

HOUSE RESEARCH

Bill Summary

FILE NUMBER: H.F. 1043

DATE: March 3, 2005

Version: First Engrossment

Authors: Emmer and Atkins

Subject: Corporation Law Modernization

Analyst: Deborah K. McKnight, Legislative Analyst (651-296-5056)

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Overview

This bar association proposal modernizes the business corporations laws by providing that entities now governed by the old corporations law found in Minn. Stat. chapter 300 will be covered in Minn. Stat. chapter 302A, the Business Corporations Act. The bill also repeals chapter 300. The bill applies chapter 302A to banks and insurance companies, except that article 2 exempts mutual insurance companies from the general operation of the bill. Since mutual insurance companies do not have stock, chapter 302A is not a good governance model for them. Instead, they would be governed on a model based on chapter 66A, which now covers property and casualty insurance companies.