

Sec. 2. Each director of a building and loan association whose total assets are less than \$300,000 shall actually own in his own name at least \$100 book value of the accumulated stock of the association, and where total assets exceed \$300,000 at least \$500 book value of the accumulated stock of the association.

Approved April 14, 1937.

---

CHAPTER 223—H. F. No. 1401

*An act authorizing federal savings and loan associations to convert themselves into building and loan associations under the laws of Minnesota.*

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

Section 1. **Federal Savings and Loan Associations may convert themselves into building and loan associations.**—Any federal savings and loan association may convert itself into a building and loan association under the laws of the State of Minnesota upon the affirmative vote of 51 per cent or more of the votes cast at a legal meeting called to consider such action pursuant to the laws of the State of Minnesota and such rules and regulations as the Commissioner of Banks finds necessary and proper.

Approved April 14, 1937.

---

CHAPTER 224—H. F. No. 1402

*An act to amend Laws 1931, Chapter 238, relating to contingent or reserve funds of building and loan associations.*

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

Section 1. **Reserve funds of Building and Loan Associations.**—That Laws of 1931, Chapter 238, be amended to read as follows:

"7753-1. Every association shall accumulate a fund to be known as a contingent or reserve fund by setting aside each semi-annual accounting period at least two per cent of its net earnings until the fund shall ultimately be equal to at least five per centum of its accumulated capital or to at least fifty per centum of the book value of all real estate owned by it, *whichever amount is the greater.* Such fund

shall not be available for the payment of current expenses so long as the association has undivided profits. It shall not be available for the payment of dividends; but any association may charge against such fund any losses upon investments, whether resulting from depreciation or otherwise, without encroaching upon its undivided profits or its net earnings until the contingent or reserve fund is exhausted. Provided, that associations issuing serial stock only may accumulate a separate contingent or reserve fund for each series of stock, and distribute the same among the stockholders of each such series, as each such series matures and is cancelled."

Approved April 14, 1937.

---

#### CHAPTER 225—H. F. No. 1440

*An act to amend Mason's Minnesota Statutes of 1927, Sections 5984, 5991, 5992, 5994, 5996, 6012, 6014, 6017 and 6018, relating to the dry cleaning and dry dyeing business.*

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

Section 1. **Law amended.**—That Mason's Minnesota Statutes of 1927, Section 5984, be amended so as to read as follows:

"5984. **Dry cleaning and dyeing establishments must be licensed.**—For the purpose of this act a dry cleaning or dry dyeing business is defined to be the business of clearing, or dyeing cloth, clothing, feathers, or any sort of fabrics or textiles or cleaning or dyeing by processes known as dry cleaning and dry dyeing.

No person, firm or corporation shall advertise as conducting a dry cleaning or dry dyeing business, or either, until such person, firm or corporation shall have made application to the state fire-marshal for permission to engage in such business and paid the fee as hereinafter provided.

*The term "flammable liquid" as used in this act is defined as any liquid which, under operating conditions, gives off vapor which, when mixed with air is combustible and explosive, or any liquid with a flash point 187 degrees Fahrenheit (86 degrees Centigrade) closed cup tester. The flash point shall be determined with the Elliott, Abel, Abel Pensky, or the Tag closed cup-testers, but the Tag closed cup tester (standardized by the United States Bureau of Standards) shall be authoritative in case of dispute. All tests shall be made in accordance with the methods adopted by the American Society for Testing Materials."*