

Sec. 3. Minnesota Statutes 1974, Section 525.924, is amended by adding a subdivision to read:

Subd. 7. The designation "donor" on the front side of a donor's driver's license or nonqualification certificate, pursuant to the provisions of section 171.07, subdivision 5, shall constitute sufficient legal authority for the removal of all body organs or parts, upon the death of the donor for the purpose of transplantation.

Sec. 4. Minnesota Statutes 1974, Section 525.927, Subdivision 3, is amended to read:

Subd. 3. A person who acts in good faith in accord with the terms of sections 525.921 to 525.93, sections 1 and 2, or the anatomical gift laws of another state or a foreign country is not liable for damages in any civil action or subject to prosecution in any criminal proceeding for his act.

Sec. 5. There is hereby appropriated from the general fund the sum of \$35,000 for the biennium ending June 30, 1977, for the purposes of this act.

Approved June 5, 1975.

CHAPTER 394—H.F.No.858

An act relating to credit unions; permitting Minnesota central credit union to purchase shares of and make deposits in U.S. central credit union; permitting credit unions to deposit the reserve in balances due from U.S. central credit union; amending Minnesota Statutes 1974, Sections 52.04 and 52.17.

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

Section 1. Minnesota Statutes 1974, Section 52.04, is amended to read:

52.04 CREDIT UNIONS; DEPOSITS WITH U.S. CENTRAL CREDIT UNION; POWERS. A credit union shall have the following powers:

(1) To receive the savings of its members either as payment on shares or as deposits, including the right to conduct Christmas clubs, vacation clubs, and other such thrift organizations within its membership;

(2) To make loans to members for provident or productive purposes as provided in section 52.16;

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(3) To make loans to a cooperative society or other organization having membership in the credit union;

(4) To deposit in state and national banks and trust companies *authorized to receive deposits*;

(5) To invest in any investment legal for savings banks or for trust funds in the state;

(6) To borrow money as hereinafter indicated;

(7) To adopt and use a common seal and alter the same at pleasure; and

(8) To make payments on shares of and deposit with any other credit union chartered by this or any other state or operating under the provisions of the federal credit union act, in amounts not exceeding in the aggregate 25 percent of its unimpaired assets providing that payments on shares of and deposit with credit unions chartered by other states shall be restricted to credit unions insured by the National Credit Union Administration . The restrictions imposed by this clause shall not apply to share accounts and deposit accounts of Minnesota central credit union in U.S. central credit union ;

(9) To contract with any licensed insurance company or society to insure the lives of members to the extent of their share accounts, in whole or in part, and to pay all or a portion of the premium therefor;

(10) To indemnify each director, officer, or committee member, or former director, officer, or committee member against all expenses, including attorney's fees but excluding amounts paid pursuant to a judgment or settlement agreement, reasonably incurred by him in connection with or arising out of any action, suit, or proceeding to which he is a party by reason of being or having been a director, officer, or committee member of the credit union, except with respect to matters as to which he shall be finally adjudged in such action, suit, or proceeding to be liable for negligence or misconduct in the performance of his duties. Such indemnification shall not be exclusive of any other rights to which he may be entitled under any bylaw, agreement, vote of members, or otherwise; and

(11) Upon written authorization from a member, retained at the credit union, to make payments to third parties by withdrawals from the member's share or deposit accounts or through proceeds of loans made to such member, or by permitting the credit union to make such payments from the member's funds prior to deposit; however, this clause does not permit a credit union to establish demand deposits (checking accounts) for its members;

(12) To inform its members as to the availability of various group purchasing plans which are related to the promotion of thrift or the

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borrowing of money for provident and productive purposes by means of informational materials placed in the credit union's office, through its publications, or by direct mailings to members by the credit union;

(13) To facilitate its members' voluntary purchase of types of insurance incidental to promotion of thrift or the borrowing of money for provident and productive purposes including, but not limited to the following types of group or individual insurance: fire, theft, automobile, life and temporary disability; to be the policy holder of a group insurance plan or a sub-group under a master policy plan and to disseminate information to its members concerning the insurance provided thereunder; to remit premiums to an insurer or the holder of a master policy on behalf of a credit union member, provided that the credit union shall obtain written authorization from such member for remittance by share or deposit withdrawals or through proceeds of loans made by such members, or by permitting the credit union to make such payments from the member's funds prior to deposit; and to accept from the insurer reimbursement for the actual cost of ministerial tasks performed pertaining to insurance;

(14) In furtherance of the twofold purpose of promoting thrift among its members and creating a source of credit for them at legitimate rates of interest for provident purposes, and not in limitation of the specific powers hereinbefore conferred, to have all the powers enumerated, authorized, and permitted by this chapter, and such other rights, privileges and powers as may be incidental to, or necessary for, the accomplishment of the objectives and purposes of the credit union.

Sec. 2. Minnesota Statutes 1974, Section 52.17, is amended to read:

52.17 RESERVE FUND. Every credit union shall maintain a reserve fund, which shall be used as a reserve against bad loans and other losses, and shall not be used to pay expenses of the credit union or otherwise distributed, except in case of liquidation. All entrance fees, if any, fines, and each year, before the declaration of a dividend, ten percent of the gross earnings, shall be set aside as a reserve fund against bad loans and other losses. When the reserve fund equals 7 1/2 percent of the outstanding loans to members and risk assets, excluding loans to other credit unions, five percent of gross earnings shall be set aside in the reserve fund. When the reserve fund equals ten percent of the outstanding loans and risk assets, no further transfer of gross earnings to the reserve fund shall be required. If the reserve fund becomes less than ten percent of the outstanding loans to members and risk assets then the schedule of allocation to the reserve fund shall apply until the ten percent ratio of reserves to loans outstanding to members and risk assets is again established. There shall also be established, and at all times maintained, a reserve of not less than ten percent of the amount of the deposits, which shall be in cash and balances due from solvent banks or which may be, in whole or in part, in short term obligations guaranteed as to principal and interest by the U.S. govern-

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ment or in certificates of deposit of a federally insured bank or in a passbook or other account in a federally insured savings and loan association or in balances due from Minnesota central credit union or ICU services corporation or U.S. central credit union .

Approved June 4, 1975.

CHAPTER 395—H.F.No.884

[Coded]

An act relating to taxation; providing a homestead exemption for certain stockholders of a family farm corporation and partners of a partnership; amending Minnesota Statutes 1974, Section 273.13, by adding a subdivision.

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

Section 1. Minnesota Statutes 1974, Section 273.13, is amended by adding a subdivision to read:

Subd. 6a. TAXATION; FAMILY FARM CORPORATIONS; HOMESTEAD OWNED BY FAMILY FARM CORPORATION OR PARTNERSHIP. (a) Each family farm corporation and each partnership operating a family farm shall be entitled to class 3b assessment and shall be eligible for the credit provided in subdivision 6 for one homestead occupied by a shareholder or partner thereof who is residing on the land and actively engaged in farming of the land owned by the corporation or partnership. Such a homestead shall not exceed 120 acres, and shall be assessed as provided in subdivision 6, notwithstanding the fact that legal title to the property may be in the name of the corporation or partnership and not in the name of the person residing thereon. "Family farm corporation" and "family farm" shall mean as defined in section 500.24.

(b) In addition to property specified in paragraph (a), any other residences owned by corporations or partnerships described in paragraph (a) which are located on agricultural land and occupied as homesteads by shareholders or partners who are actively engaged in farming on behalf of the corporation or partnership shall also be assessed as class 3b property, and be entitled to the credit provided in subdivision 6, but the property eligible shall be limited to the residence itself and as much of the land surrounding the homestead, not exceeding one acre, as is reasonably necessary for the use of the dwelling as a home, and shall not include any other structures that may be located thereon.

Sec. 2. This act is effective for the 1975 assessment year and subsequent years.

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