

## REPORT ON THE MINNESOTA HUMANE SOCIETY

Minnesota Laws 1987, Chapter 394 requires the Commissioner of Administration to report on efforts to dissolve the Minnesota Humane Society and establish a state federation of county and district societies.

### History

Following is a brief summary of key events.

In April, 1986 the society's board of directors voted to suspend operations because of the organization's insolvency. The society's efforts to raise sufficient funds from members and private contributors to continue operations had failed. The society had debts and pending lawsuits of over \$50,000. The entire staff had been laid off.

Under Minnesota Statutes 1986, Section 16B.38, the Department of Administration is required to undertake the administrative affairs of state agencies which have suspended operations.

The department asked the Legislative Advisory Commission for a loan to pay the society's creditors and settle its lawsuits.

The commission stipulated that (1) the loan could only be used to pay off the society's liabilities, (2) none of the funds could be used to restart operations, and (3) future receipts of the society would have to be used to pay back the loan.

Governor Perpich asked the department to investigate possible organizational alternatives to the state society. The department recommended that a federation of county and district societies be established and authorized to carry on the work of the state society.

The department further recommended that the federation be organized as a non-profit corporation, supported entirely by private funds. Minnesota has had the only humane society in the country to receive state funds and be organized both as a state agency and a non-profit corporation.

The 1987 Legislature enacted these recommendations into law (Minnesota Laws 1987, Chapter 394). The legislature authorized the formation of a federation of county and district humane societies and transferred the state agency's statutory responsibilities to it. The legislature also directed the Department of Administration to begin legal proceedings to dissolve the state society as a non-profit corporation.

In June the state society's board of directors unanimously signed a resolution to dissolve the corporation. (The Governor has appointed the board of directors since 1977. In 1984 the society's members amended the corporation's bylaws and transferred their voting rights and all management authority to the board of directors.)

On behalf of the society's board of directors, the Department of Administration has worked with the Attorney General's Office to prepare the necessary legal documents to dissolve the corporation. These documents were filed with the courts in early November. A court hearing, scheduled for December 4, was first postponed by the judge until February 4 and then until May 4 at the request of individuals opposing the dissolution.

The dissolution of the society, settlement of its debts, and liquidation of its assets will be supervised by the courts, according to Minnesota's non-profit corporation laws. In Minnesota Laws 1987, Chapter 394, the legislature has directed that any assets remaining after dissolution of the society and settlement of its debts are to be transferred to the federation as the successor corporation.

### The Federation

A federation of local societies was incorporated as the Minnesota Federated Humane Societies on March 20, 1987. On September 4, 1987 the federation asked the Department of Administration to name it as the successor to the former Minnesota Humane Society.

The federation's membership is open to county and district societies and to other organizations and individuals interested in animal welfare. Only county and district societies, however, are entitled to vote at membership meetings.

As of June 1987, 22 county and district societies had joined the organization:

Anoka County Humane Society  
Beltrami County Humane Society  
Borderland Humane Society  
Brown County Humane Society  
Chisago County Humane Society  
Goodhue County Humane Society  
Hennepin County Animal Humane Society  
Hiawatha Animal Humane Society  
Isanti County Humane Society  
Kandiyohi County Humane Society  
Lake County Humane Society  
Lake Region Humane Society  
Minnesota Valley Humane Society  
Morrison County Humane Society  
Mower County Humane Society  
Otter Tail County Humane Society  
Ramsey County Humane Society  
Redwood County Humane Society  
Rice County Humane Society  
St. Croix Animal Shelter  
Tri-County Humane Society  
Wright County Humane Society

The federation is charged by statute and its articles of incorporation with (1) promoting enforcement of animal protection laws, (2) appointing and training animal investigators, (3) assisting local law enforcement officials in conducting animal cruelty investigations, (4) sponsoring education and public information programs, (5) assisting local societies to strengthen their organizations and programs, (6) supporting the establishment of new societies, and (7) working to improve federal, state, and local animal welfare laws.

### Current Situation

On August 22 eighty former members of the Minnesota Humane Society met to discuss whether to attempt to revive the organization. They voted to oppose the society's dissolution.

Representatives of the group met with the Department of Administration and Attorney General's Office. They informed us that they will ask the 1988 Legislature to amend Minnesota Laws 1987, Chapter 394 to permit the Minnesota Humane Society to continue as a non-profit corporation. They also notified us that they will file papers with the courts opposing the dissolution. At their request, the court hearing on the dissolution was postponed by the judge until May 4, 1988.

As of February 1, 1988 the Minnesota Humane Society has \$73,135 in cash, known liabilities of \$77,194, and pending bequests of \$250,000 to \$300,000.