

## PUBLIC EXAMINERS.

### CHAPTER 124.

#### TERRITORY DIVIDED INTO TWO EXAMINER'S DISTRICTS.

AN ACT To Create the Office of Public Examiner, Defining the Duties and Dividing the Territory Into Two Examiner's Districts.

*Be it Enacted by the Legislative Assembly of the Territory of Dakota:*

§ 1. CREATING OFFICE—QUALIFICATIONS—BOND—VACANCY, HOW FILLED.] That two (2) competent persons, one of whom shall be a republican, who shall be skilled accountants and well versed as experts in the theory and practice of book-keeping and who are not incumbents of any public office under the Territory of Dakota or any county, municipality or public institution therein, and who shall not own, hold or control any stocks, capital or bonds, or the office of transfer, assignee, officer or employe of any banking annuity, safe deposit, trust company, moneyed or savings institution or corporation created under the laws thereof, shall be appointed by the Governor, by and with the advice and consent of the Council who shall be styled Public Examiners, and each of whom, shall make and file with the Secretary, a bond with at least three (3) sureties, to be approved by the Governor in the penal sum of twenty-five thousand (25,000) dollars, for the faithful discharge of his duties. Said Examiners shall hold office for two (2) years from the first day of March, 1887, and until their successors shall have been appointed and qualified and their successors shall hold office for two (2) years and until their successors shall have been appointed and qualified, and execute the duties, as herein prescribed, and in case of a vacancy by death, removal, resignation or otherwise, the Governor shall fill the same by appointment.

§ 2. DIVIDING TERRITORY INTO EXAMINER'S DISTRICTS—GOVERNOR MAY CHANGE EXAMINERS FROM ONE DISTRICT TO THE OTHER.] That the Territory is hereby divided into two (2) districts. All of that portion of the Territory situated south of the south lines of the counties of Richland, Sargent, Dickey, McIntosh, Emmons, Morton, Hettinger and Bowman, in the said Territory, shall constitute the first district; and all of said Territory north of the said south lines of the said counties shall constitute and be known as the Second Examiner's District, and in making the appointment

of Public Examiners the Governor shall assign the district, and have power, in case the public service may best be served, to change said Examiners from one district to the other.

§ 2. DUTIES OF EXAMINERS AND DEPUTIES.] That it shall be the duty of said Public Examiners authorized and empowered by this act, in their discretion to assume and exercise a constant supervision over the books and financial accounts of the several public, educational, charitable, penal and reformatory institutions, belonging to the Territory, and within said Examiner's district. Each Examiner shall prescribe and enforce correct methods of keeping the financial accounts of said institutions, by himself or duly appointed deputy, and instruct the proper officer thereof in the due performance of their duties concerning the same. It shall be the Examiner's duty to visit each of the said Territorial institutions within his district, by himself or duly appointed deputy, at irregular periods, without previous notice to the officers thereof, at least twice each year, and make an exhaustive examination of the books and accounts thereof, including a thorough inspection of the purpose and detailed items of expenditure, and the vouchers therefor.

§ 4. REQUIRE UNIFORM SYSTEM OF BOOK-KEEPING—ASCERTAIN CHARACTER AND FINANCIAL STANDING OF BONDSMEN.] It shall be the duty of the said Examiners to order and enforce a correct and as far as practicable, uniform system of book-keeping, by Territorial and county treasurers and auditors, so as to afford a suitable check upon their mutual action, and insure the thorough supervision and safety of the Territorial and county funds. They shall have full authority to expose false and erroneous systems of accounting, and when necessary, instruct, or cause to be instructed, Territorial and county officers in the proper mode of keeping the same. It shall be their duty to ascertain the character and financial standing of all present and proposed bondsmen of Territorial and county officers, within their districts. Each Examiner shall require of county treasurers within his district, from time to time, as often as he shall deem necessary, a verified statement of their accounts, and he shall personally or by duly appointed deputy, visit said office, without previous notice to such treasurers, at irregular periods of at least once a year, or when requested by any board of county commissioners, and make a thorough examination of the books, accounts and vouchers of such officers, ascertaining in detail the various items of receipts and expenditures; and it shall be his duty to inspect and verify the character and amount of any and all assets and securities held by said officers in public account, and to ascertain the character and amount of any commissions, percentages, or charges for services exacted by such officers without warrant of law. Each Examiner shall report to the Attorney General the refusal or neglect of county officers to obey his instructions, and it shall be the duty of the said Attorney General to promptly take action to enforce

compliance therewith. The said Examiner shall report to the Governor the result of his examination, which shall be filed in the executive office, as well as any failure of duty by financial officers, as often as he thinks required by public interests, and the Governor may cause the results of such examinations to be published, or at his discretion, to take such action for the public security as the exigency may demand; and if he should deem the public interests to require, he may suspend any such officer from further performance of duty until an examination be had or such security obtained as may be demanded for the prompt protection of the public funds.

§ 5. TO VISIT PUBLIC INSTITUTIONS WITHOUT NOTICE—REPORTS, HOW MADE.] The Examiners under this act shall in like manner and with authority visit within their individual districts without prior notice, each of the banking, insurance, saving, annuity, safe deposit, loan or trust companies and other moneyed corporations, created under the laws of this Territory, and thoroughly examine into their affairs and ascertain their financial condition at least once in each year. It shall be the duty of such Examiner to carefully inspect and verify the validity and amount of the securities and assets held by such institutions, examine into the validity of mortgages, held by savings banks and see that the same are duly recorded, and ascertain the nature and amount of any discount or other banking transactions, which he may deem foreign to the legitimate and lawful purposes of savings institutions. He shall inquire into and report any neglect or infringement of the laws governing such banking, annuity, safe-deposit, trust companies, moneyed and savings institutions, and for such purpose shall have power to examine the officers, agents and employes thereof, and all persons doing business therewith. He shall forthwith report the condition of such corporations so ascertained, to the Governor, together with his recommendations or suggestions, respecting the same, and the Governor may cause the same to be published, or in his discretion take such action as the exigencies of the cause may seem to demand.

§ 6. DUTY OF PUBLIC OFFICERS TO ASSIST PUBLIC EXAMINER.] To enable said Examiner to perform the services herein required of him, the trustees and financial officers and managers of the several Territorial institutions, the county and Territorial treasurers, and auditors, and other county and Territorial officers, and officers and employes of all banking, insurance, annuity, safe-deposit, trust companies, moneyed and savings institutions herein referred to, shall afford all reasonable and needed facilities, and it is hereby made the duty of all such trustees, officers, managers, and employes to make returns and exhibits to the said Examiner, under oath, in such form and at such time or times as he shall prescribe; and each and every person so required who shall refuse or neglect to make such return or exhibit, or to make or give such information as may be required by said Examiner, shall be

deemed guilty of felony; and if any person in making such exhibit, or giving such information, or affording any statement required under this act, on his oath, shall knowingly swear falsely concerning the same, he shall be deemed guilty of perjury and punished accordingly.

§ 7. PENALTY FOR OBSTRUCTING OR MISLEADING EXAMINER.] Every person or persons who shall wilfully obstruct or mislead the Public Examiner in the execution of his duties, as herein prescribed, shall be subject to a conviction and punished therefor, in the same manner as is provided for the conviction and punishment of persons obstructing or hindering any other officers, ministerial, judicial or executive under the authority and laws of this Territory. And said Examiner shall have full power and authority for the various purposes named, to examine any of the books, papers, accounts, bills, vouchers and other documents or property of any or all of the aforesaid Territorial institutions, moneyed, banking, insurance, annuity, safe deposit, trust companies and moneyed insurance corporations, and county or Territorial officers and custodians of county and Territorial funds, and also to examine, under oath, any or all of the trustees, managers, officers, employes and agents of such institutions and moneyed and savings corporations, and other persons in the control of, or doing business with said moneyed and savings institutions, and the county and Territorial officers and custodians of county and Territorial funds aforesaid. The said Examiner is empowered to issue subpoenas, and administer oaths in the same manner, and with the same power to enforce obedience thereof, in the performance of his said duties, as belong and pertain to courts of law in this Territory, and any person refusing access by said Examiner to any such books or papers, or any trustee, manager, officer, agent, clerk, employe, or other person aforesaid, who shall obstruct said access or refuse to furnish any required information, or who shall in any manner hinder the thorough examination required by this act, of the officers, Territorial, moneyed, banking, insurance, annuity, safe deposit, trust companies and savings institutions, or pertaining to the county and Territorial officers aforesaid, shall be deemed guilty of felony, and shall be liable on conviction, to a fine of one thousand (1,000) dollars or imprisonment in the Territorial prison for a term of one year. And when necessary to employ stenographers or clerical help, the expense incurred therefor, shall be collected by the Examiner, from the county or corporation in interest.

§ 8. TO MAKE ANNUAL REPORT.] The said Examiners shall each make an annual written report to the Governor of his various proceedings, embodying therein an abstract of the condition and statistics of the several institutions, and county and Territorial finances ascertained by him, which report shall be printed to the number of one thousand (1,000) copies, and shall be included with other official reports in the volume of executive documents.

§ 9. SALARY—PENALTY FOR RECEIVING PAY IN VIOLATION OF THIS ACT.] For the services required under this act each Public Examiner shall receive an annual salary of two thousand (2,000) dollars, and a contingent fund of seven hundred and fifty (750) dollars for the incidental expenses of his office, which sums shall be paid by the Territorial Treasurer in the same manner as the other salaries and expenses of Territorial officers are paid, and if the said Examiner shall directly or indirectly receive any compensation or pay for any services, or extra service, or neglect of service, other than is provided in this act, he shall be deemed guilty of felony, and on conviction thereof shall be subject to a fine of not exceeding ten thousand (10,000) dollars, or imprisonment in the Territorial prison not exceeding ten years, or both, in the discretion of the court.

§ 10. DUTIES OF ATTORNEY GENERAL.] That it shall be the duty of the Attorney General, to aid when called upon by either of the Public Examiners, to aid in any investigation or matter needing legal advice or inquiry, and to supervise the prosecution of all offenders, under the provisions of this act.

§ 11. All acts or parts of acts inconsistent with the provisions of this act are hereby repealed.

§ 12. This act shall take effect and be in force from and after its passage.

Approved, March 9, 1887.

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## CHAPTER 125.

### AMENDMENT TO CHAPTER 124 OF SESSION LAWS OF 1887.

AN ACT To Amend Section One, of an Act Entitled "An Act to Create the Office of Public Examiner, Defining the Duties and Dividing the Territory into Two Examiner's Districts," of the Session Laws of 1887, Approved March 9th, 1887.

*Be it Enacted by the Legislative Assembly of the Territory of Dakota:*

§ 1. AMENDING SECTION ONE OF CHAPTER 124 OF SESSION LAWS 1887.] That section one of an act entitled "An act to create the office of Public Examiner, defining the duties and dividing the Territory into two Examiner's districts," of the Session Laws of 1887, approved March 9th, 1887, be amended by adding at the end thereof the following: "The Governor is authorized to remove from office any Public Examiner who violates or fails to faithfully discharge the duties of his office, and to appoint his successor,

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who shall hold office until the end of the next Legislative Assembly, unless sooner removed, as above provided."

§ 2. This act shall take effect and be in force from and after its passage and approval.

Approved, March 11, 1887.

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## PUBLIC PRINTING.

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### CHAPTER 126.

#### BIENNIAL REPORTS.

**JOINT RESOLUTION** Making an Appropriation to Pay for the Printing of the Biennial Reports of the Territorial Officers and Institutions for the Fiscal Years of 1885 and 1886.

*Be it Resolved by the Council, and House of Representatives:*

THAT all accounts for the printing of the biennial reports of the Territorial officers and institutions, authorized by law for the fiscal years of 1885 and 1886, and ordered printed by the Governor, Auditor, Treasurer, or other Territorial officer, and for which payment has not been otherwise provided for, shall before the same are paid out of the general Treasury be properly verified and certified to by the respective Territorial officers. Upon presentation to the Territorial Auditor of a properly verified account or accounts for such printing, certified to as herein provided, it shall be his duty to draw his warrant upon the Territorial Treasurer for an amount or amounts sufficient to pay for the same; *Provided*, That it shall be the duty of the Territorial Auditor before drawing his warrant for the payment of such bills, to carefully examine the work performed, and shall in no case allow a greater amount for such printing than the regular commercial rates usually paid for this class of work. There is hereby appropriated out of the Territorial Treasury a sufficient sum to pay for the printing of reports as provided in this resolution.

Approved, March 11, 1887.