

CORPORATIONS.

CHAPTER 40.

AUTHORITY TO EXTEND BUSINESS AND DEFINE POWERS AND PRIVILEGES.

AN ACT to Amend Section one of Chapter Thirty-four of the Laws of 1887 and to Authorize Building and Loan Corporations or Associations to Extend their Business Beyond the Boundaries of the Territory of Dakota, to Define their Powers and Privileges, and for Other Purposes.

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

§ 1. AUTHORITY TO EXTEND BUSINESS.] That any building and loan association or corporation incorporated or to be incorporated under and by virtue of the laws of the Territory of Dakota that wishes to extend its business outside of and beyond the boundaries of the said Territory of Dakota may do so upon complying with the provisions of this act.

§ 2. STATEMENT OF INTENTION.] That such corporation or association shall insert in its articles of incorporation a statement of its intention to do business within and without the Territory of Dakota, or it shall amend its articles of incorporation by adding such a statement to them.

§ 3. MANAGING BOARD.] Such corporation shall have a board of directors of not less than five nor more than thirteen, who shall constitute the managing board of such corporation for all series issued.

§ 4. MINIMUM PREMIUM.] Such corporation may in its by-laws fix a per cent premium at less than which it will not be obliged to accept loans.

§ 5. LOAN FUND.] That not less than 83 per cent of all monthly dues collected from members of said corporation shall be put into a fund to be known as the loan fund, no part of which shall be used by said company for the purpose of paying its expenses or the expense of carrying on its business, excepting interest, taxes and insurance.

§ 6. TREASURER AND TRUSTEE.] That any such corporation which may hereafter be incorporated shall designate a national bank

as its treasurer and shall appoint a trust company as trustee to receive from it and from its treasurer all moneys of said corporation belonging to its loan fund to hold its securities and to perform such other acts of trust and guarantee as the directors of said loan corporation under its by-laws may authorize and direct.

§ 7. INVESTMENT OF FUNDS.] That any funds of such corporation not loaned for a period of more than 30 days and for which there is no sufficient demand under the provisions of the articles of incorporation and by-laws of the corporation may be loaned by the corporation at any rate of interest allowed by law upon any security approved and accepted by the board of directors of said corporation.

§ 8. POWER TO BORROW.] Such corporation shall have power to borrow money upon debentures issued to it by the trust company holding its securities or it may borrow upon its securities direct under such restrictions and regulations as its by-laws may provide.

§ 9. UNPLEDGED SHARES.] The board of directors of such corporation shall have power in their discretion to retire the unpledged shares of stock of such corporation at any time after the third year from the date of issue of such stock and to enforce the withdrawal of the same in such manner and under such regulations as they may deem best for the interest of the corporation. They shall determine by lot or in any other impartial manner which shares shall be thus retired, but no unmatured stock shall be retired while any matured stock remains in force.

§ 10. APPLICATION OF LAWS.] All the laws of the Territory of Dakota respecting building and loan associations shall apply equally to corporations herein provided for except wherein such laws may conflict with the provisions of this act.

§ 11. CAPITAL STOCK AMENDMENT.] That section one (1), of chapter thirty-four (34), of the laws of 1887, be and the same is hereby amended so as to read as follows, viz:

§ 1. CAPITAL STOCK.] The capital stock of any corporation created by this act shall be paid in at such times, amounts and places as the by-laws shall appoint; every share of stock shall be subject to a lien for the payment of unpaid installments, and other charges incurred thereon under provisions of the charter and by-laws and the by-laws may prescribe the form and manner of enforcing such lien; new shares of stock may be issued in lieu of the shares withdrawn or forfeited, the stock may be issued in one or more successive series in such amount as the board of directors or stockholders may determine and any stockholder wishing to withdraw from the said corporation shall have power to do so by giving thirty days notice of his or her intention to withdraw, when he or she shall be entitled to receive the amount paid in by him or her and such proportion of the profit as the by-laws may determine, less all fines and other charges; provided that at no time shall more than one-half the funds in the treasury of the corporation be applicable to the demands of withdrawing stockholders without the consent of the board of directors;

and that no stockholder shall be entitled to withdraw whose stock is held in pledge for security. Upon the death of the stockholder his or her legal representatives shall be entitled to receive the full amount paid in by him or her and legal interest thereon, first deducting all charges that may be due on the stock. No fines shall be charged to a deceased member's account from or after his decease, unless the legal representatives of such decedent assume the future payment on stock.

The capital stock of any building and loan association heretofore incorporated or to be incorporated may be increased or diminished and the other provisions of this act made operative and applicable to building and loan associations incorporated or to be incorporated by a two-thirds vote of the board of directors of such corporation upon publishing in two newspapers of general circulation in the county in which such association is located for two weeks notice of intention to increase capital stock and upon filing with Secretary of the Territory a certified copy of the minutes of the meeting of the board of directors of such association at which it was voted to increase the capital stock together with proof of publication of the notice hereinbefore provided for.

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

Approved February 15, 1889.

CHAPTER 41.

FINANCIAL STATEMENTS AND EXEMPTION FROM TAXATION.

AN ACT Regulating the Business of Building and Loan Corporations.

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

§ 1. FINANCIAL STATEMENT.] That all Building and Loan Corporations created by virtue of the Laws of Dakota Territory, shall annually on the first day of January, make a true and correct statement, verified by the oath of its President or Secretary, setting forth its actual financial condition, and the amount of its property and liabilities, which statement shall be forwarded to the Secretary of the Territory, not later than the tenth day of January, under a penalty of five hundred dollars (\$500) to the Territory, to be recovered by indictment against the President, Secretary or Directors. And the Secretary upon receipt of such statement, if he be satisfied from the same, that such Association be solvent and conducting its business in a safe and conservative manner, shall issue to such Association a certificate

authorizing it to continue business for the ensuing year, and the Secretary shall be entitled to a fee therefor of \$5.00 to be paid by such Association. Any such Association shall also cause to be published for one month, a copy of said statement in at least one newspaper of general circulation, published in the county where the principal office or place of business of such Association is located.

§ 2. APPLICATION BY FOREIGN ASSOCIATION.] No Foreign Building and Loan Association or Corporation, having the words "Building and Loan" as a part of its name, shall be entitled to do business in the Territory of Dakota, until it shall have made application to the Secretary for permission to do business in the Territory; and the Secretary shall have examined into the financial condition of such Associations and its method of doing business, and if the Secretary be satisfied upon such examination, that such Association is solvent and its method of doing business, such as is likely to be beneficial to all of its members alike, he shall issue a certificate of authority to such Association as provided for in Section 1, of this act, such Association having first published for three weeks, a true and complete statement of its financial condition, sworn to by its President and Secretary, in at least one newspaper of general circulation, in each county in which such Association wishes to transact business, and having furnished the Secretary an affidavit of such publication made by the publishers of such newspaper. For such examination the Secretary shall be entitled to the sum of ten dollars (\$10) per day, and ten cents per mile for the distance actually travelled in making such examinations. The said certificate, shall entitle such Association to transact business in the Territory for one year only from its date, and annually thereafter during the month of January, such Association shall publish said statement in the manner above described and it shall be the duty of the Secretary to make an examination of such Associations as above stated, for which he shall receive the compensation above specified. No such Association shall be entitled to transact business until having first fully complied with the provisions of this section.

§ 3. EXEMPTION OF SHARES FROM TAXATION.] As Building and Loan Corporations are aggregations of laborers, mechanics, workmen and working women, which start without any paid up capital, and as these members only pay each month an assessment in proportion to shares, for the purpose of furnishing a home to each of its members in turn, which assessment stops the moment that every member has thus been furnished with such a home, these Associations are hereby declared to be benevolent institutions within the meaning of Section 2, Chapter 28, of the Political Code of 1877, and as the monthly assessments paid in by the members of these Associations are immediately given to one member, to enable such member to build a home, and as such member immediately begins to pay taxes on the home thus erected, and as the shares held by such members merely entitle them, in the future, in their turn to get money to build homes,

shares issued by such Associations shall be exempt from taxation.

§ 4. EFFECT WHEN.] This act shall take effect and be in force from and after its passage and approval.

HOUSE OF REPRESENTATIVES,
BISMARCK, Dakota, March 6th, 1889. }

I hereby certify that on the 6th day of March, A. D., 1889, this act was returned to the House of Representatives, the House in which it originated, without the approval of his Excellency, Governor Louis K. Church, and with his objections to this bill in writing. That said objections were entered at length on the Journal of the House; that the House considered the bill and the question put by the Speaker, "Shall this bill pass, the objections of the Governor to the contrary notwithstanding?" The roll was called and the bill did pass, more than two-thirds of the members present and voting, voting in the affirmative.

Attest: JOHN G. HAMILTON,
Chief Clerk.

H. H. KEITH,
Speaker of the House.

COUNCIL CHAMBER,
BISMARCK, D. T., March 6th, 1889. }

I hereby certify that the within act together with the objections of his Excellency, Governor Louis K. Church, was received from the House on the 6th day of March, A. D. 1889. That the objections of the Governor were read at length and entered upon the Journal of the Council; thereupon the question was put, "Shall this bill pass, the objections of the Governor to the contrary notwithstanding?" The roll was called and the bill did pass, more than two-thirds of the members present and voting, voting in the affirmative.

Attest: R. E. WALLACE,
Chief Clerk.

SMITH STIMMEL,
President of the Council.

COUNTIES.

CHAPTER 42.

POWER TO ERECT BUILDINGS AND ISSUE BONDS.

AN ACT Authorizing and Empowering Organized Counties of Dakota to Erect County Buildings for Court House and Jail Purposes, and to Issue and Dispose of Bonds to Provide Funds to pay Therefor, and to Provide for the Payment of Principal and Interest of Such Bonds.

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

§ 1. POWER TO BOND.] That whenever any county of this Territory having five hundred voters or more shall have been organized for four years or more and the county seat of such county has been permanently located, as provided by law, and the building or buildings occupied by such county for court house, office or jail purposes are inadequate to the wants thereof, or unsafe by reason of extraordinary risk or fire or otherwise, then such county may issue its bonds for the purpose of purchasing the site for and the erection of