statutes 1990, section 317A.011, subdivision 14, is amended to read:

Subd. 14. **NOTICE.** (a) "Notice" is given by a member of a corporation to the corporation or an officer of the corporation when in writing and mailed or delivered to the corporation or the officer at the registered office of the corporation.

(b) Notice is given by the corporation to ~~an~~ a director, officer, member, or other person:

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(1) when mailed to the person at an address designated by the person, at the last known address of the person or, in the case of ~~an~~ a director, officer, or member, at the address of the person in the corporate records;

(2) when communicated to the person orally;

(3) when handed to the person;

(4) when left at the office of the person with a clerk or other person in charge of the office, or if there is no one in charge, when left in a conspicuous place in the office;

(5) if the person's office is closed or the person to be notified has no office, when left at the dwelling or usual place of abode of the person with a person of suitable age and discretion residing in the house; or

(6) when the method is fair and reasonable when all the circumstances are considered.

(c) Notice by mail is given when deposited in the United States mail with sufficient postage. Notice is considered received when it is given.

Sec. 3. Minnesota Statutes 1990, section 317A.111, subdivision 3, is amended to read:

**Subd. 3. STATUTORY PROVISIONS THAT MAY BE MODIFIED IN ARTICLES OR BYLAWS.** The following provisions govern a corporation unless modified in the articles or bylaws:

(1) a certain method must be used for amending the articles (section 317A.133);

(2) a corporation has perpetual duration and certain powers (section 317A.161);

(3) certain procedures apply to the adoption, amendment, or repeal of bylaws by the members (section 317A.181);

(4) a director holds office until expiration of the director's term and election of a successor (section 317A.207);

(5) the term of a director filling a vacancy expires at the end of the term the director is filling (section 317A.207);

(6) the compensation of directors is fixed by the board (section 317A.211);

(7) a certain method must be used for removal of directors (section 317A.223);

(8) a certain method must be used for filling board vacancies (section 317A.227);

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(9) board meetings must be held at least once per year and if the board fails to select a place for a board meeting, it must be held at the registered office (section 317A.231);

(10) a director may call a board meeting, and the notice of the meeting need not state the purpose of the meeting (section 317A.231);

(11) a majority of the board is a quorum (section 317A.235);

(12) the affirmative vote of the majority of directors present is required for board action (section 317A.237);

(13) a committee consists of one or more persons, who need not be directors, appointed by the board (section 317A.241);

(14) the president and treasurer have certain duties, until the board determines otherwise (section 317A.305);

(15) a certain method must be used for removal of officers (section 317A.341);

(16) officers may delegate some or all of their duties and powers, if not prohibited by the board from doing so (section 317A.351);

~~(17)~~ (17) a corporation does not have members (section 317A.401);

~~(18)~~ (18) the board may determine the consideration required to admit members (section 317A.401);

~~(19)~~ (19) all members are entitled to vote and have equal rights and preferences in matters ~~not otherwise provided for by the board or members~~ (section 317A.401);

~~(20)~~ (20) memberships may not be transferred (section 317A.405);

~~(21)~~ (21) a corporation with voting members must hold a regular meeting of voting members annually (section 317A.431);

~~(22)~~ (22) if a specific minimum notice period has not been fixed by law, at least five days' notice is required for a meeting of members (section 317A.435);

~~(23)~~ (23) the board may fix a date up to 60 days before the date of a members meeting as the date for determination of the members entitled to notice of and entitled to vote at the meeting (section 317A.437);

~~(24)~~ (24) each member has one vote (section 317A.441);

~~(25)~~ (25) the affirmative vote of the majority of members with voting rights present and entitled to vote is required for action of the members, unless this chapter or the articles or bylaws require a greater vote or voting by class (section 317A.443);

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~~(25)~~ (26) members may take action at a meeting by voice or ballot, by unanimous action without a meeting, by mailed ballot, or by electronic communication (section 317A.443);

~~(26)~~ (27) the number of members required for a quorum is ten percent of the members entitled to vote (section 317A.451);

~~(27)~~ (28) certain procedures govern acceptance of member acts (section 317A.455); and

~~(28)~~ (29) indemnification of certain persons is required (section 317A.521).

Sec. 4. Minnesota Statutes 1990, section 317A.227, is amended to read:

**317A.227 VACANCIES.**

(a) Unless the articles or bylaws provide otherwise, and except as provided in paragraphs (b), (c), and (d), if a vacancy occurs on the board of directors, including a vacancy resulting from an increase in the number of directors:

(1) the members with voting rights, if any, may fill the vacancy; or

(2) the remaining members of the board, though less than a quorum, may fill the vacancy.

(b) If a vacant office was held by a director elected by a class, chapter, or other organizational unit or by region or other geographic grouping, only members of the class, chapter, unit, or grouping are entitled to vote to fill the vacancy.

(c) If a vacant office was held by an appointed director, only the person who appointed the director may fill the vacancy.

~~(d) If a vacant office was held by a designated director, the vacancy must be filled as provided in the articles or bylaws. The vacancy may not be filled by the board unless authorized by the articles or bylaws.~~

(e) A vacancy that will occur at a specific later date may be filled before the vacancy occurs but the new director may not take office until the vacancy occurs.

Sec. 5. Minnesota Statutes 1990, section 317A.251, subdivision 3, is amended to read:

Subd. 3. **PRESUMPTION OF ASSENT; DISSENT.** A director who is present at a meeting of the board when an action is approved by the board is presumed to have assented to the action approved, unless the director:

(1) objects at the beginning of the meeting to the transaction of business because the meeting is not lawfully called or convened and does not participate in the meeting, in which case the director is not considered to be present at the meeting for purposes of this chapter;

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(2) votes against the action at the meeting; or

(3) is prohibited from voting on the action by the articles or bylaws or ~~by section 317A.255 from voting on the action as a result of a decision to approve, ratify, or authorize a transaction pursuant to section 317A.255 or a conflict of interest policy adopted by the board.~~

Sec. 6. Minnesota Statutes 1990, section 317A.255, subdivision 1, is amended to read:

Subdivision 1. **CONFLICT; PROCEDURE WHEN CONFLICT ARISES.**

(a) A contract or other transaction between a corporation and: (1) its director; or between or a member of the family of its director and; (2) a director of a related organization, or between a corporation and a member of the family of a director of a related organization; or (3) an organization in or of which its director the corporation's director, or a member of the family of its director, is a director, officer, or legal representative or has a material financial interest; is not void or voidable because the director ~~or~~ or the other individual or organization are parties or because the director is present at the meeting of the members or the board or a committee at which the contract or transaction is authorized, approved, or ratified, if a requirement of paragraph (b) is satisfied.

(b) A contract or transaction described in paragraph (a) is not void or voidable if:

(1) the contract or transaction was, and the person asserting the validity of the contract or transaction has the burden of establishing that the contract or transaction was, fair and reasonable as to the corporation when it was authorized, approved, or ratified;

(2) the material facts as to the contract or transaction and as to the director's interest are fully disclosed or known to the members and the contract or transaction is approved in good faith by two-thirds of the members entitled to vote, ~~other than not counting any vote that~~ the interested director or directors might otherwise have, or the unanimous affirmative vote of all members, whether or not entitled to vote;

(3) the material facts as to the contract or transaction and as to the director's interest are fully disclosed or known to the board or a committee, and the board or committee authorizes, approves, or ratifies the contract or transaction in good faith by a majority of the board or committee, ~~but not counting any vote that~~ the interested director may not be counted might otherwise have, and not counting the director in determining the presence of a quorum ~~and may not vote;~~ or

(4) the contract or transaction is a merger or consolidation described in section 317A.601.

Sec. 7. Minnesota Statutes 1990, section 317A.255, subdivision 2, is amended to read:

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Subd. 2. **MATERIAL FINANCIAL INTEREST.** For purposes of this section:

(1) a director does not have a material financial interest in a resolution fixing the compensation of the director or fixing the compensation of another director as a director, officer, employee, or agent of the corporation, even though the first director is also receiving compensation from the corporation; and

(2) a director has a material financial interest in an organization in which the director, ~~or the spouse, parents, children and spouses of children, brothers and sisters or spouses of brothers and sisters of the director, have, or a member of the family of the director,~~ has a material financial interest.

Sec. 8. Minnesota Statutes 1990, section 317A.255, is amended by adding a subdivision to read:

Subd. 4. MEMBER OF THE FAMILY. For purposes of this section, a member of the family of a director is a spouse, parent, child, spouse of a child, brother, sister, or spouse of a brother or sister.

Sec. 9. Minnesota Statutes 1990, section 317A.341, subdivision 2, is amended to read:

Subd. 2. **REMOVAL.** Except as otherwise provided in the articles or bylaws, an officer may be removed, with or without cause, by a resolution adopted by the board or by the members, whichever elected or appointed the officer. The removal is without prejudice to contractual rights of the officer.

Sec. 10. Minnesota Statutes 1990, section 317A.431, subdivision 2, is amended to read:

Subd. 2. **DEMAND BY MEMBERS.** If an annual meeting of voting members has not been held during the preceding 15 months, at least 50 members with voting rights or ten percent of the members with voting rights, whichever is less, may demand an annual meeting of members by written notice of demand given to the president or the treasurer of the corporation. Within 30 days after receipt of the demand, the board shall cause a meeting of members to be called and held at the expense of the corporation on notice no later than 90 days after receipt of the demand. If the board fails to cause a meeting to be called and held as required by this subdivision, the members with voting rights making the demand may call the meeting at the expense of the corporation by giving notice as required by section 317A.435.

Sec. 11. Minnesota Statutes 1990, section 317A.447, is amended to read:

**317A.447 ACTION BY WRITTEN BALLOT.**

(a) Except as provided in paragraph (c) and unless prohibited or limited by the articles or bylaws, an action that may be taken at a regular or special meeting of members may be taken without a meeting if the corporation mails or delivers a written ballot to every member entitled to vote on the matter.

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(b) A written ballot must:

(1) set forth each proposed action; and

(2) provide an opportunity to vote for or against each proposed action.

(c) Approval by written ballot under this section is valid only ~~when~~ if the number of votes cast by ballot equals or exceeds the quorum required to be present at a meeting authorizing the action, and the number of approvals equals or exceeds the number of votes that would be required to approve the matter at a meeting at which the total number of votes cast was the same as the number of votes cast by ballot.

(d) Solicitations for votes by written ballot must:

(1) indicate the number of responses needed to meet the quorum requirements;

(2) state the percentage of approvals necessary to approve each matter other than election of directors; and

(3) specify the time by which a ballot must be received by the corporation in order to be counted.

(e) Except as otherwise provided in the articles or bylaws, a written ballot may not be revoked.

Sec. 12. Minnesota Statutes 1990, section 317A.461, is amended to read:

**317A.461 BOOKS AND RECORDS; FINANCIAL STATEMENT.**

Subdivision 1. **ARTICLES AND BYLAWS; MINUTES.** A corporation shall keep at its registered office correct and complete copies of its articles and bylaws, accounting records, voting agreements, and minutes of meetings of members, board of directors, and committees having any of the authority of the board of directors for the last six years.

Subd. 2. **INSPECTION.** A member or a director, or the agent or attorney of a member or a director, may inspect all books and records and voting agreements documents referred to in subdivision 1 or 3 for any proper purpose at any reasonable time. A proper purpose is one reasonably related to the person's interest as a member or director of the corporation.

Subd. 3. **FINANCIAL STATEMENT.** Upon request, a corporation shall give the member or the director a statement showing the financial result of all operations and transactions affecting income and surplus during its last annual accounting period and a balance sheet containing a summary of its assets and liabilities as of the closing date of the accounting period.

Subd. 4. OTHER USE PROHIBITED. A member or director who has gained access under this section to any corporate record may not use or furnish

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to another for use the corporate record or a portion of the contents for any purpose other than a proper purpose. Upon application of the corporation, a court may issue a protective order or order other relief as may be necessary to enforce the provisions of this subdivision.

Subd. 5. COST OF COPIES. The corporation may charge the requesting party a reasonable fee to cover the expenses of providing copies of documents under this section.

Subd. 6. COMPUTERIZED RECORDS. The records maintained by a corporation may use any information storage technique, even though the technique makes them illegible visually, if the records can be converted accurately and within a reasonable time into a form that is legible visually and whose contents are assembled by related subject matter to permit convenient use by people in the normal course of business. A corporation shall convert any of the records referred to in subdivision 1 or 3 upon the request of a person entitled to inspect them, and the expense of the conversion must be borne by the person who bears the expense of copying under subdivision 5. A copy of the conversion is admissible in evidence, and must be accepted for all other purposes, to the same extent as the existing or original records would be if they were legible visually.

Subd. 7. REMEDIES. A member or a director who is wrongfully denied access to or copies of documents under this section may bring an action for injunctive relief, damages, and costs and reasonable attorney fees.

Sec. 13. Minnesota Statutes 1990, section 317A.751, subdivision 3, is amended to read:

**Subd. 3. ACTION BY DIRECTOR OR MEMBERS WITH VOTING RIGHTS.** A court may grant equitable relief in an action by a director or at least 50 members with voting rights or ten percent of the members with voting rights, whichever is less, when it is established that:

(1) the directors or the persons having the authority otherwise vested in the board are deadlocked in the management of the corporate affairs, the members cannot break the deadlock, and the corporation or the parties have not provided for a procedure to resolve the dispute;

(2) the directors or those in control of the corporation have acted fraudulently, illegally, or in a manner unfairly prejudicial toward one or more members in their capacities as members, directors, or officers;

(3) the members of the corporation are so divided in voting power that, for a period that includes the time when two consecutive regular meetings were held, they have failed to elect successors to directors whose terms have expired or would have expired upon the election and qualification of their successors;

(4) the corporate assets are being misapplied or wasted; or

(5) the period of duration as provided in the articles has expired and has not been extended as provided in section 317A.801.

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Sec. 14. Minnesota Statutes 1991 Supplement, section 317A.821, subdivision 2, is amended to read:

Subd. 2. **LOSS OF GOOD STANDING; CORPORATE NAME.** A corporation that does not file the initial corporate registration required under subdivision 1 with the secretary of state on or before December 31, 1990, loses its good standing. To regain its good standing, the corporation must file the initial corporate registration. If, as a part of the initial corporate registration process the corporation needs to bring its registered office address into compliance with section 317A.011, subdivision 2, the fees stated in subdivision 1, paragraph (b), apply. ~~If a corporation loses its good standing under this subdivision, its corporate name or a name that is not distinguishable may be registered after January 1, 1992, by another person before the corporation regains its good standing. If the name or a name that is not distinguishable has been registered by another person, the corporation may not file its initial corporate registration and regain its good standing unless it obtains the consent of the other person as provided in section 317A.115, subdivision 2, or adopts a new corporate name that complies with section 317A.115.~~

Sec. 15. Minnesota Statutes 1990, section 317A.821, subdivision 3, is amended to read:

Subd. 3. **DISSOLUTION; EXTENSION.** If a corporation fails to regain its good standing under subdivision 2 on or before December 31, ~~2000~~ 1997, the corporation is dissolved under section 317A.827. After December 31, ~~2000~~ 1997, the corporate existence of a corporation dissolved under this subdivision may be extended by filing the initial corporate registration with the secretary of state and payment of a \$1,000 fee. The extension relates back to December 31, ~~2000~~ 1997.

Sec. 16. Minnesota Statutes 1991 Supplement, section 317A.823, is amended to read:

### 317A.823 ANNUAL CORPORATE REGISTRATION.

Subdivision 1. **NOTICE FROM SECRETARY OF STATE; REGISTRATION REQUIRED.** (a) Before February 1 of each year, the secretary of state shall mail a corporate registration form by first-class mail to each corporation that incorporated or filed a corporate registration during either of the previous two calendar years at its last registered office address listed on the records of the secretary of state. The form must include the exact legal corporate name and registered office address currently on file with the secretary of state along with the name of the person who performs the functions of the president. The secretary of state may also give notice of the requirement to file the annual registration by any other means the secretary of state considers appropriate.

(b) A corporation shall file a corporate registration with the secretary of state once each calendar year. ~~The registration must include the exact legal corporate name and registered office address of the corporation and must be signed~~

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by an authorized person. If the corporation has changed its registered office address to an address other than that listed on the records of the secretary of state, the corporation shall file the new registered office address on the registration form. A fee of \$35 must be paid for filing the registered office address change. The new address must comply with section 317A.011, subdivision 2, and must have been approved by the board.

Subd. 2. **LOSS OF GOOD STANDING; CORPORATE NAME.** A corporation that files an initial corporate registration under section 317A.821 or that is incorporated on or after January 1, 1990, and that does not file a corporate registration during a calendar year loses its good standing after December 31 of that year. To regain its good standing, the corporation must file a single annual corporate registration and pay a \$25 fee. ~~If a corporation loses its good standing under this subdivision, its corporate name or a name that is not distinguishable may be registered by another person before the corporation regains its good standing. If the name or a name that is not distinguishable has been registered by another person, the corporation may not file its corporate registration and regain its good standing unless it obtains the consent of the other person as provided in section 317A.115, subdivision 2, or adopts a new corporate name that complies with section 317A.115.~~

Subd. 3. **NOTICE; DISSOLUTION.** If a corporation fails to file a report required under this section for three consecutive calendar years, the secretary of state shall give notice to the corporation by first-class mail at its registered office and by any other means of notice that the secretary of state considers appropriate, that it has violated this section and is subject to dissolution under section 317A.827 if the delinquent registration is not filed with a \$25 fee within 60 days after the mailing of the notice or the date of the alternative notice. For purposes of this subdivision, "delinquent registration" means a single registration. A corporation that fails to file the delinquent annual registration within the 60 days is dissolved under section 317A.827.

Sec. 17. Minnesota Statutes 1991 Supplement, section 317A.827, subdivision 1, is amended to read:

Subdivision 1. **PROCEDURE.** If a corporation ~~requests dissolution as part of the initial registration under section 317A.821, if it fails to file the initial registration by December 31, 2000~~ 1997, or if it fails to file the delinquent registration before expiration of the 60-day period in section 317A.823, subdivision 3, the secretary of state shall immediately ~~issue a certificate of dissolution and file a copy in the office of the secretary of state. If the corporation is dissolved for failure to file a registration, the secretary of state shall issue a certificate of involuntary dissolution.~~ The secretary of state shall send the original certificate to the registered office of the corporation and file a copy in the office of the secretary of state. The secretary of state shall annually inform the attorney general of the names of corporations dissolved under this section during the previous year ~~and indicate whether the dissolution was voluntary or involuntary.~~ A corporation dissolved under this section is not entitled to the benefits of section 317A.781, subdivision 1.

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Sec. 18. Minnesota Statutes 1990, section 317A.827, is amended by adding a subdivision to read:

Subd. 3. REACTIVATION. If a corporation is dissolved for failure to file the annual registration for three consecutive years, it may reactivate by paying a \$25 fee, filing the annual registration, and filing any necessary amendment, including the filing fees for the amendment.

Presented to the governor April 17, 1992

Signed by the governor April 23, 1992, 11:48 a.m.

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### CHAPTER 504—H.F.No. 2106

*An act relating to financial institutions; currency exchanges; imposing distance limitations and operating restrictions; requiring local approval of licenses; amending Minnesota Statutes 1990, sections 8.31, subdivision 1; 53A.02; 53A.03; 53A.04; 53A.05; and 53A.08; proposing coding for new law in Minnesota Statutes, chapter 53A; repealing Minnesota Statutes 1990, section 53A.14.*

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

Section 1. Minnesota Statutes 1990, section 8.31, subdivision 1, is amended to read:

Subdivision 1. **INVESTIGATE OFFENSES AGAINST THE PROVISIONS OF CERTAIN DESIGNATED SECTIONS; ASSIST IN ENFORCEMENT.** The attorney general shall investigate violations of the law of this state respecting unfair, discriminatory, and other unlawful practices in business, commerce, or trade, and specifically, but not exclusively, the nonprofit corporation act (sections 317A.001 to 317A.909), the act against unfair discrimination and competition (sections 325D.01 to 325D.08), the unlawful trade practices act (sections 325D.09 to 325D.16), the antitrust act (sections 325D.49 to 325D.66), section 325F.67 and other laws against false or fraudulent advertising, the antidiscrimination acts contained in section 325D.67, the act against monopolization of food products (section 325D.68), ~~and~~ the prevention of consumer fraud act (sections 325F.68 to 325F.70), and chapter 53A regulating currency exchanges and assist in the enforcement of those laws as in this section provided.

Sec. 2. Minnesota Statutes 1990, section 53A.02, is amended to read:

#### 53A.02 LICENSE.

Subdivision 1. REQUIREMENT. A person may not engage in the business of a currency exchange without first obtaining a license from the commissioner. ~~A person may operate currency exchanges at more than one location with one license. Not more than one place of business may be operated under the same license, but the commissioner may issue more than one license to the same~~

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