

for in writing signed by at least a majority of all the owners of real estate bounding both sides, *or* the village board * * * may cause any such work to be done upon a vote of not less than * * * *two-thirds* of its members.

SECTION 6. 61.68 of the statutes is repealed.

SECTION 7. 61.69 of the statutes is renumbered to be 61.36.

Approved May 27, 1943.

No. 202, A.]

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CHAPTER 206.

AN ACT to amend 185.02 (3) and 185.16 (1) and (2), to renumber 185.05 to be 185.05 (1) and to create 185.05 (2) of the statutes, relating to co-operative associations.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

SECTION 1. 185.02 (3) of the statutes is amended to read:

185.02 (3) Only par value stock is authorized. The association, if it issues preferred stock, may provide, by contract with its members or patrons, for retaining, out of any money due from the association to said members or patrons, an amount sufficient to pay the dividends on and to retire such preferred stock. An amendment relating to preferred stock * * * *may be adopted by complying with section 185.07, if it is also approved by a vote of three-fourths of those of the holders of * * * preferred stock voting at such meeting * * *. A copy of any amendment relating to preferred stock and a mail ballot thereon shall be sent each holder of common stock and each holder of preferred stock as provided in section 185.14.*

SECTION 2. 185.16 (1) and (2) of the statutes are amended to read:

185.16 (1) The directors in any association organized with capital stock shall apportion the net proceeds of the business at least once annually by first setting aside such an amount for a reserve fund as they see fit or none, in their discretion; provided, that any reserve for depreciation, if reasonable in amount, or for any other purpose which may properly constitute an expense, is to be figured before computation of net proceeds. The directors

may then declare a dividend upon the paid-up capital stock at a rate per annum not to exceed eight per cent; provided, that no such dividend upon common stock shall be cumulative. The directors may then set aside not to exceed five per cent of the remaining net proceeds as an educational fund to be used in teaching co-operation. The directors may then grant a bonus to employes who are in the employ of the association at the time of the apportionment of proceeds, which bonus shall be based in amount upon the amount of compensation received by said employes during the year at a rate not to exceed the rate of patronage distribution hereinafter described. The directors may then employ a part or all of the remaining net proceeds for the general welfare of the members of the association. The directors may distribute all remaining net proceeds * * * to stockholders * * * in proportion to the * * * business * * * of each with the association, or the remaining net proceeds of each department of its business to those stockholders doing business with such department; provided, that the directors may at their discretion include nonstockholders, at the same or lesser rate than the distribution to stockholders; provided further, that if any such distribution * * * be in the form of capital stock, * * * and the distribution to a nonstockholder * * * is less in amount than the par value of one share, it shall be credited to the nonstockholder's capital stock account during the first year and the second year but may revert to the reserve fund if, after 2 years, an amount less than the par value of one share has accumulated.

(2) *All or any part of any bonus to employes, * * * dividend declared, or other distribution made under this section may, in the discretion of the directors, be in the form of capital stock of the association.*

SECTION 3. 185.05 is renumbered to be 185.05 (1), and 185.05 (2) of the statutes is created to read:

185.05 (2) The association by vote of its board of directors, subject to any restrictions in its articles of incorporation, may borrow money, and mortgage its rights, privileges, authority and franchises, revenues and property, to secure payment of its debts.

Approved May 27, 1943.