

CHAPTER 266—S. F. No. 744

[Coded]

An act authorizing cities of the third class and fourth class to acquire real and personal property by installment purchase contracts.

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

Section 1. **[465.71] Installment sales of property; cities of third and fourth class.** A third or fourth class city may purchase real or personal property under an installment contract by which title is retained by the seller or vendor as security for the purchase price, but such purchases are subject to statutory and charter provisions applicable to the purchase of real or personal property.

Approved April 26, 1965.

CHAPTER 267—S. F. No. 755

[Coded in Part]

An act relating to the transfer and pledge of stock and rights held by clearing corporations; amending Minnesota Statutes 1961, Section 302.04, and Chapter 302, by adding a section.

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

Section 1. Minnesota Statutes 1961, Section 302.04, is amended to read:

302.04 **Clearing corporations; transfer and pledge of stock; corporation rights reserved.** Nothing in this chapter, *including section 2 of this act*, shall be construed as forbidding a corporation:

(1) To recognize the exclusive right of a person registered on its books as the owner of shares to receive dividends, and to vote as such owner; or

(2) To hold liable for calls and assessments a person registered on its books as the owner of shares.

Sec. 2. Minnesota Statutes 1961, Chapter 302, is amended by adding a new section to read:

[302.021] Transfer and pledge of shares of stock and rights

Changes or additions indicated by italics, deletions by ~~strikeout~~.

held by clearing corporation. *Subdivision 1. Definitions. For the purposes of this section:*

"Clearing corporation" means a corporation, all of the capital stock of which is held by or for a national securities exchange registered under the securities exchange act of 1934, 15 U.S.C. Section 78a et seq., as amended;

"Custodian" means a bank or trust company which is supervised and examined by state or federal authority having supervision over banks and which is acting as custodian for a clearing corporation.

Subd. 2. How title to certificate may be transferred or pledged. *Notwithstanding the provisions of chapter 302 or any other applicable law, if a certificate or instrument evidencing shares of stock, or rights to purchase or subscribe to shares of stock, is in the custody of a clearing corporation or of a custodian subject to the instructions of a clearing corporation, title to any such certificate or instrument or to any interest therein and to the shares or rights evidenced by such certificate, instrument or interest may be transferred by the making of entries on the books of the clearing corporation reducing the account of the transferor by the number of shares or rights transferred and increasing the account of the transferee by such number of shares or rights. A transfer of title so made shall for all purposes have the same effect as if the transferor had delivered to the transferee a certificate or instrument evidencing the shares or rights transferred, duly endorsed in blank.*

A valid pledge may be made of any such certificate or instrument or of any interest therein and of the shares or rights evidenced by such certificate, instrument or interest by:

(1) *The giving by the pledgor to the clearing corporation of notice of the pledge and of instructions that, until receipt by the clearing corporation of notice to the contrary from the pledgee, such certificate, instrument or interest therein and the shares or rights evidenced by such certificate, instrument or interest shall be held by the clearing corporation, either directly or through the custodian, for the account of the pledgee, and*

(2) *By making of entries on the books of the clearing corporation reducing the account of the pledgor by the number of shares or rights pledged and increasing the account of the pledgee by such number of shares or rights.*

A pledge so made shall for all purposes be as valid and effective as one made by transfer of actual possession of a certificate

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or instrument evidencing the shares or rights pledged from the pledgor to the pledgee.

*Subd. 3. **Applicability.** The provisions of this section shall be applicable although the charter or articles of incorporation or code of regulations or bylaws of the corporation, any shares or rights of which are transferred or pledged as herein provided, or any certificate or instrument evidencing such shares or rights, in whole or in part, provide that such shares or rights shall be transferable only on the books of the corporation or shall be registered by a registrar or transferred by a transfer agent.*

Sec. 3. *This act takes effect upon final enactment.*

Approved April 26, 1965.

CHAPTER 268—S. F. No. 1223

[Not Coded]

An act relating to the dissolution of the park district of the city of Bemidji and the acquisition of its property by the city of Bemidji.

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

Section 1. **Bemidji, city of; dissolution of park district.** The park district of the city of Bemidji organized under Laws 1909, Chapter 486, and laws supplementary and amendatory thereto, shall have the power to terminate its existence by resolution of a majority of its park commissioners.

Sec. 2. No resolution providing for the dissolution of the park district of the city of Bemidji shall be effective until the council of the city of Bemidji shall have passed a resolution approving the action and resolution of the park commissioners.

Sec. 3. Upon approval by the council of the city of Bemidji of any resolution of the park district of the city of Bemidji terminating its existence, title to all property of the park district, both real and personal, shall vest in the city of Bemidji, and the city of Bemidji shall assume all contract obligations of the park district then outstanding.

Sec. 4. The question of approval of this act shall be submitted to the voters by the governing body at a regular city election or at a special election as shall be determined by the governing body. This act shall be effective upon its approval by a ma-

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