

the legal voters in such petition shall also be property-holders and tax-payers in the district affected by the petition.

Approved, March 9, 1915.

VETO

CHAPTER 272.

[S. B. No. 174—Bronson.]

DAMAGES FOR PERSONAL INJURIES.

AN ACT Relating to Settlements of Causes of Action or Cases for Damages Sustained Through Personal Injuries and Contracts of Retainer Made Therefor.

VETO.

BISMARCK, N. D., March 13, 1915.

To the Honorable, the Secretary of State:

I file herewith Senate Bill No. 174, an Act relating to settlements of causes of action or cases for damages sustained through personal injuries and contracts of retainer made therefor, without my approval for the following reasons:

The proposed Act provides that any settlements for damages on account of personal injuries shall be voidable at the option of the person injured if made within thirty days from date of such injury; further, that the person injured if he elects at any time within three months from the date of such injury has the right to avoid such settlement by notice in writing to that effect or by bringing an action to recover damages therefor.

To enact this proposed bill into law would mean practically that for three months no settlement could be made between the party injured and the person, firm or corporation who might be held responsible for such injury. This Act will apply to the farmer, who employs men upon his farm to work among his horses, machinery and threshing machines and will also apply to every firm and corporation doing business within the state. Where people might be injured in the case of a train going through the state, no binding settlement could be made, and yet the people injured might be very widely scattered before the three months were over. This bill would not be in the interests of those who might be injured, for it would deprive them of getting a settlement and getting the matter closed for a period of ninety days. Further, it would undoubtedly result in a very large amount of litigation, which would be unfortu-

nate both for those who might be injured, as well as for those who might be held responsible for the injuries.

Believing that the proposed Act would be against the best interests of the people of the state, I withhold my approval.

I have the honor to be,

Very respectfully,

L. B. HANNA,
Governor.

Be it Enacted by the Legislative Assembly of the State of North Dakota:

§ 1. Every settlement or adjustment of a cause of action and every contract of retainer or employment to prosecute an action for damages on account of any personal injuries shall be voidable at the option of the person so injured, if made within thirty days after the injury, or after thirty days if made while the person so injured is still suffering from his injury to such an extent as to make it reasonably appear that he was not in condition to act intelligently in the protection of his rights.

§ 2. The person so injured, or in case of his death, his personal representative, may elect at any time within three months after the date of such injury to avoid such settlement, adjustment or contract by a notice in writing to that effect or by bringing an action to recover damages therefor. Whenever such action shall be so commenced within the period of time so limited, the amount received by the person so injured or his representative in case of his decease, in any settlement or adjustment so made, shall not be a bar to the prosecution of such action, but may be set up as an offset or counter claim to the amount of damages recoverable, if any.

§ 3. All Acts and parts of Acts inconsistent herewith are hereby repealed.

Disapproved, March 1st, 1915.

CHAPTER 273.

[S. B. No. 254.—Gronvold.]

STATE INSURANCE ON PUBLIC BUILDINGS.

AN ACT to Provide for State Insurance on Public Buildings and Making an Appropriation Therefor.

VETO.

BISMARCK, N. D., March 13, 1915.

To the Honorable, the Secretary of State:

I file herewith Senate Bill No. 254, an Act to provide for state insurance on public buildings and making an appropriation therefor, without my approval for the following reasons:

I find on making a careful analysis of the state's insurance that the state has upon the public buildings and property in the state owned by it approximately the sum of three millions of dollars of insurance. This includes the insurance on the twine and fibre at the Penitentiary. Of this amount almost one-half of the insurance now in force expires in the years 1915 and 1916. The bill provides that after August 1st, 1915, that no officer, board, commission or agent of this state, having charge of any public buildings or property of the state, shall pay out any public moneys on account of any insurance against loss by fire or tornado; nor shall they contract for or incur any indebtedness against the state on account of any such insurance upon any of the public buildings, furniture, fixtures or property of any kind whatever.

There is at the present time no insurance sinking fund whatever, to provide for the building of buildings or restoring property or furniture that might be destroyed by fire, and before a bill of the kind proposed should be enacted into law, there should be a fund of from \$300,000.00 to \$500,000.00

In Section 5 of the bill it provides that in case there is a loss by fire and there shall not be in the insurance sinking fund an amount sufficient to pay the awarded loss, the State Auditor shall, notwithstanding this fact, draw his warrants payable from the general fund and the State Treasurer shall promptly pay such warrants out of any moneys in his hands. If the State Capitol burned, we would have a loss of about \$400,000.00. At the present time we carry \$260,000.00 of insurance on building and contents. If we were required to pay from the general fund of the state \$260,000.00 as contemplated by this proposed law, it would totally disarrange the general fund of the state and would make it impossible to pay appropriations made by the legislature for carrying on the business of the state. It costs about \$1,200.00 a year for premiums to carry the \$260,000.00 of insurance now carried on the State Capitol and contents. The State Capitol, as is generally known, is not a fire proof structure, but very much to the contrary, and if a fire shall ever get started, it would be impossible to save the building and probably but very little of its contents. The State Library, which has cost about \$100,000.00, is located in the upper part of the building and there would no chance whatever to save it.

As stated, the state pays \$1,200.00 per year for insurance premiums on the \$260,000.00. It would take over two hundred years for the state at \$1,200.00 a year to get back the \$260,000.00 that would be lost to it provided the state shall not insure the Capitol and contents and should have a fire. That which is true as to the State Capitol is also true as to the Penitentiary, where a very large amount of insurance is carried on the buildings, fixtures, twine and fibre, and to a large degree at every institution throughout the state.

The bill provides that the insurance premiums that would be

paid on policies that might be taken out, provided the state did not carry insurance, shall be set aside in a fund to create a sinking fund to pay for losses in case of fire. The state pays about \$20,000 a year in the way of premiums for insurance on all of its property. It will take ten years without a loss to provide a fund of \$200,000.00

The bill also provides that the insurance that is now on the buildings shall be permitted to stand during the present life of the policies now in force, but that they shall not be renewed, but as stated, about fifty per cent. of the insurance policies in force expire this year and next and before the next session of the legislature.

Believing that this proposed bill is against public policy, that the state is not in condition to carry such a large contingent liability as would be the case were it to carry its own insurance without a sinking fund to pay for losses in case of fire, and that the proposed law is not for the best interests of the state, I withhold my approval.

I have the honor to be,

Very respectfully,

L. B. HANNA,
Governor.

Be it Enacted by the Legislative Assembly of the State of North Dakota:

§ 1. On and after August first, 1915, no officer, board, commission or agent of this state, having charge of any public buildings or property of the state, shall pay out any public moneys or funds on account of any insurance against loss by fire or tornado, excepting premiums unpaid upon insurance written prior to the above date, or shall in any manner contract for, or incur any indebtedness against the state on account of any such insurance upon any of the public buildings, furniture, fixtures, or property of any kind whatever, belonging to the state, except in the manner hereinafter provided.

§ 2. Within thirty days after the passage of this Act each officer, Board of Control, Board of Trustees, Board of Regents, agent or agency of the state of any kind, having in charge any public buildings or property of any kind whatsoever belonging to the state, shall report to the Commissioner of Insurance of the state, each policy of insurance which shall then be in force upon any property of any kind belonging to the state showing in said report the property covered by such insurance, the date of expiration of the policy, the rate of insurance, and the amount paid.

Upon August first, 1915, and annually thereafter, the Governor, Commissioner of Insurance and Secretary of State of the state shall provide for the insurance by the state, of all state property, not exceeding forty per cent. of its actual value on fire proof buildings, nor seventy-five per cent. of its actual value on non-fire proof buildings. The Governor, Commissioner of Insurance, and Secretary of State acting together shall first determine the insurable value of each item of property, and shall fix the rate of insurance,

which, in their opinion, is the average rate charged by responsible fire and tornado insurance companies doing business in this state, and issuing insurance policies upon property of similar kind and exposure of risk by fire and tornado in like manner. The said commission provided for in this Section shall ascertain the amount of insurance in force upon all state property and provide for such additional insurance as is necessary.

§ 3. The commission, consisting of the Governor, Commissioner of Insurance and Secretary of State, shall certify to the State Auditor the amount of insurance upon such property to be carried by the state together with a statement of the premium on such insurance according to the rates fixed as above provided, and the State Auditor shall order the State Treasurer to credit to an account which shall be kept by the Treasurer and known as the state insurance fund an amount equal to the premium as fixed by the commission; *provided*, however, that whenever such state insurance fund shall equal two hundred thousand dollars no further sum shall be credited thereto until such fund shall be less than two hundred thousand dollars. The amount so credited by the State Treasurer to the state insurance fund shall be debited by the State Treasurer to the general fund of the state, *provided*, however, that on August first, 1915, and annually thereafter such amount shall be debited by the State Treasurer to an account which shall be kept upon his books, with the proper officer, agent, Board of Trustees, Board of Control or Board of Regents, which may have such public buildings and property in its charge, and the amount so debited by the State Treasurer to said officer, agent or board shall be deducted by him from any funds which may be in his hands, or which may thereafter come into his hands, and payable to said officer, agent, Board of Trustees, Board of Control, or Board of Regents for insurance of state property.

§ 4. In case any buildings or property of the state shall be damaged by fire or tornado, the commission consisting of the Governor, Insurance Commissioner and Secretary of State shall, within thirty days, or as soon as possible thereafter, investigate and ascertain and fix the amount of such damage and forthwith file with the State Auditor and State Treasurer a statement of such findings. It shall be the duty of the agent, Board of Trustees, Board of Control, Board of Regents or other board having such property under its supervision to assist the commission provided for in this Act in determining the amount of the loss.

§ 5. When the amount of loss has been fixed and determined by the commission aforesaid and certified to the State Auditor and State Treasurer, the State Auditor shall issue a warrant in the amount fixed by the said commission as a transfer of the amount fixed as damages from the state insurance fund and credited to the proper fund of the officer, Board of Control, Board of Trustees, or Board of Regents, or other boards in whose control said

buildings or property is vested to be used by said officer or board for the re-building or restoring of the property damaged, and to be disbursed by the State Treasurer in such manner as other state funds for the use of said officer or board. And if at the time of any such award of loss or damage by the commission provided for herein, there shall not be in the state insurance fund an amount equal to such award, the State Auditor shall, notwithstanding this fact draw his warrants payable from the general fund, and the State Treasurer shall promptly pay such warrant out of any moneys in his hands in the manner above provided.

§ 6. A duplicate copy of all reports and statements required therein of the commission consisting of the Governor, Insurance Commissioner and Secretary of State or of the Insurance Commissioner of the state and of each officer, board or agent in each Section of this Act, shall be filed with the State Auditor by each such board, agent or officer.

§ 7. The commission consisting of the Governor, Insurance Commissioner and Secretary of State shall not cause any policy to be cancelled which may be in force on August first, 1915, but shall, when such policies expire, provide for the insurance of buildings and property as hereinbefore stated, increasing the amount of said insurance at such times as the policies in force on August first, 1915, may from time to time expire so as to maintain at all times, the amount of insurance required by the conditions of this Act.

§ 8. The Commissioner of Insurance shall be secretary of said board and shall keep a record of its proceedings. The expenses incurred by the commission created herein in performing the duties imposed upon them shall be paid out of the general fund of the state, upon proper vouchers approved by the State Auditing Board.

§ 9. REPEAL.] All Acts or parts of Acts in conflict with the provisions of this Act are hereby repealed.

Disapproved, March 13, 1915.