

## Corporations

## CHAPTER 300

## GENERAL PROVISIONS

- |         |   |         |   |
|---------|---|---------|---|
| 300.01  | Existing corporations continued.  | 300.28  | Property of stockholders levied on, when.                                     |
| 300.02  | Definitions.  | 300.29  | Procedure of officer levying.   |
| 300.025 | Organization of financial corporations.   | 300.30  | Capital stock.  |
| 300.026 | Selection of trustees or directors by a corporation created by special act.                 | 300.31  | Capital stock of certain telephone companies.                                 |
| 300.03  | Public service corporations; purposes.  | 300.32  | Record of stock; reports; dividends.  |
| 300.04  | State and local control; eminent domain.  | 300.33  | Corporate stock without nominal or par value; classes of; preferred stock.    |
| 300.045 | Easements over private property, limitations.   | 300.34  | Certificates of incorporation; statements as to par value.                    |
| 300.05  | City may purchase utility.  | 300.35  | Stock certificates to show number of shares.                                  |
| 300.06  | Filing and record of certificate.   | 300.36  | Value for determining prescribed minimum or maximum capital.                  |
| 300.08  | General powers.   | 300.37  | Value of capital stock fixed by directors.                                    |
| 300.081 | Medical expenses; insurance; pensions.  | 300.38  | Increase or reduction of value of capital stock.                              |
| 300.083 | Indemnification.  | 300.39  | Par value stock changed to nonpar value stock.                                |
| 300.09  | Property; sale, lease, exchange; procedure.   | 300.40  | Certificate of incorporation to provide for conversion of shares.             |
| 300.10  | Public service corporations; mortgages and deeds of trust.                                  | 300.41  | Powers of directors to issue stock.   |
| 300.11  | Execution of mortgages and deeds of trust legalized.  | 300.42  | Computation of value of stock.  |
| 300.111 | Financing statements of public utilities, taconite and semitaconite companies; definitions. | 300.43  | Laws applicable.  |
| 300.112 | Financing statements of a public utility, a taconite company, and a semitaconite company.   | 300.44  | Offices within and outside the state.   |
| 300.113 | Continued effectiveness of certain laws.  | 300.45  | Certificates of incorporation, amendment; exceptions.                         |
| 300.114 | Mortgages, deeds of trust and other instruments of public utilities; filing and recording.  | 300.451 | Restated certificates of incorporation.                                       |
| 300.115 | Mortgages and deeds of trust of pipeline companies; filing and recording.                   | 300.46  | Nonprofit corporations; trustees.   |
| 300.12  | Bylaws; statements.   | 300.49  | Filing fees.  |
| 300.13  | Corporate existence; duration, renewal.   | 300.51  | Certificate of incorporation issued by secretary of state.                    |
| 300.131 | Perpetual corporate existence for insurance companies.                                      | 300.52  | Meetings.   |
| 300.14  | Certain corporations.   | 300.53  | Irregular meetings, how validated.  |
| 300.15  | Powers, rights, liabilities, and duties of consolidated corporation.                        | 300.54  | Capital stock; how classified and issued.                                     |
| 300.16  | Rights of stockholders.   | 300.55  | Stock certificates, to whom issued.   |
| 300.17  | Liabilities of corporations, stockholders, and officers; rights of creditors.               | 300.57  | Personal representatives, guardians, trustees may vote.                       |
| 300.18  | Capital stock of consolidated corporation.  | 300.58  | Dissolution of corporations; exceptions.                                      |
| 300.19  | Filing fee.   | 300.59  | Continuance to close affairs; exceptions.                                     |
| 300.20  | Board of directors.   | 300.60  | Criminal penalties.   |
| 300.21  | Officers.   | 300.61  | False statement a felony.   |
| 300.22  | Classification of directors.  | 300.62  | Existing corporation, how to reorganize.                                      |
| 300.23  | Voting, how regulated.  | 300.63  | Attorney general to examine.  |
| 300.24  | Cumulative voting.  | 300.64  | Liability of stockholders and directors.                                      |
| 300.25  | Transfer of stock.  | 300.65  | Mining corporations; meetings; stock in other companies permitted; penalties. |
| 300.26  | Effect of transfer; stock books.  | 300.66  | Contributions by corporations.  |
| 300.27  | Stockholders, liabilities.  | 300.67  | Declaration of policies.  |
|         |   | 300.68  | Validation of prior gifts.  |

**300.01 EXISTING CORPORATIONS CONTINUED.**

Until otherwise provided by law, a private corporation existing and doing business at the time of the taking effect of Revised Laws 1905, March 1, 1906, continues to exer-

cise and enjoy all powers and privileges it has under its articles of incorporation and applicable laws then in force and remains subject to all the duties and liabilities to which it was then subject.

**History:** (7429) *RL s 2838; 1984 c 628 art 5 s 1*

### 300.02 DEFINITIONS.

Subdivision 1. **Terms.** For the purposes of chapters 300 to 317A, the terms defined in this section have the meanings given them, unless the language or context clearly indicates that a different meaning is intended.

Subd. 2. **Corporation.** The term "corporation" means a private corporation.

Subd. 3. **Private corporation.** The term "private corporation" includes a company, association, or body endowed by law with a corporate power or function. The term does not include a public corporation.

Subd. 4. **Certificate of incorporation.** The term "certificate of incorporation," when used in reference to corporations formed prior to the taking effect of the Revised Laws of 1905, March 1, 1906, means articles of incorporation.

Subd. 5. **Domestic corporation.** The term "domestic corporation" means a corporation organized under the laws of this state.

Subd. 6. **Foreign corporation.** The term "foreign corporation" means a corporation which is not a domestic corporation.

Subd. 7. **Public corporation.** The term "public corporation" means a corporation formed solely for public and governmental purposes.

**History:** (7430, 7431) *RL s 2839,2840; 1984 c 628 art 5 s 1; 1989 c 304 s 137*

### 300.025 ORGANIZATION OF FINANCIAL CORPORATIONS.

(a) Three or more persons may form a corporation for any of the purposes specified in section 47.12 by applying to the department of commerce and complying with all applicable organizational requirements and the conditions set out in clauses (1) to (7). However, no corporation may be formed under this section if it may be formed under the Minnesota business corporation act. The incorporators must subscribe a certificate specifying:

(1) the corporation's name, which must distinguish it from all other corporations authorized to do business in this state, and must contain the word "company," "corporation," "bank," "association," or "incorporated";

(2) the general nature of the corporation's business and its principal place of business;

(3) the period of its duration, if limited;

(4) the names and places of residence of the incorporators;

(5) the board in which the management of the corporation will be vested, the date of the annual meeting at which it will be elected, and the names and addresses of the board members until the first election, a majority of whom must always be residents of this state;

(6) the amount of capital stock, if any, how the capital stock is to be paid in, the number of shares into which it is to be divided, and the par value of each share; and, if there is to be more than one class, a description and the terms of issue of each class, and the method of voting on each class; and

(7) the highest amount of indebtedness or liability to which the corporation will at any time be subject.

The certificate may contain any other lawful provision defining and regulating the powers and business of the corporation, its officers, directors, trustees, members, and stockholders. However, a corporation subject to sections 48.27 and 51A.22, subdivision 2, may show its highest amount of indebtedness to be 30 times the amount of its capital and actual surplus.

(b) A person doing business in this state may contest the subsequent registration of a name with the office of the secretary of state as provided in section 5.22.

**History:** (7443) *RL s 2849; 1907 c 468 s 1; 1919 c 111 s 1; 1951 c 550 s 69; 1957 c 601 s 24; 1959 c 288 s 1; 1976 c 2 s 121; 1977 c 272 s 14; 1981 c 220 s 17; 1983 c 250 s 30; 1984 c 628 art 5 s 1; 1988 c 682 s 4; 1989 c 292 s 2*

### **300.026 SELECTION OF TRUSTEES OR DIRECTORS BY A CORPORATION CREATED BY SPECIAL ACT.**

**Subdivision 1. Resolution changing the method of selection.** A corporation created by a special act of the legislature of the Territory or the State of Minnesota which prescribes a method of selection of the trustees or directors of the corporation may change the method as to trustees or directors other than those automatically made trustees or directors by the special act. The method change must be made by adoption of a resolution by the body or persons empowered by the special act to select the trustees or directors. The corporation may provide in the resolution that those selected must hold office until their successors are selected and have qualified; that a vacancy in the office of trustee or director must be filled by the remaining trustees or directors; and that the appointee must hold office until the next annual meeting of the corporation, at which time a trustee or director will be elected in the manner provided to serve for the remainder of the unexpired term.

**Subd. 2. Filing of resolution.** A certified copy of the resolution referred to in subdivision 1 must be filed in the office of the secretary of state. The resolution takes effect when filed.

**Subd. 3. Effect of filing resolution.** After the resolution takes effect, the board of trustees or directors of the corporation are self-perpetuating. All vacancies are to be filled as provided in subdivision 1.

**Subd. 4. Application of section.** This section does not apply to the board of regents of the University of Minnesota.

**History:** *1951 c 656 s 1; 1955 c 520 s 1; 1984 c 628 art 5 s 1*

### **300.03 PUBLIC SERVICE CORPORATIONS; PURPOSES.**

A corporation may be organized to construct, acquire, maintain, or operate internal improvements, including railways, street railways, telegraph and telephone lines, canals, slackwater, or other navigation, dams to create or improve a water supply or to furnish power for public use, and any work for supplying the public, by whatever means, with water, light, heat, or power, including all requisite subways, pipes, and other conduits, and tunnels for transportation of pedestrians. No corporation formed for these purposes may construct, maintain, or operate a railway of any kind, or a subway, pipe line, or other conduit, or a tunnel for transportation of pedestrians in or upon a street, alley, or other public ground of a city, without first obtaining from the city a franchise conferring this right and compensating the city for it.

**History:** *(7432) RL s 2841; 1925 c 73; 1973 c 123 art 5 s 7; 1984 c 628 art 5 s 1*

### **300.04 STATE AND LOCAL CONTROL; EMINENT DOMAIN.**

The state may supervise and regulate the business methods and management of a corporation referred to in section 300.03 and from time to time may fix the compensation which it may charge or receive for its services. The corporation obtaining a franchise from a city is subject to conditions and restrictions as from time to time are imposed upon it by the city. The corporation may acquire by right of eminent domain the private property necessary or convenient for the transaction of the public business for which it was formed. No street railway company has the right of eminent domain within the limits of a city.

**History:** *(7433) RL s 2842; 1973 c 123 art 5 s 7; 1984 c 628 art 5 s 1*

**300.045 EASEMENTS OVER PRIVATE PROPERTY, LIMITATIONS.**

When public service corporations, including pipeline companies, acquire easements over private property by purchase, gift, or eminent domain proceedings, except temporary easements for construction, they must definitely and specifically describe the easement being acquired, and may not acquire an easement greater than the minimum necessary for the safe conduct of their business.

*History: 1973 c 58 s 1; 1984 c 628 art 5 s 1*

**300.05 CITY MAY PURCHASE UTILITY.**

Subdivision 1. **Authorization.** The governing body of a city may acquire and operate a street railway, telephone, waterworks, gas works, or an electric light, heat, or power works in the manner provided in subdivision 2.

Subd. 2. **Procedure.** The governing body of a city may petition to acquire and operate a franchise referred to in subdivision 1, if authorized to do so by a two-thirds majority of the votes cast at a special election called for that purpose. The election must be held within the three-month period prior to the expiration of any period of five years from the granting of the franchise.

The city must also pay the corporation or person owning the franchise the value of the property being acquired. The value of the property is determined in the manner provided by law for acquiring property under the right of eminent domain.

Subd. 3. **Payment.** The consideration for the works or property must first be applied to the payment of any encumbrances. The remainder, if any, must be paid to the owner of the franchise.

*History: (7434) RL s 2843; 1973 c 123 art 5 s 7; 1984 c 628 art 5 s 1; 1984 c 655 art 2 s 5 subd 1*

**300.06 FILING AND RECORD OF CERTIFICATE.**

The certificate of a corporation must be filed for record with the secretary of state. If the secretary of state finds that it conforms to law and that the required fee has been paid, the secretary of state must record it and certify that fact on it. If the corporation is a financial corporation or an insurance company, the secretary of state may not accept a certificate for filing unless the certificate also contains the endorsement of the commissioner of commerce.

*History: (7444) RL s 2850; 1976 c 181 s 2; 1982 c 496 s 8; 1984 c 628 art 5 s 1; 1986 c 444*

**300.07 [Repealed, 1982 c 496 s 11]****300.08 GENERAL POWERS.**

Subdivision 1. **Enumerated powers.** (a) A corporation formed under the provisions of this chapter may:

(1) be known by its corporate name for the time stated in its certificate of incorporation;

(2) sue and be sued in any court;

(3) have, use, and alter a common seal;

(4) acquire, by purchase or otherwise, and hold, enjoy, improve, lease, encumber, and convey all real and personal property necessary for the purposes of its organization, subject to the limitations hereafter declared;

(5) elect or appoint in any manner it determines all necessary or proper officers, agents, boards, and committees, to fix their compensation, and to define their powers and duties;

(6) make and amend consistently with law bylaws providing for the management of its property and the regulation and government of its affairs; and

(7) wind up and liquidate its business in the manner provided by law.

(b) A corporation formed under this chapter shall indemnify those persons identified in section 300.083 against certain expenses and liabilities only as provided in section 300.083 and may indemnify other persons.

**Subd. 2. Issuance of stock; kinds.** In addition to the powers enumerated in subdivision 1, a corporation, except the financial corporations referred to in this chapter, may issue more than one class of stock.

**Subd. 3. May hold stock of other corporations.** A corporation organized (1) for carrying on any kind of manufacturing or mechanical business compatible with an honest purpose; or (2) for the mining, smelting, reducing, refining, or working of ores or minerals, for working coal mines or stone quarries, or for buying, working, selling, or dealing in mineral lands, may take, acquire, and hold stock in another corporation, if a majority of the stockholders elects to do so.

*History:* (7447, 7452) *RL s 2852,2853; 1984 c 628 art 5 s 1; 1987 c 104 s 1*

### **300.081 MEDICAL EXPENSES; INSURANCE; PENSIONS.**

**Subdivision 1. Authorization.** A corporation formed under the laws of the state of Minnesota may provide by action of its board of directors for the furnishing to its employees and officers, wholly or in part at the expense of the corporation, of medical expenses, and insurance against accident, sickness, disability or death. The board may adopt a plan for retirement allowances or pensions to employees and officers based on services rendered before, after, or before and after, the plan is adopted. A pension or allowance may be payable in amounts, at times, and upon conditions determined by the board of directors of the corporation.

**Subd. 2. Acts legalized.** All allowances for medical expenses, insurance against accident, sickness, disability or death, and retirement allowances or pensions granted or paid before April 23, 1947, by a corporation to its employees and officers pursuant to action by its board of directors, are validated.

*History:* 1947 c 446 s 1,2; 1984 c 628 art 5 s 1

### **300.082 [Repealed, 1981 c 270 s 142]**

### **300.083 INDEMNIFICATION.**

**Subdivision 1. Definitions.** (a) For purposes of this section, the terms defined in this subdivision have the meanings given them.

(b) "Corporation" includes a domestic or foreign corporation that was the predecessor of the corporation referred to in this section in a merger or other transaction in which the predecessor's existence ceased upon consummation of the transaction.

(c) "Official capacity" means (1) with respect to a director, the position of director in a corporation, (2) with respect to a person other than a director, the elective or appointive office or position held by an officer, member of a committee of the board, or the employment relationship undertaken by an employee of the corporation, and (3) with respect to a director, officer, or employee of the corporation who, while a director, officer, or employee of the corporation, is or was serving at the request of the corporation or whose duties in that position involve or involved service as a director, officer, partner, trustee, employee, or agent of another organization or employee benefit plan, the position of that person as a director, officer, partner, trustee, employee, or agent, as the case may be, of the other organization or employee benefit plan.

(d) "Proceeding" means a threatened, pending, or completed civil, criminal, administrative, arbitration, or investigative proceeding, including a proceeding by or in the right of the corporation.

(e) "Special legal counsel" means counsel who has not represented the corporation or a related corporation, or a director, officer, member of a committee or board, or employee whose indemnification is in issue.

**Subd. 2. Indemnification mandatory; standard.** (a) Subject to the provisions of subdivision 4, a corporation shall indemnify a person made or threatened to be made a party to a proceeding by reason of the former or present official capacity of the person against judgments, penalties, fines, including, without limitation, excise taxes assessed against the person with respect to an employee benefit plan, settlements, and reasonable expenses, including attorneys' fees and disbursements, incurred by the person in connection with the proceeding, if, with respect to the acts or omissions of the person complained of in the proceeding, the person:

(1) Has not been indemnified by another organization or employee benefit plan for the same judgments, penalties, fines, including, without limitation, excise taxes assessed against the person with respect to an employee benefit plan, settlements, and reasonable expenses, including attorneys' fees and disbursements incurred by the person in connection with the proceeding with respect to the same acts or omissions;

(2) Acted in good faith;

(3) Received no improper personal benefit;

(4) In the case of a criminal proceeding, had no reasonable cause to believe the conduct was unlawful; and

(5) In the case of acts or omissions occurring in the official capacity described in subdivision 1, paragraph (c), clause (1) or (2), reasonably believed that the conduct was in the best interests of the corporation, or in the case of acts or omissions occurring in the person's official capacity described in subdivision 1, paragraph (c), clause (3), reasonably believed that the conduct was not opposed to the best interests of the corporation. If the person's acts or omissions complained of in the proceeding relate to conduct as a director, officer, trustee, employee, or agent of an employee benefit plan, the conduct is not considered to be opposed to the best interests of the corporation if the person reasonably believed that the conduct was in the best interests of the participants or beneficiaries of the employee benefit plan.

(b) The termination of a proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent does not, of itself, establish that the person did not meet the criteria set forth in this subdivision.

**Subd. 3. Advances.** Subject to the provisions of subdivision 4, if a person is made or threatened to be made a party to a proceeding, the person is entitled, upon written request to the corporation, to payment or reimbursement by the corporation of reasonable expenses, including attorneys' fees and disbursements, incurred by the person in advance of the final disposition of the proceeding, (a) upon receipt by the corporation of a written affirmation by the person of a good faith belief that the criteria for indemnification set forth in subdivision 2 has been satisfied and a written undertaking by the person to repay all amounts so paid or reimbursed by the corporation, if it is ultimately determined that the criteria for indemnification have not been satisfied, and (b) after a determination that the facts then known to those making the determination would not preclude indemnification under this section. The written undertaking required by clause (a) is an unlimited general obligation of the person making it, but need not be secured and shall be accepted without reference to financial ability to make the repayment.

**Subd. 4. Prohibition or limit on indemnification or advances.** The articles or bylaws either may prohibit indemnification or advances of expenses otherwise required by this section or may impose conditions on indemnification or advances of expenses in addition to the conditions contained in subdivisions 2 and 3 including, without limitation, monetary limits on indemnification or advances of expenses, if the conditions apply equally to all persons or to all persons within a given class. A prohibition or limit on indemnification or advances may not apply to or affect the right of a person to indemnification or advances of expenses with respect to any acts or omissions of the person occurring prior to the effective date of a provision in the articles or the date of adoption of a provision in the bylaws establishing the prohibition or limit on indemnification or advances.

**Subd. 5. Reimbursement to witnesses.** This section does not require, or limit the ability of, a corporation to reimburse expenses, including attorneys' fees and disbursements, incurred by a person in connection with an appearance as a witness in a proceeding at a time when the person has not been made or threatened to be made a party to a proceeding.

**Subd. 6. Determination of eligibility.** (a) All determinations whether indemnification of a person is required because the criteria set forth in subdivision 2 have been satisfied and whether a person is entitled to payment or reimbursement of expenses in advance of the final disposition of a proceeding as provided in subdivision 3 shall be made:

(1) By the board by a majority of a quorum. Directors who are at the time parties to the proceeding shall not be counted for determining either a majority or the presence of a quorum;

(2) If a quorum under clause (1) cannot be obtained, by a majority of a committee of the board, consisting solely of two or more directors not at the time parties to the proceeding, duly designated to act in the matter by a majority of the full board including directors who are parties;

(3) If a determination is not made under clause (1) or (2), by special legal counsel, selected either by a majority of the board or a committee by vote pursuant to clause (1) or (2) or, if the requisite quorum of the full board cannot be obtained and the committee cannot be established, by a majority of the full board including directors who are parties;

(4) If a determination is not made under clauses (1) to (3), by the shareholders, excluding the votes of shares held by parties to the proceeding; or

(5) If an adverse determination is made under clauses (1) to (4) or under paragraph (b), or if no determination is made under clauses (1) to (4) or under paragraph (b) within 60 days after the termination of a proceeding or after a request for an advance of expenses, as the case may be, by a court in this state, which may be the same court in which the proceeding involving the person's liability took place, upon application of the person and any notice the court requires.

(b) With respect to a person who is not, and was not at the time of the acts or omissions complained of in the proceedings, a director, officer, or person possessing, directly or indirectly, the power to direct or cause the direction of the management or policies of the corporation, the determination whether indemnification of this person is required because the criteria set forth in subdivision 2 have been satisfied and whether this person is entitled to payment or reimbursement of expenses in advance of the final disposition of a proceeding as provided in subdivision 3 may be made by an annually appointed committee of the board, having at least one member who is a director. The committee shall report at least annually to the board concerning its actions.

**Subd. 7. Insurance.** A corporation may purchase and maintain insurance on behalf of a person who is or was a director, officer, employee, or agent of the corporation, or who, while a director, officer, employee, or agent of the corporation, is or was serving at the request of the corporation as a director, officer, partner, trustee, employee, or agent of another organization or employee benefit plan against any liability asserted against and incurred by the person in or arising from that capacity, whether or not the corporation would have been required to indemnify the person against the liability under the provisions of this section.

**Subd. 8. Disclosure.** A corporation that indemnifies or advances expenses to a person in accordance with this section in connection with a proceeding by or on behalf of the corporation shall report to the shareholders in writing the amount of the indemnification or advance and to whom and on whose behalf it was paid not later than the next meeting of shareholders.

**Subd. 9. Life insurance companies.** A domestic life insurance company having a separate account or accounts pursuant to section 61A.14 may indemnify a person who is serving or has served as a member of the managing committee of that separate

account, and may purchase and maintain insurance for that purpose, in accordance with this section.

Subd. 10. **Indemnification of other persons.** Nothing in this section shall be construed to limit the power of the corporation to indemnify other persons by contract or otherwise.

**History:** 1981 c 270 s 128; 1982 c 497 s 71; 1983 c 368 s 1; 1984 c 618 s 9; 1984 c 628 art 5 s 1; 1986 c 444; 1987 c 104 s 2-5

### **300.09 PROPERTY; SALE, LEASE, EXCHANGE; PROCEDURE.**

At a meeting of its board of directors a corporation organized under the laws of this state, except those formed or coming under the Minnesota business corporation act, or a nonprofit corporation subject to the Minnesota nonprofit corporation act, may sell, lease, or exchange all its property, rights, privileges, and franchises upon the terms and conditions its board of directors considers expedient and for the best interests of the corporation. The sale, lease, or exchange must be authorized by the affirmative vote of the holders of two-thirds of the shares of stock of the company issued and outstanding having voting power, given at a stockholders' meeting duly called for that purpose, or authorized by the written consent of the holders of two-thirds of the shares of stock of the company issued and outstanding having voting power. The certificate of incorporation may require the vote or written consent of a larger portion of the stockholders.

**History:** (7447-1) 1925 c 320 s 1; 1933 c 300 s 62; 1951 c 550 s 70; 1953 c 650 s 21; 1984 c 628 art 5 s 1

### **300.10 PUBLIC SERVICE CORPORATIONS; MORTGAGES AND DEEDS OF TRUST.**

A public service corporation owning property in this state may mortgage or execute deeds of trust of the whole, or any part, of its property and franchises to secure money borrowed by it for the construction and equipment of its lines and properties and for its corporate purposes. The corporation may issue its corporate bonds, in sums of at least \$100, secured by these mortgages or deeds of trust. The mortgages or deeds of trust may by their terms include after-acquired real and personal property, and are as valid and effectual for that purpose as if this after-acquired property were owned by, and in possession of, the corporation giving the mortgage or deed of trust at the time of its execution.

**History:** (7449) 1917 c 10 s 1; 1919 c 127 s 1; 1921 c 131 s 1; 1971 c 28 s 1; 1984 c 628 art 5 s 1

### **300.11 EXECUTION OF MORTGAGES AND DEEDS OF TRUST LEGALIZED.**

If a public service corporation owning property in this state has mortgaged or executed deeds of trust of the whole, or any part, of its property and franchises to secure money borrowed by it for the construction and equipment of lines and properties and for its corporate purposes and has issued its corporate bonds in sums of at least \$100 secured by mortgages or deeds of trust, bearing interest at a rate not exceeding eight percent per year and the mortgages or deeds of trust have by their terms included after-acquired real and personal property, or have borne interest at a rate not exceeding eight percent per year, the mortgages and deeds of trust are legalized and made valid and effectual to all intents and purposes as if the after-acquired property were owned by and in possession of the corporation giving the mortgage or deed of trust at the time of its execution, and as if the corporate bonds bore interest at the rate of seven percent per year.

**History:** (7450) 1917 c 10 s 2; 1921 c 131 s 2; 1984 c 628 art 5 s 1

### **300.111 FINANCING STATEMENTS OF PUBLIC UTILITIES, TACONITE AND SEMITACONITE COMPANIES; DEFINITIONS.**

Subdivision 1. **Public utility.** When used in sections 300.111 to 300.113 the term

“public utility” means persons, corporations, or other legal entities, their lessees, trustees, and receivers, operating, maintaining, or controlling in this state after June 29, 1966, equipment or facilities for the production, generation, transmission, or distribution at retail of gas, electric, or telephone service for the public and in the transmission and distribution using, or having a right to use, public roads, streets, alleys, or other public ways for the purpose of constructing, using, operating, or maintaining wires, pipes, conduits, or other facilities. No municipality producing or furnishing gas, electric, or telephone service is a public utility under this definition. No person is a public utility if it produces or furnishes its services to less than 50 persons.

**Subd. 2. Taconite company.** When used in sections 300.111 to 300.113 the term “taconite company” means a person, corporation, or other legal entity, its lessees, trustees, and receivers, engaged in or preparing to engage in the business of mining and beneficiating taconite, as the term “taconite” is defined in section 298.23, whether or not the taconite company may also engage in another business.

**Subd. 3. Semitaconite company.** When used in sections 300.111 to 300.113 the term “semitaconite company” means a person, corporation, or other legal entity, its lessees, trustees, and receivers, engaged in or preparing to engage in the business of mining and beneficiating semitaconite, as the term “semitaconite” is defined in section 298.34, whether or not the semitaconite company may also engage in another business.

**Subd. 4. Electric service cooperatives.** Notwithstanding any contrary provision in subdivision 1, the term “public utility” also means a cooperative association operating, maintaining or controlling in this state after May 11, 1969, equipment or facilities for the production, generation, transmission or distribution of electric services.

**History:** 1965 c 813 s 1; 1967 c 323 s 1; 1969 c 349 s 1; 1984 c 628 art 5 s 1

### **300.112 FINANCING STATEMENTS OF A PUBLIC UTILITY, A TACONITE COMPANY, AND A SEMITACONITE COMPANY.**

**Subdivision 1. Filing with secretary of state.** Notwithstanding sections 336.9-302, subsections (3) and (4); 336.9-401, subsection (1); 336.9-402; and 336.9-403 of the uniform commercial code, all filings required under the uniform commercial code in order to perfect a security interest against the personal property or fixtures of a debtor public utility, or against the personal property or fixtures of a debtor taconite company or a debtor semitaconite company, must be made and maintained in the office of the secretary of state.

**Subd. 2. Information not required.** When the financing statement covers goods of a debtor public utility or of a debtor taconite company or a debtor semitaconite company, which are or are to become fixtures, no description of the real estate or the name of the record owner is required.

**Subd. 3. Duration.** Filing of a financing statement against the property of a debtor public utility or against the property of a debtor taconite company or a debtor semitaconite company is effective until five years after the maturity date contained in the statement in the case of personal property and until 15 years after the maturity date in the case of fixtures annexed to real property, or if no maturity date is contained in the statement, until released or terminated.

**History:** 1965 c 813 s 2; 1967 c 323 s 2; 1984 c 628 art 5 s 1

### **300.113 CONTINUED EFFECTIVENESS OF CERTAIN LAWS.**

Unless displaced by the specific provisions of sections 300.111 to 300.113, the uniform commercial code and other applicable laws remain in full force and effect and supplement the provisions of sections 300.111 to 300.113.

**History:** 1965 c 813 s 3; 1984 c 628 art 5 s 1

### **300.114 MORTGAGES, DEEDS OF TRUST AND OTHER INSTRUMENTS OF PUBLIC UTILITIES; FILING AND RECORDING.**

**Subdivision 1. Filing with secretary of state.** A mortgage or deed of trust to secure

a debt executed by a public utility as defined in section 300.111 covering the whole or part of its easements or other less than fee simple interests in real estate used in the transmission or distribution of gas, electric, or telephone service, and also covering the fixtures of the public utility which are annexed to it, may be filed in the office of the secretary of state along with, or as part of, the financing statement covering the fixtures. The filing of the mortgage or deed of trust has the same effect, and is notice of the rights and interests of the mortgagee or trustee in the easements and other less than fee simple interests in real estate to the same extent, as if the mortgage or deed of trust were duly recorded in the office of the county recorder, or duly registered in the office of the registrar of titles, of the counties in which the real estate is situated. The effectiveness of the filing will terminate at the same time as provided in section 300.112, subdivision 3, for the termination of the effectiveness of fixture filing.

**Subd. 2. What constitutes a specific description.** For the purposes of this section, a mortgage or deed of trust filed under this section contains a sufficient description to give notice of the rights and interests of the mortgagee or trustee in the easements and other less than fee simple interests in the real estate used for the transmission and distribution of gas, electric, or telephone service of the public utility if the mortgage or deed of trust states that the security includes rights of way of or transmission or distribution systems of or lines of the public utility, or all property owned by the public utility.

**Subd. 3. Filing of prior instruments.** A mortgage or deed of trust filed before March 28, 1974 along with, or as part of, the financing statements filed under section 300.112, which complies with the provisions of this section, is filed under this section as of March 28, 1974.

**Subd. 4. Application.** This section does not apply to real estate owned in fee simple by a public utility.

**History:** 1974 c 272 s 1; 1976 c 181 s 2; 1984 c 628 art 5 s 1

### **300.115 MORTGAGES AND DEEDS OF TRUST OF PIPELINE COMPANIES; FILING AND RECORDING.**

**Subdivision 1. Filing with secretary of state.** A mortgage or deed of trust to secure a debt executed by a pipeline company engaged in the business of transporting oil, gas, petroleum products, or other commodities that may be transported by pipeline, other than a "public utility" as defined in Minnesota Statutes 1982, section 300.111 covering the whole or any part of its easements or other less than fee simple interests in real estate used in the transportation or distribution of oil, gas, petroleum products, or other commodities that may be transported by pipeline, and also covering the fixtures of the pipeline company which are annexed to the pipeline must be filed in the office of the secretary of state along with or as a part of the financing statement covering the fixtures. The filing of the mortgage or deed of trust shall have the same effect, and shall be notice of the rights and interests of the mortgagee or trustee in the easements and other less than fee simple interests in real estate to the same extent as if the mortgage or deed of trust were duly recorded in the office of the county recorder, or duly registered in the office of the registrar of titles of the county or counties in which the real estate is situated. The mortgages or deeds of trust may by their terms include after-acquired property, real and personal, and shall be as valid and effectual for that purpose as if the after-acquired property were owned by, and in possession of, the company giving the mortgage and deed of trust at the time of the execution. Notwithstanding the uniform commercial code the filing and recording of the mortgage and deed of trust in the office of the secretary of state shall be notice of the rights of all parties in the real and personal property and fixtures covered by the filing and will so remain until satisfied or discharged without further affidavit, continuation statement, or proceeding.

**Subd. 2. Effect of prior instrument.** For the purposes of this section, any mortgage or deed of trust filed under this section shall be deemed to contain a sufficient description to give notice of the rights and interest of the mortgagee or trustee in the easements and other less than fee simple interests in the real estate used for the transmission of oil, gas, petroleum products, or other commodities which may be transported by pipe-

line if the mortgage and deed of trust states that the security includes rights-of-way, transmission systems, or lines of the pipeline company, or all property owned by the pipeline company.

Subd. 3. This section shall not apply to any real estate owned by a pipeline company in fee simple.

**History:** 1967 c 338 s 1,2; 1976 c 181 s 2; 1983 c 87 s 1; 1984 c 628 art 5 s 1

### 300.12 BYLAWS; STATEMENTS.

Subdivision 1. **Adoption of bylaws.** The first board of directors, trustees, or managers must adopt bylaws. The bylaws may be amended by the stockholders or members at a regular or special meeting called for that purpose.

Subd. 2. **Bylaws and certain statements posted in place of business.** A copy of the bylaws of a corporation whose articles are filed with the secretary of state, the names of its officers, and a statement of the amount of any capital stock actually and in good faith subscribed for, the amount and character of payments actually made on the stock; and, in the case of corporations empowered to take private property, the amount of its indebtedness in a general way, must also be kept posted in its principal place of business. The statement must be corrected as often as any material change takes place in relation to any part of its subject matter.

**History:** (7453, 7454) RL s 2854, 2855; 1984 c 628 art 5 s 1

### 300.13 CORPORATE EXISTENCE; DURATION, RENEWAL.

Subdivision 1. **Period of formation, renewal.** A railroad corporation, a bank as defined in section 47.01, subdivision 2, or a trust company as defined in section 47.01, subdivision 4, may be formed for any period specified in its certificate of incorporation. A savings bank has perpetual duration. Every other corporation, except as otherwise provided in this chapter, shall be formed for not more than 30 years, but may be renewed from time to time for a further term not exceeding 30 years. The corporation is renewed whenever a three-fourths vote of the stock or members, in case of mutual or nonstock corporations represented, adopts a resolution to that effect; and, in case of stock companies, when those desiring it have purchased at its value the stock of those opposed to the resolution. The resolution may be voted on at a regular meeting, or at a special meeting called for that purpose if that purpose is clearly specified in the call.

Subd. 2. **Exceptions as to renewal.** A corporation formed under the provisions of the Minnesota business corporation act, or the Minnesota nonprofit corporation act, or a corporation which accepts the provisions of either act, or which elects not to accept them, may not be renewed under this section.

Subd. 3. **Nonprofit cooperative associations, religious corporations; perpetual succession.** Unless otherwise limited by statute or by its articles or certificate of incorporation, a nonprofit cooperative association and a religious corporation formed under chapter 315, have perpetual duration. When the limitation is contained in its articles or certificate of incorporation, the association or corporation may amend its articles or certificate to provide for perpetual duration.

Subd. 4. **Resolution to enlarge, effect.** Except in the case of a nonprofit cooperative association or a religious corporation formed under chapter 315, the resolution to enlarge the period of corporate existence does not become effective until a duly certified copy of the resolution has been filed and recorded in the same manner as required by law for its original articles or certificate of incorporation.

**History:** (7455, 7456) RL s 2856, 2857; 1907 c 468 s 2; 1921 c 39 s 1; 1927 c 32 s 1; 1933 c 189 s 1; 1933 c 300 s 62; 1945 c 509 s 1; 1951 c 550 s 71; 1967 c 260 s 1; 1984 c 543 s 11; 1984 c 628 art 5 s 1

### 300.131 PERPETUAL CORPORATE EXISTENCE FOR INSURANCE COMPANIES.

The corporate existence of an insurance company organized under the laws of this

state may be made perpetual by so providing in its articles of incorporation or by amendment to them.

**History:** 1943 c 72 s 1; 1984 c 628 art 5 s 1

### 300.14 CERTAIN CORPORATIONS.

**Subdivision 1. Consolidation.** Two or more corporations, except corporations organized for the purpose of carrying on the business of a railroad, bank, savings bank, trust company, building and loan association, or insurance company, or a nonprofit corporation subject to the Minnesota Nonprofit Corporation Act or any part of it, may consolidate into a single corporation. The resulting corporation may be either one of the consolidating corporations or a new corporation created by the consolidation. If at least a majority of the directors of each of the corporations desire to consolidate, they may enter into an agreement setting forth:

- (1) the terms and conditions of the consolidation;
- (2) the mode of carrying the consolidation into effect;
- (3) applicable facts which are necessary to be set out in a certificate of incorporation, as provided in section 300.025;
- (4) the manner and basis of converting the shares of stock of each of the constituent corporations into the shares of the consolidated corporation, whether into the same or a different number of shares of the consolidated corporation and whether par value or no par value stock and;
- (5) other details and provisions which are necessary or desirable.

The agreement must be signed by these directors under the corporate seals of those corporations. The agreement must state the amount of capital stock with which the consolidated corporation will begin business, which may be any amount not less than the aggregate par value of shares of stock having par value to be distributed in place of previously issued and outstanding shares of stock of the constituent corporations. The agreement may provide for the distribution of cash, notes, or bonds in whole or in part in lieu of stock to stockholders of the constituent corporations, or any of them.

**Subd. 2. Agreement.** The agreement must be submitted to the stockholders of record of each corporation at a meeting called separately for the purpose of considering it. Notice of the time, place, and object of the meeting must be mailed at least two weeks before the meeting to each stockholder of record, whether entitled to vote or not, at the stockholder's last known address, as shown by the corporation's records.

At the meeting the agreement must be considered and a vote by ballot, in person or by proxy, taken for the adoption or rejection of it. If votes to adopt the agreement are cast by stockholders of each corporation holding stock in the corporation entitling them to exercise at least nine-tenths of the voting power on a proposal to consolidate the corporation with another, or by any other proportion of the stockholders as prescribed by the certificate of incorporation for votes on the proposal, then that fact must be certified on the agreement by the secretary or assistant secretary of each corporation, under its seal.

The agreement adopted and certified must be signed by the president or vice-president and secretary or assistant secretary of each corporation under its corporate seal and acknowledged by the president or vice-president to be the respective acts, deeds, and agreements of the corporation. The certified and acknowledged agreement must be filed for record with the secretary of state and be taken and considered to be the agreement and acts of consolidation of the constituent corporations, and the certificate of incorporation of the consolidated corporation. A certified copy of it is evidence of the performance of all antecedent acts and conditions necessary to the consolidation and of the existence of the consolidated corporation.

**History:** (7457-12) 1927 c 385 s 1; 1951 c 550 s 72; 1953 c 650 s 22; 1976 c 181 s 2; 1982 c 496 s 9; 1984 c 628 art 5 s 1; 1986 c 444

**300.15 POWERS, RIGHTS, LIABILITIES, AND DUTIES OF CONSOLIDATED CORPORATION.**

When the agreement is signed, acknowledged, filed for record, and published as required by section 300.14, the separate existence of the constituent corporations ceases and they become a single corporation in accordance with the agreement, possessing all the rights, privileges, powers, franchises, and immunities and subject to all the liabilities and duties of each of the consolidating corporations. The rights, privileges, powers, franchises, and immunities of each of the corporations and all property, and all debts owing on whatever account, and all other things in action of or belonging to each of the corporations are vested in the consolidated corporation, and all property, rights, privileges, powers, franchises, immunities, and other interests are thereafter as effectually the property of the consolidated corporation as they were of the several and respective constituent corporations. All rights of creditors and all liens upon the property of either of the constituent corporations are preserved unimpaired, and are limited in lien to the property affected by the lien at the time of the consolidation. All debts, liabilities, and duties of the constituent corporations attach to the consolidated corporation and may be enforced against it to the same extent as if the debts, liabilities, and duties had been incurred or contracted by it.

*History: (7457-13) 1927 c 385 s 2; 1984 c 628 art 5 s 1*

**300.16 RIGHTS OF STOCKHOLDERS.**

**Subdivision 1. Procedure for objecting.** A stockholder entitled to vote who votes against the consolidation and objects to it in writing at or before the time when the consolidation vote is taken, or a stockholder not entitled to vote who objects in writing to the consolidation at or before the time when the consolidation vote is taken, may demand in writing that the consolidated corporation pay the fair cash value of the stockholder's stock. The demand must be made within 20 days of the consolidation vote. The stock is to be valued as of the day before the consolidation vote was taken.

The consolidated corporation must make payment to the objecting stockholder within 30 days after proof of publication of the consolidation agreement is filed with the secretary of state.

**Subd. 2. Valuation of stock.** In case of disagreement as to the fair cash value of the stock, the stockholder, or the consolidated corporation, within 60 days after proof of publication of the consolidation agreement has been filed and upon notice to the opposite party, may petition the district court of the judicial district in which the principal office of the consolidated corporation is established for the appointment of three appraisers to appraise the value of the stock. The award of the appraisers is final and conclusive if no written objection is filed by either party within ten days after the award is filed in court. If an objection is filed, it must be tried summarily by the court and judgment rendered on it. If the amount determined in the proceeding is in excess of the amount the consolidated corporation has offered to pay as the fair cash value of the stock, the court must assess against the consolidated corporation the costs of the proceeding, including a reasonable attorney's fee, to the stockholder and a reasonable fee to the appraisers, as it considers equitable; otherwise, the costs and fees to the appraisers must be assessed, one-half against the corporation and one-half against the stockholder. A party has the right to appeal from the judgment of the court if the appeal is taken within ten days after the entry of the judgment.

**Subd. 3. Effect.** Unless the consolidation is abandoned, the stockholder, on the making of the demand in writing, ceases to be a stockholder in the constituent corporation and has no rights with respect to the stock, except the right to receive payment for it. Upon payment of the agreed fair cash value of the stock or the value of the stock under final judgment, the stockholder must transfer the stock to the consolidated corporation. If the consolidated corporation fails to pay the amount of the judgment within ten days after it becomes final, the judgment may be collected and enforced in the manner prescribed by law.

**Subd. 4. Assenting stockholders.** Each stockholder in any of the constituent corpo-

rations at the time the consolidation becomes effective who is entitled to vote, and who does not vote against the consolidation and object to it in writing, and each stockholder in each of the constituent corporations at the time the consolidation becomes effective who is not entitled to vote, and who does not object to it in writing, ceases to be a stockholder in the constituent corporation and is considered to have assented to the consolidation. Those stockholders, together with the stockholders voting in favor of the consolidation, are entitled to receive certificates of stock in the consolidated corporation or cash or notes or bonds, in the manner and on the terms specified in the agreement of consolidation.

**History:** (7457-14) 1927 c 385 s 3; 1984 c 628 art 5 s 1; 1986 c 444

### **300.17 LIABILITIES OF CORPORATIONS, STOCKHOLDERS, AND OFFICERS; RIGHTS OF CREDITORS.**

The consolidation of two or more corporations under the provisions of sections 300.14 to 300.19 does not lessen or impair the liability of the consolidating corporations or their stockholders or officers or the rights or remedies of creditors or persons transacting business with these corporations.

**History:** (7457-16) 1927 c 385 s 5; 1984 c 628 art 5 s 1

### **300.18 CAPITAL STOCK OF CONSOLIDATED CORPORATION.**

The capital stock of a consolidated corporation, issued and represented by shares of stock, is the amount stated in the consolidation agreement as to the amount of capital stock with which the consolidated corporation will begin business, until the corporation issues shares. When additional shares are issued, the capital stock issued and represented by shares of stock is increased by the aggregate par value of all additional shares of stock having par value and the aggregate amount of money or the actual value of the consideration, as fixed by the directors, or otherwise, received by the corporation for the issuance of all additional shares without par value.

**History:** (7457-17) 1927 c 385 s 6; 1984 c 628 art 5 s 1

### **300.19 FILING FEE.**

Upon filing a consolidation agreement, as provided for in sections 300.14 to 300.19, there must be paid to the state treasurer the same fees as required on the filing of a certificate of the corporation, less the total amount of the fees that have previously been paid to the state treasurer on the filing of the certificates of incorporation or any renewals and amendments increasing capital stock of all of the corporations which are parties to the consolidation agreement.

**History:** (7475-18) 1927 c 385 s 7; 1984 c 628 art 5 s 1

### **300.20 BOARD OF DIRECTORS.**

**Subdivision 1. Election.** The business of savings banks must be managed by a board of at least seven trustees, residents of this state, each of whom, before being authorized to act, must file a written acceptance of the trust. The business of other corporations must be managed by a board of at least three directors, unless a greater number is otherwise required by law, elected by ballot by the stockholders or members. A board of directors of a financial institution referred to in section 47.12 which has less than five members may be increased to not more than five members by order of the commissioner of commerce.

**Subd. 2. Vacancies.** If the certificate of incorporation or the bylaws so provides, a vacancy in the board of directors may be filled by the remaining directors. Not more than one-third of the members of the board may be so filled in any one year.

**Subd. 3. Quorum to do business.** A majority of the directors or trustees constitutes a quorum for the transaction of business.

**Subd. 4. Action without meeting.** Any action which might be taken at a meeting

of the board of directors, trustees, or managers may be taken without a meeting if done in writing signed by all of the directors, trustees, or managers.

**History:** (7458) *RL s 2858; 1919 c 311 s 1; 1941 c 148; 1977 c 272 s 15; 1983 c 250 s 31; 1984 c 628 art 5 s 1*

### 300.21 OFFICERS.

Every domestic corporation, except when otherwise specially provided, must have a president, secretary, and treasurer, and may have one or more vice-presidents and other officers, as its certificate of incorporation or bylaws may provide. The time and manner of their election and their respective duties must be prescribed in the certificate of incorporation or in the bylaws.

**History:** (7459) *RL s 2859; 1909 c 298 s 1; 1949 c 36 s 1; 1961 c 413 s 1; 1984 c 628 art 5 s 1*

### 300.22 CLASSIFICATION OF DIRECTORS.

In its certificate of incorporation, a corporation may establish classes of its directors or trustees and the terms for each class. No class may be elected for a term of less than one year, or more than five years, and the term of office of at least one class must expire each year.

**History:** (7460) *RL s 2860; 1984 c 628 art 5 s 1*

### 300.23 VOTING, HOW REGULATED.

Unless otherwise provided in the certificate or bylaws, at every meeting each stockholder or member is entitled to one vote in person, or by proxy made within one year or other time specially limited by law, for each share or other lawful unit of representation held in an individual, corporate, or representative capacity. No stock may be voted on at an election within 20 days after its transfer on the books of the corporation. In the case of a banking corporation, the commissioner of commerce may waive the 20-day limitation.

**History:** (7461) *RL s 2861; 1984 c 628 art 5 s 1; 1986 c 444; 1992 c 587 art 1 s 26*

### 300.24 CUMULATIVE VOTING.

The certificate of incorporation, or an amendment to it, of a corporation may provide that, at all elections of directors or managers, each stockholder or member is entitled to as many votes as equals the number of shares of stock owned multiplied by the number of directors or managers to be elected, and that the stockholder or members may cast all of these votes for a single director or manager, or may distribute them among the number to be voted for, or for any two or more of them. This right when exercised is termed "cumulative voting."

**History:** (7462) *RL s 2862; 1984 c 628 art 5 s 1; 1986 c 444*

### 300.25 TRANSFER OF STOCK.

**Subdivision 1. When transfer is effective.** Notwithstanding the transfer of a certificate of stock in accordance with the uniform commercial code, the corporation may pay a dividend on it and treat the holder of record as the owner in fact until the transfer has been recorded on its books or a new certificate issued to the transferee. The transferee will receive the new certificate upon delivery of the former certificate to the treasurer, or otherwise in accordance with the provisions of the uniform commercial code.

**Subd. 2. Survival of action against subscriber.** Except as provided with respect to corporations formed under or coming within the Minnesota Business Corporation Act, a corporation may maintain a personal action against a subscriber to its stock, even though the subscriber has transferred the stock in accordance with the provisions of the uniform commercial code.

**Subd. 3. Pledged stock.** (a) A pledge of stock transferred as collateral security is

entitled to a new certificate, if the instrument of transfer substantially describes the debt or duty intended to be secured by it.

(b) The new certificate must state on its face the name of the pledgor, and that it is held as collateral security. The pledgor alone is liable as a stockholder and entitled to vote the stock.

(c) Corporations formed or coming under the Minnesota Business Corporation Act are not subject to the provisions of paragraph (b).

**History:** (7463) *RL s 2863; 1933 c 300 s 62; 1965 c 812 s 10; 1984 c 628 art 5 s 1*

### 300.26 EFFECT OF TRANSFER; STOCK BOOKS.

The transfer of shares is not binding upon the company until it is regularly entered on the books of the company to show the names of the persons by and to whom transferred, the number or other designation of the shares, and the date of the transfer. The transfer does not exempt the person making the transfer from liabilities of the corporation which were created prior to the transfer. The books of the company must be kept to show intelligibly the original stockholders, their respective interests, the amount which has been paid in on their shares, and all transfers of the shares. The books, or correct copies of them, so far as the items mentioned in this section are concerned, are subject to the inspection of any person.

**History:** (7464) *RL s 2864; 1965 c 812 s 11; 1984 c 628 art 5 s 1*

### 300.27 STOCKHOLDERS, LIABILITIES.

Subdivision 1. **Personal liability.** A stockholder is personally liable for corporate debts in the following cases:

(1) for all unpaid installments on stock owned by the stockholder or transferred for the purpose of defrauding creditors;

(2) for failure by the corporation to comply substantially with the provisions as to organization and publicity; and

(3) for personally violating the provisions in the transaction of any corporate business as officer, director, or member and for fraudulent or dishonest conduct in the discharge of any official duty.

Subd. 2. **Exceptions.** Except as provided by subdivision 1, no stockholder or member of a corporation or cooperative corporation or association is liable for a debt of the corporation, cooperative corporation, or association.

Subd. 3. **Existing liabilities.** Subdivision 2 does not affect a liability existing on April 18, 1931, against stockholders or members of a corporation or cooperative corporation or association, other than banking or trust corporations or associations, or a liability existing on February 15, 1955, against stockholders of a banking or trust corporation or association. After December 31, 1955, a claim arising under a statute imposing double liability on stockholders or members is barred.

**History:** (7465, 7465-1, 7465-2) *RL s 2865; 1931 c 210 s 1,2; 1955 c 15 s 1,2; 1984 c 628 art 5 s 1; 1986 c 444*

### 300.28 PROPERTY OF STOCKHOLDERS LEVIED ON, WHEN.

The private property of a stockholder may not be levied on for a liability specified in section 300.27, subdivision 1, unless both the stockholder and the corporation are duly served with process in the action and the issue involving the stockholder's individual liability is raised and determined in the action. Individual property may never be levied on until all corporate property which can be found has been exhausted.

**History:** (7466) *RL s 2866; 1984 c 628 art 5 s 1*

### 300.29 PROCEDURE OF OFFICER LEVYING.

The officer holding an execution to be levied on private property must first demand payment of the president, secretary, or other acting officer of the corporation, or one

of its last acting officers. If that person fails to satisfy the execution or point out corporate property upon which it may be levied, the officer holding the execution must endorse on it the fact of the demand and failure to pay and then levy the execution upon individual property of any stockholder impleaded and served. The levy may be made to satisfy the balance due upon an execution after levy upon corporate property, or part payment from corporate funds.

*History: (7467) RL s 2867; 1984 c 628 art 5 s 1*

### **300.30 CAPITAL STOCK.**

Except as otherwise provided in this chapter, the capital stock of a stock corporation must not be less than \$10,000. It must be divided into shares of not less than \$1 nor more than \$100 each. The capital and number of shares may be increased at a regular or specially called meeting of the stockholders.

*History: (7468) RL s 2868; 1984 c 628 art 5 s 1*

### **300.31 CAPITAL STOCK OF CERTAIN TELEPHONE COMPANIES.**

The capital stock of corporations formed for the operation of telephone systems in, or connecting, towns or statutory cities of less than 2,000 inhabitants must not be less than \$500.

*History: (7469) 1909 c 68 s 1; 1973 c 123 art 5 s 7; 1984 c 628 art 5 s 1*

### **300.32 RECORD OF STOCK; REPORTS; DIVIDENDS.**

In all stock corporations the directors must cause accurate and complete records to be kept of all corporate proceedings and of all stock subscribed, transferred, canceled, or retired and proper books, accounts, files, and records of all other business transacted. All books and records must, at all reasonable times and for all proper purposes, be open to the inspection of a stockholder. Its directors must when required present to the stockholders written reports of its condition and business and declare the dividends of the profits of the business as they consider advisable. The director may not by declaring dividends reduce the capital while there are outstanding liabilities.

*History: (7470) RL s 2869; 1984 c 628 art 5 s 1*

### **300.323 [Renumbered 501.47]**

### **300.33 CORPORATE STOCK WITHOUT NOMINAL OR PAR VALUE; CLASSES OF; PREFERRED STOCK.**

A corporation of this state, except banks, savings banks, trust companies, building and loan associations, and insurance companies, may create one or more classes of stock without nominal or par value, with any preferences, voting powers, restrictions, and qualifications consistent with law that are expressed in its certificate of incorporation or amendment to it. Stock without par value which is preferred as to dividends or as to its distributive share of the assets of the corporation upon dissolution may be made subject to redemption at the times and prices determined in the certificate of incorporation or amendment to it. In the case of stock without par value which is preferred as to its distributive share of the assets of the corporation upon dissolution, the amount of the preference must be stated in the certificate of incorporation or amendment to it.

*History: (7470-1) 1925 c 333 s 1; 1984 c 628 art 5 s 1*

### **300.34 CERTIFICATES OF INCORPORATION; STATEMENTS AS TO PAR VALUE.**

When the par value of the shares of stock of a corporation is required to be stated in the certificate of incorporation or in an amendment to it or in another place, it must be stated in respect to shares without par value that the shares are without par value. When the amount of the stock authorized, issued, or outstanding is required to be

stated, the number of shares authorized, issued, or outstanding and the fact that the shares are without par value must be stated.

*History: (7470-2) 1925 c 333 s 2; 1984 c 628 art 5 s 1*

### **300.35 STOCK CERTIFICATES TO SHOW NUMBER OF SHARES.**

A stock certificate issued for shares without nominal or par value must have plainly written or printed upon its face the number of shares which it represents. No certificate may express the nominal or par value of these shares or express a rate of dividend to which it is entitled in terms of percentage of par or other value.

*History: (7470-3) 1925 c 333 s 3; 1984 c 628 art 5 s 1*

### **300.36 VALUE FOR DETERMINING PRESCRIBED MINIMUM OR MAXIMUM CAPITAL.**

For the limited purpose of determining the minimum or maximum capital prescribed by law for stock corporations, shares without nominal or par value must be valued at \$10 per share.

*History: (7470-4) 1925 c 333 s 4; 1935 c 230 s 1; 1984 c 628 art 5 s 1*

### **300.37 VALUE OF CAPITAL STOCK FIXED BY DIRECTORS.**

For the purpose of a rule of law or statutory provision relating to the amount of capital stock issued and represented by shares of stock without par value, except as otherwise provided in this section, the amount is the amount of money or the actual value of the consideration, as fixed by the directors or otherwise in accordance with law, for which the shares of stock have been issued. When stock having a par value has been issued with stock without par value for a specified consideration, in determining the amount of the capital stock issued and represented by shares of stock without par value, the par value of the stock having a par value must first be deducted from the amount of the money or actual value of the consideration determined. The excess, if any, is the amount of capital stock represented by the shares of stock without par value so issued.

*History: (7470-5) 1925 c 333 s 5; 1984 c 628 art 5 s 1*

### **300.38 INCREASE OR REDUCTION OF VALUE OF CAPITAL STOCK.**

The number of authorized shares of stock without par value may be increased or reduced in the manner and subject to the conditions provided in section 300.45 and acts supplemental to it. All other statutory provisions relating to stock having a par value apply to stock without par value, so far as they are legally, necessarily, or practically applicable to, and consistent with the provisions of sections 300.33 to 300.43.

*History: (7470-6) 1925 c 333 s 6; 1984 c 628 art 5 s 1*

### **300.39 PAR VALUE STOCK CHANGED TO NONPAR VALUE STOCK.**

A corporation may change any of its common or preferred stock having a par value, to an equal, greater, or smaller number of shares of stock having no par value. In connection with this change, the corporation may fix the amount of capital stock represented by these shares of stock without par value and may reduce its capital stock by any or all of the following methods: (1) reducing the number of shares of its stock whether the shares have par value or no par value; (2) reducing the par value of shares which have par value; or (3) reducing the amount of capital stock represented by shares with no par value.

*History: (7470-7) 1925 c 333 s 7; 1984 c 628 art 5 s 1*

### **300.40 CERTIFICATE OF INCORPORATION TO PROVIDE FOR CONVERSION OF SHARES.**

A corporation's certificate of incorporation, or an amendment to it, may provide that shares of stock of a class are convertible into shares of stock of another class upon

the terms and conditions stated in that document, except that shares of stock without par value must not be convertible into shares of stock having par value.

*History: (7470-8) 1925 c 333 s 8; 1984 c 628 art 5 s 1*

### **300.41 POWERS OF DIRECTORS TO ISSUE STOCK.**

Subject to limitations and restrictions set forth in the certificate of incorporation, a corporation may, at a meeting called and held for that purpose, empower its directors to issue shares of its unissued, authorized capital stock without par value and may authorize its directors to fix the amount of money or the actual value of the consideration for which the stock is issued. The certificate of incorporation, or an amendment to it, of a corporation may empower its directors to issue from time to time shares of stock without par value for the consideration the directors consider advisable, subject to the limitations and restrictions specified.

*History: (7470-9) 1925 c 333 s 9; 1984 c 628 art 5 s 1*

### **300.42 COMPUTATION OF VALUE OF STOCK.**

For the purpose of determining the amount of stock held or owned by a stockholder, shares without par value must be computed at the value, at the time of issue, of the cash, property, services, or expenses for which they were issued. This computation does not include paid-in surplus.

*History: (7470-10) 1925 c 333 s 10; 1984 c 628 art 5 s 1*

### **300.43 LAWS APPLICABLE.**

Except as otherwise provided in this chapter, all laws applicable to corporations having shares of stock with par value apply to corporations issuing shares without par or face value.

*History: (7470-11) 1925 c 333 s 11; 1984 c 628 art 5 s 1*

### **300.44 OFFICES WITHIN AND OUTSIDE THE STATE.**

A domestic corporation may establish offices and conduct business in another state or country if an office is always maintained in this state. A person upon whom legal process may be served must be in charge of that office.

*History: (7471) RL s 2870; 1984 c 628 art 5 s 1*

### **300.45 CERTIFICATES OF INCORPORATION, AMENDMENT; EXCEPTIONS.**

Except for a nonprofit corporation subject to the Minnesota Nonprofit Corporation Act, the certificate of incorporation of a corporation organized and existing under the laws of this state may be amended to change its name, to increase or decrease its capital stock, to change the number and par value of the shares of its capital stock, to eliminate or limit a director's personal liability, or in respect to another matter which an original certificate of a corporation of the same kind might lawfully have contained. The change must be accomplished by the adoption of a resolution specifying the proposed amendment at a regular meeting or at a special meeting called for that expressly stated purpose, in either of the following ways:

- (1) by a majority vote of all its shares, if a stock corporation; or
- (2) by a majority vote of its members; or, in either case,

(3) by a majority vote of its entire board of directors, trustees, or other managers within one year after authorization by specific resolution duly adopted at a meeting of stockholders or members. The resolution must be included in a certificate duly executed by its president and secretary, or other presiding and recording officers, under its corporate seal, and approved and filed in the manner prescribed for the execution, approval, and filing of a like original certificate.

As to a local building and loan association and corporations organized for the establishing, maintaining, and operating of hospitals not for profit, the resolution to

amend may be adopted as provided in this section or by a two-thirds vote of the stockholders or members of the association attending the meeting in person or by proxy.

**History:** (7472) *RL s 2871; 1913 c 247 s 1; 1917 c 404 s 1; 1923 c 405 s 1; 1927 c 293 s 1; 1929 c 275 s 1; 1951 c 550 s 73; 1953 c 650 s 23; 1976 c 181 s 2; 1982 c 496 s 10; 1984 c 628 art 5 s 1; 1987 c 33 s 3*

### 300.451 RESTATED CERTIFICATES OF INCORPORATION.

Subdivision 1. **Procedure.** An existing corporation organized pursuant to section 300.025 may by action taken in the same manner required for amendment of certificates of incorporation adopt a restated certificate of incorporation consisting of the certificate of incorporation as amended to date. The restated certificate of incorporation may be adopted in connection with an amendment to the certificate of incorporation. The restated certificate of incorporation must contain all the statements required by this chapter to be included in the original certificate of incorporation except that: in lieu of setting forth the names and addresses of the first board of directors, the restated certificate of incorporation must include the names and addresses of the directors at the time of the adoption of the restated certificate of incorporation; and no statement need be made with respect to the names and addresses of the incorporators.

Subd. 2. **Effect.** The certificate to be filed to accomplish a restated certificate of incorporation must be entitled "restated certificate of incorporation of (name of corporation)" and must contain a statement that the restated certificate supersedes and takes the place of the existing certificate of incorporation and all amendments to it. The restated certificate of incorporation when executed, filed and recorded in the manner prescribed for certificate of amendment supersedes and takes the place of an existing certificate of incorporation and amendments to it. The secretary of state upon request must certify the restated certificate of incorporation.

**History:** 1982 c 473 s 28; 1984 c 628 art 5 s 1

### 300.46 NONPROFIT CORPORATIONS; TRUSTEES.

Except for a corporation that is formed under or accepts or is deemed to accept the Minnesota nonprofit corporation act, a corporation other than those for pecuniary profit incorporated by virtue of a law of this state may increase or decrease the number of its trustees, provide for their election, and provide for the number of trustees of the corporation which constitutes a quorum. These actions must be taken by resolution of the corporation's board of trustees adopted by a majority vote of the board at any regular or called meeting. A copy of the resolution, subscribed and sworn to by the president and secretary of the corporation, must be recorded in the office of the county recorder of the county where the corporation is located and in the office of the secretary of state.

**History:** (7473) 1917 c 155 s 1; 1951 c 550 s 74; 1976 c 181 s 2; 1984 c 628 art 5 s 1

**300.47** [Repealed, 1951 c 550 s 78]

**300.48** [Repealed, 1951 c 550 s 78]

### 300.49 FILING FEES.

Subdivision 1. **Paid to secretary of state.** Domestic corporations must pay to the secretary of state the following fees:

- (1) for articles of incorporation, \$100;
- (2) for filing any instrument required or permitted by sections 300.01 to 300.68, \$35;
- (3) for a merger, an additional fee of \$25.

Subd. 2. **Exceptions.** This section does not apply to cooperative associations or corporations organized without capital stock and not for pecuniary profit.

**History:** (7475) *RL s 2873; 1907 c 329 s 1; 1909 c 202 s 1; 1935 c 230 s 2; 1945 c*

238 s 1; 1955 c 820 s 22; 1969 c 1148 s 44; 1978 c 537 s 1; 1981 c 356 s 341; 1982 c 497 s 72; 1984 c 628 art 5 s 1; 1988 c 682 s 5; 1989 c 335 art 1 s 192

**300.50** [Repealed, 1951 c 550 s 78]

**300.51 CERTIFICATE OF INCORPORATION ISSUED BY SECRETARY OF STATE.**

Whenever a corporation applies for incorporation to the secretary of state and pays the prescribed fee, the secretary of state must execute, record, and issue a certificate. The certificate must contain the names of the incorporators, the corporation's nature and purpose, the amount of its capital stock, the fact of its compliance with all prescribed statutory provisions, and that it is duly organized and exists as a corporation under the name and of the kind specified, with the powers, rights, and privileges, and subject to the limitations and restrictions pertaining to it. The certificate is prima facie evidence of the facts stated in it.

**History:** (7476) *RL s 2874; 1984 c 628 art 5 s 1*

**300.52 MEETINGS.**

Subdivision 1. **Prior notice.** The first meeting of a corporation, except as otherwise prescribed in its certificate of incorporation or in the case of a banking corporation as waived in writing by the commissioner of commerce, must be called upon not less than three weeks' prior personal or published notice. The notice must be signed by one of the incorporators, to the others, and to each subscriber, if any, to its capital stock, specifying the time, place, and purpose of the meeting. Unless otherwise provided in the certificate of incorporation or corporate bylaws, an annual meeting must be called and held at its principal place of business upon three weeks' published notice, signed by its secretary. No business transacted at an annual meeting not called and held as required by this subdivision is effective. The manner of calling and holding all meetings may be prescribed by its bylaws.

Subd. 2. **Call by members.** When by reason of the death, absence, or other legal disability of the officers of a corporation there is no person authorized to call or preside at a legal meeting of the corporation, three or more of its stockholders or members may call a meeting by giving to all the others the notice prescribed in subdivision 1. The notice must designate some person to preside at the meeting until a chair and clerk are chosen, and who will act during the absence of those authorized to act in one or both of those capacities. Any business may be done at the meeting which could be lawfully transacted at a regular meeting.

**History:** (7477, 7478) *RL s 2875, 2876; 1984 c 628 art 5 s 1; 1986 c 444; 1992 c 587 art 1 s 27*

**300.53 IRREGULAR MEETINGS, HOW VALIDATED.**

When all the stockholders or members of a corporation are present or duly represented at a meeting, however called or notified, and duly execute a written assent to the meeting on the records of the corporation, the business transacted at the meeting is as valid as if it had been legally called.

**History:** (7479) *RL s 2877; 1984 c 628 art 5 s 1*

**300.54 CAPITAL STOCK; HOW CLASSIFIED AND ISSUED.**

Except as otherwise specially limited or provided, no corporation may issue a share of stock for a less amount to be actually paid in than the par value of those first issued. A railroad or exclusively manufacturing corporation may issue and dispose of as much special preferred, or full-paid stock as its board of directors considers advisable. A corporation, whose original or amended certificate of incorporation provides, may issue and dispose of special and preferred and common stock, or special or preferred and common stock. A corporation, without change of its certificate of incorporation, may

issue its capital stock, part special, part preferred, and part common, or part common and part either special or preferred, when its board of directors is so authorized by a majority vote of its stockholders at its annual meeting or at a meeting called for that specifically stated purpose, and may give preference to the special or preferred stock, or to the special and preferred stock.

**History:** (7480) *RL s 2878; 1984 c 628 art 5 s 1*

### **300.55 STOCK CERTIFICATES, TO WHOM ISSUED.**

When a person pays in full all amounts due a corporation upon a certificate of its stock, and surrenders all receipts, if any, issued for it, that person must be furnished with a certificate, under the corporate seal, stating the number of shares and class of its stock owned by that person, signed by its president or vice-president, and by its secretary, or by the officers the certificate of incorporation or bylaws provides. When a certificate is signed by a transfer agent or registrar, the signature of a corporate officer and the corporate seal upon the certificate may be engraved or printed facsimiles. The certificate is prima facie evidence of ownership of the stock.

**History:** (7481) *RL s 2879; 1963 c 299 s 1; 1984 c 628 art 5 s 1; 1986 c 444*

**300.56** [Repealed, 1965 c 811 art 10 s 336.10-102]

### **300.57 PERSONAL REPRESENTATIVES, GUARDIANS, TRUSTEES MAY VOTE.**

Personal representatives, guardians, or trustees must represent the shares of stock in their hands, for all purposes, at all meetings of the corporation. While acting in good faith, these persons are not personally liable, but the estates and funds in their hands are liable in the same way and to the same extent as the beneficiary or other represented party or interest would be if competent to act and holding the stock in their own names, respectively.

**History:** (7483) *RL s 2881; 1984 c 628 art 5 s 1; 1986 c 444*

### **300.58 DISSOLUTION OF CORPORATIONS; EXCEPTIONS.**

A corporation may cause appropriate action to be taken to dissolve the corporation when it determines that it is for the best interests of all concerned that it be dissolved. This determination must be made by the affirmative vote of a majority of each class of its stock entitled to vote, or of its members, if it is without capital stock. This section does not apply to banks of discount or deposit, savings banks, or nonprofit corporations subject to the Minnesota nonprofit corporation act.

**History:** (7484) *RL s 2882; 1951 c 550 s 75; 1953 c 650 s 24; 1984 c 628 art 5 s 1*

### **300.59 CONTINUANCE TO CLOSE AFFAIRS; EXCEPTIONS.**

Except for a corporation subject to the Minnesota nonprofit corporation act, a corporation whose existence terminates by limitation, forfeiture, or otherwise continues for three years after the termination date for the sole purpose of prosecuting and defending actions, closing its affairs, disposing of its property, and dividing its capital.

**History:** (7485) *RL s 2883; 1951 c 550 s 76; 1953 c 650 s 25; 1984 c 628 art 5 s 1*

### **300.60 CRIMINAL PENALTIES.**

**Subdivision 1. Acts proscribed.** The following acts are felonies:

- (1) the diversion of corporate property to other objects than those specified in the recorded and published certificate, where injury to an individual results;
- (2) the declaring of dividends when the profits are insufficient to pay them or when the funds remaining will not meet the corporate liabilities; or
- (3) an intentional deception of the public or individuals in relation to its means or liabilities.

Subd. 2. **Punishment.** A person guilty of an act specified in subdivision 1 shall be punished by a fine of not more than \$10,000 or by imprisonment for not more than three years, or by both.

**History:** (7489) *RL s 2884; 1979 c 102 s 13; 1984 c 628 art 3 s 11; art 5 s 1*

### **300.61 FALSE STATEMENT A FELONY.**

An officer, agent, or employee of a corporation who knowingly and willfully subscribes or makes a false statement, false report, or false entry in or upon the corporation's books, papers, or other documents, or in the corporation's behalf, or knowingly and willfully subscribes or exhibits a false paper, book, or document with intent to deceive a person or officer authorized to examine the financial condition of the corporation, or knowingly and willfully subscribes or makes a false report, is guilty of a felony and shall be punished by imprisonment for not less than one year, nor more than ten years.

**History:** (7490) *RL s 2885; 1979 c 102 s 13; 1984 c 628 art 5 s 1*

### **300.62 EXISTING CORPORATION, HOW TO REORGANIZE.**

The president and secretary of an existing corporation whose certificate or charter does not conform to the requirements of this chapter may execute a new or amended certificate in compliance with this chapter. The corporation, upon proceeding in all respects as prescribed in the case of an original certificate of a corporation of the same kind, is entitled to all rights, benefits, and privileges conferred, and is subject to all the requirements imposed, upon like corporations by the provisions of this chapter, except that its rights in respect to property acquired or investments made prior to March 1, 1906, are determined and governed by the laws in force at the date of the acquisition and investment, respectively.

**History:** (7491) *RL s 2886; 1984 c 628 art 5 s 1*

### **300.63 ATTORNEY GENERAL TO EXAMINE.**

When required by the governor, the attorney general must examine the affairs and condition of a corporation and report in writing, together with a detailed statement of the facts found, to the governor. The governor must submit the report to the legislature. The legislature, or either of its branches, may examine the affairs and condition of the corporation. The attorney general, or either branch of the legislature through a committee appointed by it for that purpose, may administer oaths to and examine the directors and officers of a corporation on oath in relation to its affairs and condition, may examine the vaults, books, papers, and documents belonging to it or pertaining to its affairs and condition, and compel the production of all keys, books, papers, and documents.

**History:** (7492) *RL s 2887; 1984 c 628 art 5 s 1*

### **300.64 LIABILITY OF STOCKHOLDERS AND DIRECTORS.**

Subdivision 1. **Withdrawal of capital and refund to stockholders.** If the capital stock of a manufacturing corporation is withdrawn and refunded to the stockholders before the payment of corporate debts for which it would have been liable, the stockholders are liable to a creditor, to the amount of the sum refunded to each of them, respectively. If, in an action under this statute, a stockholder is compelled to pay a debt, the stockholder may call upon every stockholder to whom any part of the stock has been refunded to contribute a proportionate share of the sum so paid by the stockholder.

Subd. 2. **Payment of dividend by director when corporation is insolvent.** If the directors pay a dividend when the corporation is insolvent, knowing that the corporation is insolvent, or that the dividend would render it so, or when its payment would render it insolvent, those assenting to the payment are jointly and severally liable in an action on the statute for all debts due from the corporation at the time of the dividend.

Subd. 3. **Liability of officers and directors for corporate debt.** Every officer who intentionally neglects or refuses to perform a duty imposed by law is liable for all corpo-

rate debts contracted during the period of the neglect. If the corporation violates a provision of law whereby it becomes insolvent, the directors ordering or assenting to the violation are liable in an action under the statute for all debts contracted after the violation.

**Subd. 4. Elimination or limitation of liability.** A director's personal liability to the corporation or its stockholders or members for monetary damages for breach of fiduciary duty as a director may be eliminated or limited in the certificate. The certificate shall not eliminate or limit the liability of a director:

- (1) for a breach of the director's duty of loyalty to the corporation or its stockholders or members;
  - (2) for acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of law;
  - (3) for acts prohibited under section 300.60;
  - (4) under subdivision 1, 2, or 3;
  - (5) for a transaction from which the director derived an improper personal benefit;
- or
- (6) for an act or omission occurring prior to the date when the provision in the certificate eliminating or limiting liability becomes effective.

**History:** (7776) *RL s 3069; 1984 c 628 art 5 s 1; 1986 c 444; 1987 c 33 s 4*

### **300.65 MINING CORPORATIONS; MEETINGS; STOCK IN OTHER COMPANIES PERMITTED; PENALTIES.**

The directors, managing officers, or stockholders of a mining corporation may meet and transact business outside the state, and may establish offices elsewhere; but an office where legal process may be served must always be maintained within the state. The corporation may acquire and hold stock in another corporation, if a majority in amount of the stockholders agree to the acquisition. Every officer of the corporation or other person who fraudulently issues, or causes to be issued, any stock, scrip, or evidence of corporate debt, or who sells, offers for sale, pledges as security, or otherwise disposes of stock, scrip, or evidence of debt, knowing it to be fraudulently issued, is guilty of a felony.

**History:** (7778) *RL s 3071; 1984 c 628 art 5 s 1*

### **300.66 CONTRIBUTIONS BY CORPORATIONS.**

**Subdivision 1. Authority.** A corporation organized under the laws of this state or a corporation authorized to do business in this state may contribute to or for the uses enumerated in subdivisions 2 to 4, the sums its board of directors or trustees considers proper.

**Subd. 2. Governmental units.** The corporation may contribute to the United States, a state, territory or political subdivision of it or the District of Columbia, or a possession of the United States, for exclusively public purposes.

**Subd. 3. Charitable organizations.** The corporation may contribute to a community chest, corporation, organization, trust, fund, association or foundation, organized and operating for religious, charitable, philanthropic, benevolent, scientific, veteran rehabilitation service, literary, artistic, educational, civic or patriotic purposes or for the prevention of cruelty to children or animals.

**Subd. 4. Veteran's organizations and lodges.** The corporation may contribute to a fraternal society, order or association, operating under the lodge system if the contributions or gifts are to be used for the purposes specified in subdivision 3, or posts or organizations of war veterans or an auxiliary unit or society of the posts or organizations if no part of their net income inures to the benefit of a private shareholder or individual.

**History:** *1949 c 156 s 1; 1984 c 628 art 5 s 1*

**300.67 DECLARATION OF POLICIES.**

It is declared to be the public policy of the state of Minnesota that contributions made in accordance with the provisions of section 300.66 constitute a valid and proper use of corporate funds, and in the absence of an express provision in its charter to the contrary, the making of contributions or gifts by a corporation is within its powers and inures to the benefit of the corporation.

*History: 1949 c 156 s 2; 1984 c 628 art 5 s 1*

**300.68 VALIDATION OF PRIOR GIFTS.**

Sections 300.66 and 300.67 do not invalidate contributions or gifts made before March 22, 1949 by a corporation. All contributions or gifts made by corporations prior to that date are as valid as if made after that date.

*History: 1949 c 156 s 3; 1984 c 628 art 5 s 1*