

CHAPTER 309

SOCIAL AND CHARITABLE CORPORATIONS

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309.01 POWERS. Any three or more persons may form a corporation for any one or more of the following purposes: religious, social, moral, educational, scientific, medical, surgical, benevolent, charitable, fraternal, or reformatory, including care of the sick, aged, and disabled, and administering to the needs of the poor; providing comfort, education, and recreation for all classes; for establishing, maintaining, and operating clinical, pathological, medical, or surgical research laboratories, hospitals, institutions of learning, and gymnasiums, and otherwise for improving the physical, mental, and moral condition of mankind; for advancing, promoting, and administering charitable and benevolent aims in its own behalf, or as the agent, trustee, or representative of others; for aiding and assisting individuals, corporations, associations, or institutions engaged in furthering any one or more of the purposes above named, and establishing, promoting, maintaining, endowing, and aiding with its own means, or as the agent, trustee, or representative of others, any such corporation, association, or institution; for providing, erecting, owning, leasing, furnishing, and managing any building, hall, or apartments for the use, in whole or in part, of any society, societies, body, or bodies, incorporated or unincorporated, organized for any one or more of such purposes; or for the purpose of improving or beautifying any public roads, streets, grounds, parks, water, or water fronts; provided, that any such improvements shall be carried out under the supervision of the public official having charge or control of public property to be improved.

[R. L. s. 3102; 1909 c. 483; 1913 c. 285 s. 1; 1915 c. 185 s. 1; 1917 c. 274] (7892)

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309.02 CERTIFICATE; ANNUAL MEETINGS. Any such corporation shall adopt and sign a certificate containing:

- (1) Its name, its general purpose and plan of operation, and its location;
- (2) The terms of admission to membership, the amount of monthly, quarterly, or yearly contributions required of its members;
- (3) If there be capital stock, the number of shares, and the amount of each share;
- (4) The officers of the corporation or society, with the time and place of electing or appointing the same, the number of trustees, directors, or managers, if any, who are to conduct the transactions of the society during the first year; provided, that societies for the promotion of temperance or social or moral reform may hold their annual meetings for the election of officers and the transaction of other business at such time and place in the state as a majority of the members thereof may by vote determine; and any such existing society may hold its annual meetings at any time or place so determined.

✓ The certificate shall be acknowledged and filed with the secretary of state and recorded with the register of deeds in the county where the corporation is located. Any such corporation may amend its certificate as provided in the case of other corporations, but the amendment need not be published.

Corporations organized for the promotion of the tenets of any religion, or for the propagation of the gospel, may hold their annual meetings at such time and place within or without the state as a majority of the trustees, directors, or managers thereof may, by vote, determine.

[R. L. s. 3103; 1921 c. 519 s. 1; 1925 c. 241] (7893)

309.03 POWERS; COLLECTION OF ASSESSMENTS. Upon filing for record its certificate of incorporation, it shall have the ordinary powers of corporations, and may establish by-laws and regulations for the management of its affairs in accordance with law and consistent with an honest purpose. It may, in its corporate name, and for the use and benefit of the corporation, sue and recover judgment, for an amount not exceeding \$20.00 upon any one share in any one year of subscribed stock in the corporation, after ten days' notice to each stockholder of an assessment upon the shares.

[R. L. s. 3104] (7894)

309.04 ELECTION OF OFFICERS. Any benevolent, charitable, missionary, hospital, educational, or religious corporation, whenever its certificate shall so provide, may authorize the election of a specified number of its directors, trustees, or managers by another corporation or by any council, synod, or other governing body of a religious denomination.

[R. L. s. 3105; 1929 c. 58] (7895)

309.05 NO DIVIDEND UNTIL DISSOLUTION. No distribution of property among members or shareholders of any such corporation shall be made until the dissolution of the corporation, except dividends upon its capital stock, if any, out of the net annual receipts after payment of all outstanding indebtedness.

[R. L. s. 3106] (7896)

309.06 RIGHT TO RECEIVE, INVEST, AND DISPOSE OF GIFTS. Every such corporation, in addition to its other powers, may receive or acquire by purchase, gift, grant, or devise, and may hold, use, invest, expend, convey, or dispose of any real or personal property whatever for any of the purposes for which the corporation may be created, and may lease, mortgage, or use the same in any manner deemed most conducive to its interests and prosperity and to the accomplishment of any such purposes; but it shall not divert any gift, grant, devise, or bequest from the specific purpose designated by the donor without his consent; but, if so authorized by a donor, the corporation may expend, use, or dispose of any property transferred to it, or the income thereof, in accordance with the judgment and discretion of its trustees, directors, or officers; but no street, road, or alley shall be established, opened, or extended through or upon any lands, not exceeding ten acres in area, upon which a hospital building, incorporated as such, is situated, except with the consent of the managing board of such hospital. The provisions of this section shall be applicable to any existing corporation of the character authorized to be created by section 309.01, as well as to any corporation thereafter organized in pursuance thereof.

[R. L. s. 3107; 1917 c. 274 s. 2] (7897)

309.07 EDUCATIONAL INSTITUTIONS; POWER AS TO PROPERTY. Any educational institution created or existing under or by virtue of any law of the state or territory of Minnesota is hereby authorized and empowered to take, hold, receive, and enjoy all property and money given, bequeathed, devised, conveyed, or transferred to it and to hold, use, and enjoy the profits, rents, and income therefrom, notwithstanding any limitation in the laws or charters by or under which such educational institutions were incorporated, or any amendments thereto.

[1905 c. 75 s. 1] (7898)

309.08 CORPORATIONS TO ADMINISTER CHARITIES; FORMATION; REQUISITES. A corporation may be formed under the provisions of this chapter for the purpose of administering and furnishing relief and charity for the worthy poor who may reside in a designated locality, and shall comply with the provisions of this section and section 309.09, under the name specified in its certificate of incorporation. Such certificate shall declare:

- (1) Its name and principal place of business;
- (2) That it is organized to administer and furnish relief and charity for the worthy poor who may reside in a designated locality, and without discrimination as to age, sex, color, or religious inclination of the beneficiaries;
- (3) The names and places of residence of the incorporators, and how and when their successors may be appointed or elected;
- (4) The names of the first board of directors or managing officers, and in what officers or persons the government of the corporation and the management of its affairs shall be vested; and how and when they shall be elected or appointed; and
- (5) Any other provisions not inconsistent with law which may be desired.

[R. L. s. 3110] (7901)

309.09 POWERS OF CORPORATION; VISITORIAL RIGHT; CONSOLIDATION. The persons so executing the certificate and their successors shall thereupon become a corporation by the name specified therein, with all the powers of a common law corporation. It may sue and be sued by its corporate name, have perpetual succession, adopt a corporate seal, and change the same at pleasure. It may, in its corporate name, acquire and receive by purchase, gift, grant, devise, or bequest any property, real, personal, or mixed, and hold, sell, convey, assign, loan, lease, or otherwise use the same for the purposes named in its certificate of incorporation, and for such time and in such manner as may be directed by any grantor or testator who may make a gift, devise, or bequest to such corporation, to be administered and used to furnish relief and charity for the worthy poor who may reside, from time to time, in a locality designated by such donor or testator; and it shall have no power to divert any gift, grant, or bequest from the specific uses and purposes designated by the donor or testator. Such corporation shall have no capital stock. Any court of equity, on its own motion or on application, may have and exercise visitorial powers over its officers and affairs. Any two or more corporations now or hereafter organized under the provisions of section 309.08, or for the general purposes and objects therein specified, shall have power to consolidate and reorganize as a single corporation. A certificate stating the terms of consolidation shall be approved by each corporation by a majority vote of its board of managers or directors; and before such consolidation shall be effective, a copy of the certificate and of the record of such approval or consent, duly certified by the president and secretary of each corporation involved, and under its corporate seal, shall be filed for record in the office of the secretary of state. Upon the filing for record of the certificate, such corporations shall become merged in the new corporation, which shall thereafter be known by the name agreed upon, and the new corporation shall thereupon succeed to all of the rights, powers, franchises, contracts, privileges, and immunities, and be subject to the same duties, liabilities, and obligations in all respects as were granted to or imposed upon the original corporations. The name agreed upon for the new corporation may be the same as that of any one of the corporations entering upon the consolidation.

[R. L. s. 3111; 1909 c. 222 s. 1] (7902)

309.10 NON-PROFIT HOSPITAL SERVICE PLAN CORPORATIONS. Any corporation organized under the laws of this state, on a strictly non-profit basis, for the purpose of establishing and operating a non-profit hospital service plan whereby hospital service is provided by hospitals with which such corporation has a contract, to persons who become subscribers to the plan under a contract with such corporation for such hospital service shall be subject to, and, governed by the provisions of sections 309.10 to 309.17 and shall not be subject to the laws of this state relating to insurance and insurance companies, except as hereinafter specifically provided.

[1941 c. 53 s. 1]

309.11 MAY PROVIDE SERVICE IN NON-MEMBER HOSPITALS. The hospital service plan operated by such corporation, may also provide for hospital service to such subscribers in other than contracting hospitals, in case of emergency or expediency, and subject to the approval of the governing body of such hospital service plan corporation.

[1941 c. 53 s. 2]

309.12 CERTIFICATE OF INCORPORATION, WHERE FILED. A copy of the certificate of incorporation of all such non-profit hospital service plan corporations, and all amendments, shall be filed with the commissioner of insurance at the time the originals are filed with the secretary of state; provided, that any hospital service plan corporation that has heretofore incorporated under the social and charitable laws of the state, and is now operating such a non-profit hospital service plan in this state, shall forthwith file a copy of the certificate of incorporation, and all amendments thereto, with the commissioner of insurance, and thereupon be subject to the provisions of sections 309.10 to 309.17.

[1941 c. 53 s. 3]

309.13 MEMBERSHIP OF GOVERNING BODY. A majority of the governing body of every such non-profit hospital service plan corporation shall, at all times, be administrators or members of the governing body of hospitals which have agreed

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with such non-profit hospital service plan corporation to furnish hospital service to the subscribers to such non-profit hospital service plan.

Every such contracting hospital shall be represented in every such non-profit hospital service plan corporation with which it has entered into an agreement to furnish such hospital service to subscribers thereto; provided, that any two or more such contracting hospitals may have the same representative therein.

[1941 c. 53 s. 4]

309.14 ANNUAL REPORT. Every such corporation shall annually, on or before the last day of March, file with the commissioner of insurance, a statement verified by not less than two of its principal officers, showing the financial condition of such corporation as of the 31st day of December next preceding.

[1941 c. 53 s. 5]

309.15 COMMISSIONER OF INSURANCE TO HAVE ACCESS TO BOOKS. The commissioner of insurance, or any deputy or examiner designated by him, shall have the right, at all reasonable times, to free access to all books and records of such corporation, and may summon and examine, under oath, the officers and employees of such corporation in all matters pertaining to its financial condition. The expense of any such examination of its books and financial condition shall be borne by such corporation.

[1941 c. 53 s. 6]

309.16 INVESTMENT OF FUNDS. The funds of any corporation subject to the provisions of sections 309.10 to 309.17 shall be invested only in those securities and property designated by the laws of this state for the investment of the capital, surplus and other funds of domestic life insurance companies.

[1941 c. 53 s. 7]

309.17 NOT TO ENGAGE IN MEDICAL PRACTICE. Nothing herein shall authorize any person, association, or corporation to engage, in any manner, in the practice of healing, or the practice of medicine, as defined by law.

[1941 c. 53 s. 8]