

CHAPTER 263—H. F. No. 460.

An act to amend Sections 2 and 3 of Chapter 85, Laws of 1921 relating to a workmen's compensation board.

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

Section 1. **Compensation insurance board created.**—That Section 2, Chapter 85, Laws of 1921 be and the same is hereby amended to read as follows:

"Sec. 2. There is hereby *continued* a board to be known as the "compensation insurance board." Said board shall consist of the commissioner of insurance, one member of the industrial commission to be chosen by that commission, and the *actuary of the State Insurance Department*. The member of the industrial commission shall serve at the pleasure of that commission."

Sec. 2. **Salaries expenses.**—That Section 3 of Chapter 85, Laws of 1921, be and the same is hereby amended so as to read as follows:

"Section 3. The members of the board shall serve without compensation other than that received in their regular positions, except that they shall be paid from the state treasury their expenses actually and necessarily incurred in performing their duties under this act. A majority of said board shall constitute a quorum for the transaction of business and the performance of the duties of the board. The said board shall maintain an office in the department of insurance at the state capitol, but it may hold sessions or conduct investigations at any place in the state other than the capitol when deemed necessary to facilitate the discharge of its duties."

Section 3. This act shall take effect and be in force from and after its passage.

Approved April 16, 1923.

CHAPTER 264—H. F. No. 811.

An act relating to co-operative marketing associations, the formation thereof, their powers and duties, and providing remedies and penalties in regard thereto.

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

Section 1. **Declaration of policy.**—In order to promote, foster and encourage the intelligent and orderly marketing of agricultural products through cooperation and to eliminate speculation and waste; and to make the distribution of agricultural products as direct as can be efficiently done between producer and consumer; and to stabilize the marketing problems of agricultural products this Act is passed. It is here recognized that agriculture is characterized by individual production in con-

trast to the group or factory system that characterized other forms of industrial production; and that the ordinary form of corporate organization permits industrial groups to combine for the purpose of group production and the ensuing group marketing and that the public has an interest in permitting farmers to bring their industry to the high degree of efficiency and merchandising skill evidenced in the manufacturing industries; and that the public interest urgently needs to prevent the migration from the farm to the city in order to keep up farm production and to preserve the agricultural supply of the nation; and that the public interest demands that the farmer be encouraged to attain superior and more direct system of marketing in the substitution of merchandising for the blind, unscientific and speculative selling of crops;

Sec. 2. Definitions.—As used in this Act.

- (a) The term "agricultural products" shall include horticultural, viticultural, forestry, dairy, livestock, poultry, bee and any farm products.
- (b) The term, "member" shall include actual members of associations without capital stock, and holders of common stock in associations organized with capital stock if any.
- (c) The term "association" means any corporation or association organized under this Act.
- (d) The term "person" shall include individuals, firms, partnerships, corporations and associations.
- (e) The term "Directors" shall mean the Board of Directors.
- (f) Associations organized hereunder shall be deemed non-profit inasmuch as they are not organized to make profits for themselves, as such, or for their members, as such, but only for their members as producers. This Act shall be referred to as "The Cooperative Marketing Act."

Sec. 3. Who may organize.—Five (5) or more persons engaged in the production of agricultural products may form a non-profit, cooperative association, with or without capital stock, under the provisions of this Act.

Sec. 4. Purposes.—An association may be organized to engage in any activity in connection with the marketing or selling of the agricultural products of its members, or with the harvesting, preserving, drying, processing, canning, packing, grading, storing, handling, shipping or utilization thereof, or the manufacturing or marketing of the by-products thereof, or in connection with the manufacturing, selling or supplying to its members of machinery, equipment or supplies; or in the financing of the above enumerated activities; or in any one or more of the activities specified herein.

Sec. 5. Powers.—Each association incorporated under this Act shall have the following powers:

- (a) To engage in any activity in connection with the marketing, selling, harvesting, preserving, drying, processing, canning, packing, grading, storing, handling or utilization of any agricultural products produced or delivered to it by its members, and with the manufacturing or marketing of the by-products thereof, and in any activities in connection with the purchase, hiring or use by its members, of supplies, machinery or equipment, and in the financing of any such activities, and in any one or more of the activities specified in this section. Any association may limit itself to handle the agricultural products of its members only. If it permits the handling of products of non-members, such products must be limited to a total not greater than the amount delivered by or handled for members.
- (b) To borrow money and to make advance payments and advances to members.
- (c) To act as the agent or representative of any member of members in any of the above mentioned activities.
- (d) To purchase or otherwise acquire, and to hold, own and exercise all rights or ownership in, and to sell, transfer or pledge, or guarantee the payment of dividends or interest on, or the retirement or redemption of, shares of capital stock or bonds of any corporation or association engaged in any related activity or in the warehousing or handling or marketing of any of the products handled by the association.
- (e) To establish reserves and to invest the funds thereof in bonds or such other property as may be provided in the By-Laws.
- (f) To buy, hold and exercise all privileges of ownership, over such real or personal property as may be necessary or convenient for the conduct and operation of any of the business of the association or incidental thereto.
- (g) To do each and everything necessary, suitable or proper for the accomplishment of any one of the purposes, or the attainment of any one or more of the objects herein enumerated, or conducive to or expedient for the interest or benefit of the association or its members, and to contract accordingly; and in addition to exercise and possess all powers, rights, and privileges necessary or incidental to the purpose or purposes for which the association is organized or to the activities in which it is engaged; and in addition any other rights, powers and privileges granted by the laws of this State

to ordinary corporations, except such as are inconsistent with the express provisions of this Act; and to do any such thing any where.

Sec. 6. Members.

- (a) Under the terms and conditions prescribed in its By-Laws, any associations may admit as members, or issue common stock only to other cooperative marketing associations and to persons engaged in the production of the agricultural products to be handled by or through the association, including the lessees and tenants of land used for the production of such products and any lessors and landlords who receive as rent part of the crop raised on the leased premises.
- (b) If a member of a non-stock association be other than a natural person, such member may be represented by any individual, associate, officer or member thereof, duly authorized in writing.
- (c) One association organized hereunder may become a member or stockholder of any other association or associations, organized hereunder.

Sec. 7. Articles of incorporation.—Each association formed under this Act must prepare and file Articles of Incorporation, setting forth:

- (a) The name of the association.
- (b) The purposes for which it is formed.
- (c) The place where its principal business will be transacted.
- (d) The term for which it is to exist, not exceeding fifty (50) years.
- (e) The number of Directors thereof, which must not be less than five (5) and may be any number in excess thereof, and the term of office of such directors, and the names and places of residences of the first Board of Directors.
- (f) If organized without capital stock, whether the property rights and interest of each member shall be equal or unequal, and if unequal, the articles shall set forth the general rule or rules applicable to all members by which the property rights and interests, respectively, of each member may and shall be determined and fixed, and the association shall have the power to admit new members who shall be entitled to share in the property and property rights with the old members, in accordance with such general rule or rules.

This provision "f" of the Articles of Incorporation shall not be altered, amended or repealed except by the written consent or the vote of three-fourths of the members.

- (g) If organized with capital stock, the amount of such stock and the number of shares into which it is divided and the par value thereof. The capital stock may be divided into preferred and common stock. If so divided, the articles of incorporation must contain a statement of the number of shares of stock to which preference is granted and the number of shares of stock to which no preference is granted and the nature and definite extent of the preference and privileges granted to each.

The articles must be subscribed by the several incorporators and acknowledged by one of them before an officer authorized by the law of this State to take and certify acknowledgement of deeds and conveyances; and shall be filed in the office of the Secretary of the State of Minnesota and when so filed such incorporation shall be complete and a certified copy of said Articles shall be filed with the Public Examiner, the said Articles of Incorporation, or certified copies thereof, shall be received in all the courts of this State, and other places, as prima facie evidence of the facts, contained therein, and of the due incorporation of such association.

Sec. 8. Amendments to articles of incorporation.—The Articles of Incorporation may be altered or amended at any regular meeting of members or at any special meeting called for that purpose. An amendment must first be approved by two-thirds of the directors and then adopted by a vote representing a majority of all the members of the association. Amendments to the Articles of Incorporation when so adopted shall be filed in accordance with the foregoing provisions of original filing.

Sec. 9. By-laws.—The Directors of each association incorporated under this Act must, within thirty (30) days after its incorporation, adopt for its government and management, a code of By-Laws, not inconsistent with the powers granted by this Act. Such By-Laws so adopted shall lapse and become void and of no effect unless within one year from the date of such adoption, the same shall be approved by a majority vote of all the members or by the written assent of such majority, and shall lapse and become void and of no effect at any time within such year, that such association by a majority vote of all its members, or by the written assent of such majority, adopt a code of By-Laws. Thereafter, any proposed amendment to such By-Laws shall only become effective when approved by a majority vote of the members, or by the written assent of such majority. Each association under its By-Laws may also provide for any or all of the following matters:

- (a) The time, place and manner of calling and conducting its meetings.
- (b) The number of stockholders or members constituting a quorum.
- (c) The right of members or stockholders to vote by proxy or by mail or by both, and the conditions, manner, form and effect of such votes.
- (d) The number of directors constituting a quorum.
- (e) The qualifications, compensation and duties and term of office of directors and officers, the time of their election and mode and manner of giving notice thereof.
- (f) Penalties for violations of the By-Laws.
- (g) The amount of entrance, organization and membership fees, if any; the manner and method of collection of the same and the purposes for which they may be used.
- (h) The amount which each member or stockholder shall be required to pay annually or from time to time, if at all, to carry on the business of the association; the charge, if any, to be paid by each member or stockholder for services rendered by the association to him and the time of payment and the manner of collection; and the form of marketing contract between the association and its members or stockholders which every member or stockholder may be required to sign.
- (i) The number and qualifications of members or stockholders of the association, and the particular conditions, if any, precedent to membership or ownership of common stock; the method, time and manner of permitting members to withdraw or the holders of common stock to transfer their stock, the manner of assignment and transfer of the interest of members, and of the shares of common stock; the conditions upon which, and the time when membership, of any member shall cease, the automatic suspension of the rights of a member when he ceases to be eligible to membership in the Association, and mode, manner and effect of the expulsion of a member; the manner of determining the value of a member's interest and provisions for its purchase by the association upon the death or withdrawal of a member or stockholder, or upon the expulsion of a member or forfeiture of his membership. In case of the withdrawal or expulsion of a member the board of directors shall within a reasonable time equitably appraise his property interests in the association and shall fix the amount thereof in money, which shall be paid or tendered to him within thirty days, after such appraisal.

Sec. 10. General and special meetings—How called.—In its By-Laws each association shall provide for one or more

regular meetings annually. The Board of Directors shall have the right to call a special meeting at any time, and ten per cent of the members or stockholders may file a petition with the secretary stating the specific business to be brought before the association and demand a special meeting at any time. Such meeting must thereupon be called by the Secretary. Notice of all meetings, together with a statement of the general purposes thereof, shall be mailed to each member at least ten days prior to the meeting; provided, however, that the by-laws may require instead that such notice may be given by publication in a newspaper of general circulation, published at the principal place of business of the association.

Sec. 11. Directors—Election.—The affairs of the association shall be managed by a board of not less than five directors elected by the members or stockholders from their own number except as hereinafter provided. The By-Laws may provide that the territory in which the association has members shall be divided into districts and that the directors shall be elected according to such districts. In such case the By-Laws shall specify the number of directors to be elected by each district, the manner and method of apportioning or reapportioning the directors, and of districting or redistricting the territory covered by the association. The By-Laws may provide that primary elections should be held in each district to elect the directors apportioned to such districts and the result of all such primary elections must be ratified by the next regular meeting of the association, or may be considered final by the association.

The By-Laws shall provide that one or more directors may be appointed by the Commissioner of Agriculture or any other public official or commission. The Director or Directors so appointed need not be members or stockholders of the association, but shall have the same powers and rights as other directors. Such Directors shall not number more than one-fifth of the entire number of Directors.

An association may provide a fair remuneration for the time actually spent by its officials and directors in its service. No directors, during the term of his office, shall be a party to a contract for profit with the association differing in any way from the business relations accorded regular members or holders of common stock of the Association, or to any other kind of contract differing from terms generally current in that district.

- (a) The By-Laws may provide that no director shall occupy any position in the association, except the President and Secretary on regular salary or substantially full time pay.

The By-Laws may provide for any executive committee and may allot to such committee all the func-

tions and powers of the board of directors, subject to the general direction and control of the board.

When a vacancy on the Board of Directors occurs, other than by expiration of term, the remaining members of the Board by a majority vote, shall fill the vacancy, unless the By-Laws provide for an election of directors by district. In such a case the Board of Directors shall immediately call a special meeting of the members or stockholders in that district to fill the vacancy.

Sec. 12. Election of officers.—The Directors shall elect from their number a President and one or more vice presidents. They shall also elect a Manager, a Secretary and a Treasurer, who need not be Directors, and they may combine the two latter offices and designate the combined office as Secretary-Treasurer. The Treasurer may be a bank or any depository, and as such shall not be considered as an officer but as a function of the Board of Directors. In such case the Secretary shall perform the usual accounting duties of the treasurer, excepting that the funds shall be deposited only as authorized by the Board of Directors.

Sec. 13. Officers, employees and agents to be bonded.—Every officer, employee and agent handling funds or negotiable instruments or property of or for any association created hereunder shall be required to execute and deliver adequate bonds for the faithful performance of his duties and obligations.

Sec. 14. Stock—Membership certificates—When issued—Voting—Liability—Limitations on transfer and ownership.—When a member of an association established without capital stock, has paid his membership fee in full, he shall receive a certificate of membership. No association shall issue stock to a member until it has been fully paid for. The promissory notes of the member may be accepted by the association as full or partial payment. The association shall in case of associations organized without capital stock hold the stock or membership certificate as security for the payment of the note but such retention as security shall not affect the member's right to vote.

Except for debts lawfully contracted between him and the association, no member shall be liable for the debts of the association to an amount exceeding the sum remaining unpaid on his membership fee, including any unpaid balance or any promissory notes given in payment thereof.

No stockholder of a cooperative association shall own more than one-twentieth of the common stock of the association; and an association, in its by-laws, may further limit the amount of common stock which one member may own.

No member or stockholder shall be entitled to more than one

vote, excepting that where the stockholder is a local cooperative association and the general association is a central exchange composed of local cooperative associations, the central cooperative association may, in its option, provide for one vote for each such stockholder or for any other method of voting which may seem to it equitable on the basis of membership in each such local cooperative association or tonnage amount or value of products handled by each such local cooperative association.

Any association organized with stock under this act may issue preferred stock, with or without the right to vote. Such stock may be sold to any person, member or non-member, and may be redeemable or retireable by the association on such terms and conditions as may be provided for by the articles of incorporation and printed on the face of the certificate. The promotion, organization and extension of organization costs and expenses shall not exceed the sum of Five Dollars, (\$5.00) per member, such sum to be fixed and determined from time to time by the Board of Directors."

The By-Laws shall prohibit the transfer of the common stock or certificate of membership in the association to persons not engaged in the production of the agricultural products handled by the association, and such restrictions must be printed upon every certificate of stock or membership.

Sec. 15. Removal of officer or director.—Any member may bring charges against an officer or director by filing them in writing with the Secretary of the association, together with a petition signed by not less than ten percent of the members requesting the removal of the officer or director in question.

The removal shall be voted upon at the next regular or special meeting of the association and by a vote of a majority of the members, the association may remove the officers or directors and fill the vacancy. The director or officer against whom such charges have been brought shall be informed in writing of the charges previous to the meeting and shall have an opportunity at the meeting to be heard in person or by counsel and to present witnesses; and the person or persons bringing the charge against him shall have the same opportunity.

In case the By-Laws provide for election of directors by districts with primary elections in each district, then in lieu of the foregoing the petition for removal of a director must be signed by twenty per cent of the members residing in the district from which he was elected. The Board of Directors must call a special meeting of the members residing in that district to consider the removal of the director. By a vote of the majority of the members of that district the director in question shall be removed from office.

Sec. 16. Referendum.—Upon demand of not less than one-

third of the entire board of directors, made immediately and so recorded, at the same meeting at which the original motion was passed, any matter of policy that has been approved or passed by the board must be referred to the entire membership or the stockholders for decision at the next special or regular meeting; and a special meeting may be called for the purpose.

Sec. 17. Marketing contract.—The association and its members may make and execute marketing contracts, requiring the members to sell, for any period of time, not over five years, all or any specified part of their agricultural products or specified commodities exclusively to or through the association or any facilities to be created by the association. If they contract a sale to the association, it shall be conclusively held that title to the products passes absolutely and unreservedly, except for recorded liens, to the association upon delivery; or at any other specified time if expressly and definitely agreed in the said contract. The contract may provide that the association may sell or re-sell the products of its members, with or without taking title thereto; and pay over to its member the re-sale price, after deducting all necessary selling, overhead and other costs and expenses; and other proper reserves; and interest not exceeding eight per cent per annum upon common stock if any.

Sec. 18. Remedies for breach of contract.

- (a) The by-laws and the marketing contract may fix, as liquidated damages, specific sums to be paid by the member or stockholder to the association upon the breach by him of any provisions of the marketing contract regarding the sale or delivery or with-holding of products; and may further provide that the member will pay all costs, premiums for bonds, expenses and fees in case any action is brought upon the contract by the association; and any such provisions shall be valid and enforceable in the courts of this State, and such provisions or provisions fixing liquidated damages, shall be enforceable as such and shall not be considered or regarded as a penalty.
- (b) In the event of any such breach or threatened breach of such marketing contract by a member, the association shall be entitled to an injunction to prevent the further breach of the contract, and to a decree of specific performance thereof. Pending the adjudication of such an action and upon filing a certified complaint showing the breach or threatened breach, and upon filing a sufficient bond, the association shall be entitled to a temporary restraining order and preliminary injunction against the member.
- (c) In any action upon such marketing agreement, it shall

be conclusively presumed that a landowner or landlord or lessor is able to control the delivery of products produced on his land by tenants or others, whose tenancy or possession or work on such land or the terms of whose tenancy or possession or labor thereon were created or changed after execution by the landowner or landlord or lessor, of such a marketing agreement; and in such actions, the foregoing remedies for nondelivery or breach shall lie and be enforceable against such landowner or lessor.

Sec. 19. Purchasing business of other corporations, persons, firms or corporations—Payment—Stock issued.—Whenever an association, organized hereunder with preferred capital stock, shall purchase the stock or any property, or any interest in any property of any person, firm or corporation or association, it may discharge the obligations so incurred, wholly or in part, by exchanging for the acquired interest, shares of its preferred capital stock to an amount which at par value would equal the fair market value of the stock or interest so purchased, as determined by the board of directors. In that case the transfer to the association of the stock or interest purchased shall be equivalent to payment in cash for the shares of stock issued.

Sec. 20. Annual reports.—Each association formed under this Act shall annually prepare, make out, certify and file with the Public Examiner, an annual report on forms furnished by the Public Examiner; containing the name of the association; its principal place of business and a general statement of its business operations during the fiscal year, and showing the amount of capital stock paid up and the number of stockholders if a stock association or the number of members, the amount of membership fees received, if a non-stock association; also in all cases, the total expenses of operations, the amount of its indebtedness, or liability, and a copy of its balance sheets.

Sec. 21. Conflicting laws not to apply.—Any provisions or provision of law which are in conflict with any provision of this Act shall not be construed as applying to the association herein provided for. This statute shall not be construed or considered as repealing or amending by implication or otherwise any existing law of this State, and no statute or law hereafter enacted in this state shall be considered or construed as amending or repealing this act by implication or otherwise, unless so provided in express language in such subsequent enactment.

Any exemptions whatsoever under any and all existing laws, applying to agricultural products in the possession or under the control of the individual producer, and for his benefit, shall apply similarly and completely to such products delivered by its members, and to the proceeds of such products in case said products,

if still in the hands of the said producer would have been exempt under the laws of this state.

Sec. 22. Limitation of the use of term "co-operative."—No person, firm, corporation or association hereafter organized or doing business in this state as a co-operative marketing association shall be entitled to use the word "co-operative" as a part of its corporate or other business name or title unless it is in fact a co-operative association or corporation.

Any person, firm, corporation or association now organized and existing or purporting to do a producers' co-operative marketing business in this state, and embodying the word "co-operative" as part of its corporate or other business name or title and which is not in fact a co-operative marketing association or corporation organized as such under the laws of this state or similar law of other states, must within six months from the date at which this act goes into effect, eliminate the word "co-operative" from its said corporate or other business name or title.

Sec. 23. Interest in other corporations or associations.—An association may organize, form, operate, own, control, have an interest in, own stock of, or be a member of any other corporation or corporations, with or without capital stock, and engaged in preserving, drying, processing, canning, packing, storing, handling, shipping, utilizing, manufacturing, marketing, or selling the agricultural products handled by the association, or the by-products thereof. If such corporations are warehousing corporations, they may issue legal warehouse receipts to the association for any such products or by-products actually delivered and such legal warehouse receipt shall be considered as adequate collateral to the extent of the current value of the commodity represented thereby. In case such warehouse is licensed, or licensed and bonded under the laws of this or any other State or the United States, its warehouse receipt shall not be challenged or discriminated against because of ownership or control, wholly or in part, by the association.

Sec. 24. Contracts and agreements with other associations.—Any association may, upon resolution adopted by its board of directors, enter into all necessary and proper contracts, and agreements and make all necessary and proper stipulations, agreements, and contracts, and arrangements with any other cooperative corporations, associations or association, formed in this or in any other State, for the cooperative and more economical carrying on of its business, or any part or parts thereof. Any two or more associations may, by agreement between them, unite in employing and using or may separately employ and use the same methods, means and agencies for carrying on and conducting their respective businesses.

Sec. 24A. Rights and remedies apply to similar associations

of other states.—Any corporation or association heretofore or hereafter organized under generally similar laws of another State shall be allowed to carry on any proper activities, operations and functions in this State upon compliance with the general regulations applicable to foreign corporations desiring to do business in this State and all contract theretofore or thereafter made by or with such associations which could be made by any association incorporated hereunder, shall be legal and valid and enforceable in this State with each and all of the remedies set forth in this act.

Sec. 25. Association heretofore organized may adopt the provisions of this act.—Any corporation or association organized under previously existing statutes, may by a majority vote of its stockholders or members be brought under the provisions of this Act by limiting its membership and adopting the other restrictions as provided herein. It shall make out in duplicate a statement signed and sworn to by its directors, upon forms supplied by the commission of Agriculture to the effect that the corporation or association has by a majority vote of its stockholders or members decided to accept the benefits and be bound by the provisions of this Act. Articles of Incorporation shall be filed as required in Section 7 hereof except that they shall be signed by the members of the Board of Directors. The filing fee shall be the same as for filing an amendment to Articles of Incorporation. Where any association or corporation may be incorporated or brought under this Act, all contracts heretofore made by or on behalf of the same by the promoters thereof in anticipation of such association becoming incorporated under the laws of this state or otherwise, including such contracts made by or in the name of some corporation organized elsewhere, and when same would have been valid if entered into subsequent to the passage of this act, are hereby accepted and validated as if made after the passage of this act. Co-operative corporations and associations heretofore or hereafter organized and doing business under the existing laws or laws supplementary thereto or amendatory thereof shall continue to be governed thereby unless and until they shall elect to be brought under the provisions of this act in the manner provided in this section.

Sec. 26. Misdemeanor—Breach of marketing contract of co-operative associations, spreading false reports concerning associations.—Any person or persons or any corporation whose officers or employees knowingly induce or attempt to induce any member or stockholder of an association organized hereunder or organized under similar statutes of other states with similar restrictions and rights and operating in this State under due authority, to break his marketing contract with the association, or who maliciously and knowingly spreads false reports about

the finances or management or activity thereof, shall be guilty of a misdemeanor for each such offense; and shall be liable to the association aggrieved in a civil suit in the penal sum of five hundred (\$500.00) dollars for each such offense.

Sec. 27. Certain persons liable for damages for encouraging or permitting delivery of products in violation of marketing agreements.—Any dealer or prospective purchaser or any person, firm or corporation conducting a warehouse, elevator, or other receiving station within this state who solicits or persuades or permits any member of any association organized hereunder to breach his marketing contract with the association by accepting or receiving such member's products for sale or for auction or for display, for sale, contrary to the terms of any marketing agreement of which said person or dealer or prospective purchaser, or any member of the said firm or any active officer or manager of the said corporation has knowledge or notice, shall be liable to the association aggrieved in a civil suit in the penal sum of five hundred (\$500.00) dollars for each such offense; and such association shall be entitled to any injunction against such dealer, or prospective purchaser, or such person, firm or corporation to prevent further breaches of such marketing agreement and to prevent a multiplicity of actions thereon. In addition to other relief said warehouseman or other person, firm or corporation so offending shall pay to the association a reasonable attorney's fee to be fixed by the court and all costs involved in any such litigation or proceedings at law.

This section is enacted in order to prevent a recurrence or outbreak of violence and to give marketing associations an adequate remedy in the courts against those who encourage violations of cooperative contracts.

Sec. 28. Association not in restraint of trade.—No association organization hereunder shall be deemed to be a Combination in restraint of trade or an illegal monopoly; or an attempt to lessen competition or fix prices arbitrarily; nor shall the marketing contracts or agreements between the association and its members or any agreement authorized in this Act be considered illegal or in unlawful restraint of trade, or as a part of a conspiracy or combination to accomplish an improper or illegal purpose.

Sec. 29. Reservation of right to repeal or amend.—The State reserves the right at any future time to modify, amend or repeal this act, or any part thereof, or to cancel, modify, repeal or extend any grant of power or any permit or franchise obtained or secured under the terms of this act.

Sec. 30. Supervision by public examiner.—Every association organized or existing under the provisions of this act shall be at all times under the supervision and subject to the control

of the Public Examiner. At least annually, and as much often as he deems it necessary, without previous notice, such examiner, his deputy or assistant, shall visit and examine the business and offices of every such corporation, verify its books, vouchers and papers, and ascertain its financial condition and ability to perform its functions and fulfill its obligations, and wherein, if at all, it has violated any provision of law, and determine what, if any, further action shall be taken in the premises. For the purpose of making such examination he is authorized to enforce the attendance as witnesses of persons whose testimony is desired, and the production of books and papers, by subpoena or attachment, and may administer oaths to witnesses and compel them to testify. If the Public Examiner is of the opinion that the further operation of such corporation is hazardous to public interests, he shall forthwith take possession of its property, and report the matter to the Governor for appropriate action. The Public Examiner shall have authority upon his own motion, and it shall be his duty to make investigation of the affairs of any such association, prescribe uniform system of accounting, and to do or perform any act in relation to any association which in his opinion may be necessary or expedient to protect the public interest. It shall be the duty of the officers and directors of any such association to comply with the orders or requirements of such Public Examiner and upon failure so to do the said Public Examiner shall report such failure to the Governor of this State for such appropriate action as the Governor shall consider necessary.

Sec. 31. Powers and duties of governor upon report or recommendation of the public examiner as herein provided.—The Governor shall have the power to remove from office any officer or director of any association, such removal to be upon such notice to the said association and to the said officers or directors thereof as shall be prescribed by the Governor. In case the Public Examiner has decided that the further operation of any such association is hazardous to the public interests and so reported to the Governor, the Governor may refer the matter of winding up the affairs of such association to the Attorney General and it shall thereupon be the duty of the Attorney General to proceed to wind up the affairs of any such association in the manner provided by law for winding up the business of insolvent banking institutions in the State of Minnesota.

Sec. 32. Payment of expenses of examination.—Such Public Examiner shall furnish to such association, as soon as possible after any such examination, a complete copy of the report of such Public Examiner in relation to any examination made of and such association, and it shall thereupon forthwith be the duty of the said association and the treasurer thereof, upon

requisition therefor by the State Treasurer, to pay to the said State Treasurer, for such examination and for such services of the said Public Examiner and his deputies or assistants therein, at the rate of Eight Dollars, (\$8.00) per day and expenses for each day of such examination, and upon such payment to the State Treasurer the State Treasurer shall credit such amount so paid to the Public Examiner's contingent fund.

Sec. 33. **Constitutionality.**—If any Section of this Act shall be declared unconstitutional for any reason the remainder of the Act shall not be affected thereby.

Sec. 34. **Annual license fees.**—Each association organized hereunder shall pay to the State Treasurer an annual license fee of Five Dollars (\$5.00) only, in lieu of all franchise, corporation, or other taxes, or charges.

Sec. 35. **Filing fees.**—For filing Articles of incorporation, any association organized hereunder shall pay Five Dollars (\$5.00); and for filing an amendment to the articles, Two and 50-100 (\$2.50).

Sec. 36. This Act shall take effect and be in force from and after its passage.

Approved April 16, 1923.

CHAPTER 265—H. F. No. 881.

An act transferring all the rights and privileges now vested in judges of probate by chapter 411, Session Laws of Minnesota for 1921, to the members of the boards of county commissioners.

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

Section 1. **Certain powers of judges of probate transferred to County Board.**—All the rights, powers, duties and privileges now vested in and conferred upon judges of probate by chapter 411, Session Laws of Minnesota for 1921, are hereby transferred to and vested in the members of the several boards of county commissioners in the state, and any member of such a board may receive, investigate and act upon applications for treatment in the general hospital.

Sec. 2. This act shall take effect and be in force from and after its passage.

Approved April 16, 1923.

CHAPTER 266—H. F. No. 1060.

An act to amend Chapter 467, Laws 1921, relating to education and to state aid for schools, and providing for aid payment of cost of school buildings in certain consolidated school districts.