

INDUSTRY—STATE

CHAPTER 147.

(H. B. No. 18—Committee State Affairs.)

THE BANK OF NORTH DAKOTA.

An Act Declaring the Purpose of the State of North Dakota to Engage in the Banking Business and Establish a System of Banking Under the Name of the Bank of North Dakota, Operated by the State, and Defining the Scope and Manner of its Operation, and the Powers and Duties of the Persons Charged with its Management; Making an Appropriation Therefor; and Providing Penalties for the Violations of Certain Provisions Thereof.

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

Sec. 1. For the purpose of encouraging and promoting agriculture, commerce and industry, the State of North Dakota shall engage in the business of banking, and for that purpose shall, and does hereby, establish a system of banking owned, controlled and operated by it, under the name of the Bank of North Dakota.

Sec. 2. The Industrial Commission shall operate, manage and control the Bank of North Dakota, locate and maintain its places of business, of which the principal place shall be within the state, and make and enforce orders, rules, regulations and by-laws for the transaction of its business. The business of the Bank, in addition to other matters herein specified, may include anything that any bank may lawfully do, except as herein restricted; but this provision shall not be held in any way to limit or qualify either the powers of the Industrial Commission herein granted, or the functions of said Bank herein defined. The Industrial Commission shall meet within twenty days after the passage and approval of this Act to begin the organization of the Bank.

Sec. 3. To accomplish the purposes of this Act, the Industrial Commission shall acquire by purchase, lease or by exercise of the right of eminent domain, as provided by Chapter 36 of the Code of Civil Procedure, Compiled Laws of 1913, all requisite property and property rights, and may construct, remodel and repair buildings: but it shall not invest more than ten per cent of the capital of the bank in furniture, fixtures, lands and buildings for office purposes.

Sec. 4. The Industrial Commission shall obtain such assistance as in its judgment may be necessary for the establishment, maintenance and operation of the Bank. To that end it shall appoint a manager, and may appoint such subordinate officers and employes as it may judge expedient. It may constitute such Manager its general agent, in respect to the functions of said Bank, but

subject, nevertheless, in such agency, to the supervision, limitation and control of the commission. It shall employ such contractors, architects, builders, attorneys, cashiers, tellers, clerks, accountants, and other experts, agents and servants as in the judgment of the Commission the interests of the state may require, and shall define the duties, designate the titles, and fix the compensation and bonds of all such persons so engaged: provided, however, that subject to the control and regulation of the Commission, the Manager of the bank shall appoint and employ such deputies, cashiers, tellers, and other subordinates, and such contractors, architects, builders, attorneys, clerks, accountants and other experts, agents and servants, as he shall, in his judgment, deem are required by the interests of the Bank. The total compensation of such appointees and employes, together with other expenditures for the operation and maintenance of the Bank, shall remain within the appropriation and earnings lawfully available in each year for such purpose. All officers and employes of the Bank engaged upon its financial functions shall, before entering upon their duties, respectively furnish good and sufficient bonds to the state in such amount and upon such conditions as the commission may require and approve; but the bond of the Manager shall not be less than fifty thousand dollars. Such bond shall be filed with the Secretary of State.

Sec. 5. The Industrial Commission may remove and discharge any and all persons appointed in the exercise of the powers granted by this Act, whether by the Commission or by the Manager of the Bank, and any such removal may be made whenever in the judgment of the Commission the public interests require it; provided, however, that all appointments and removals contemplated by this Act shall be so made as the Commission shall deem most fit to promote the efficiency of the public service.

Sec. 6. The Bank shall be opened and shall proceed to transact business whenever there shall be delivered to the Industrial Commission bonds in the sum of two million dollars issued by the state as may be provided by law for such purpose. The fund procured by the negotiation and sale of such bonds is hereby designated and shall be known as the capital of said Bank.

Sec. 7. All state, county, township, municipal and school district funds, and funds of all penal, educational and industrial institutions and all other public funds shall be, by the person having control of such funds, deposited, in the Bank of North Dakota within three months from the passage and approval of this Act, subject to disbursement for public purposes on checks drawn by the proper officials in the manner now or hereafter to be provided by law; provided, however, that on a proper showing made by any official having control of public funds, the Industrial Commission may permit a postponement of the deposit of such funds or any part thereof in the Bank of North Dakota, the period of such postponement not to exceed six months. And

provided, further, that if any such funds are now loaned by authority of law under a contract terminating at a future time, then the deposit of such funds in the Bank of North Dakota shall not be required until two months after time of expiration of such contract. Any person who shall violate any of the provisions of this section shall be guilty of a misdemeanor and upon conviction thereof shall be punished by imprisonment in a county jail for not less than ninety days, and by a fine of not less than one hundred dollars.

Sec. 8. Whenever any of the public funds hereinbefore designated shall be deposited in the Bank of North Dakota, as hereinbefore provided, the official having control thereof, and the sureties on the bond of every such official, shall be exempt from all liability by reason of loss of any such deposited funds while so deposited.

Sec. 9. The Bank of North Dakota may receive deposits from any source, including the United States Government and any foreign or domestic individual, corporation, association, municipality, bank or government. Funds may be deposited to the credit of the Bank of North Dakota in any bank or agency approved by the Industrial Commission.

Sec. 10. All deposits in the Bank of North Dakota are hereby guaranteed by the state. Such deposits shall be exempt from State, County and Municipal taxes of any and all kinds.

Sec. 11. Funds deposited by State Banks in the Bank of North Dakota shall be deemed "available funds" within the meaning of that term as used in Section 5170 of the Compiled Laws of 1913. For banks that make the Bank of North Dakota a reserve depository, it may perform the functions and render the services of a clearing house, including all facilities for providing domestic and foreign exchange, and may re-discount paper, on such terms as the Industrial Commission shall provide.

Sec. 12. The Industrial Commission, unless otherwise limited by law, shall from time to time fix the rates of interest allowed and received in transactions of the Bank. Such rates shall be as nearly uniform and constant as practicable, and shall not be fixed or changed to work any discrimination against or in favor of any person or corporation. But in respect to time deposits received by the Bank, transactions may be reasonably classified as to the amounts and the duration of time involved, and a reasonable differentiation of interest rates based on such classification may be allowed. When interest is allowed on any deposits it shall not be less than one or more than six per cent. The Industrial Commission shall also fix reasonable charges, without unjust discrimination, for any and all services rendered by the Bank.

Sec. 13. All checks and other instruments and items of exchange payable on demand, sent by the Bank of North Dakota to any State Bank or banking association in North Dakota, for collection, shall be by such State bank or banking association re-

mitted for at par to the Bank of North Dakota. Any person or corporation who shall violate any of the provisions of this section shall be guilty of a misdemeanor.

Sec. 14. The Bank of North Dakota may deposit funds in any bank or banking association within or without the state upon such terms and conditions as the Industrial Commission shall determine.

Sec. 15. The Bank of North Dakota may transfer funds to other departments, institutions, utilities, industries, enterprises or business projects of the state, which shall be returned with interest to the Bank. It may make loans to counties, cities or political subdivisions of the state, or to state or national banks on such terms, and under such rules and regulations, as the Industrial Commission may determine; but it shall not make loans or give its credit to any individual, association or private corporation, except that it may make loans to any individual, association or private corporation, secured by duly recorded first mortgages on real estate in the State of North Dakota in amounts not to exceed one-half the value of the security, or secured by warehouse receipts issued by the Industrial Commission or by any licensed warehouse within the state, in amounts not to exceed ninety per cent. of the value of the commodities evidenced thereby. It shall not, however, loan on real estate security more than thirty per cent. of its capital, nor in addition thereto, more than twenty per cent. of its deposits. Additional funds, that may be required for such real estate loans, shall be procured from the sale of state bonds as may be provided by law.

Sec. 16. The Industrial Commission shall prescribe the forms of application for a mortgage loan on real estate, and shall provide for appraisal of the proposed security. Until otherwise provided by the commission, when an application for a mortgage loan on real estate is made, it shall be referred to the Commissioner of University and School Lands, for appraisal of the proposed security. The Commissioner of University and School Lands, shall thereupon promptly cause it to be appraised in the same manner as school lands are appraised, and upon completion of such appraisal shall return the application, together with the appraisal, to the Bank. Thereupon the Bank shall promptly determine whether to grant or refuse any part or all of such loan.

Sec. 17. Every such mortgage shall contain an agreement providing for the re-payment of the loan on an amortization plan by means of a fixed number of annual installments sufficient to cover, first, a charge on the loan, at a rate not exceeding the interest rate in the last series of real estate loan bonds issued, if any, by the State of North Dakota; second, a charge for administration and surplus, at a rate not exceeding one per cent. per annum on the unpaid principal, said two rates combined constituting the interest rate on the mortgage; and, third, such amounts to be applied on the principal as will extinguish the debt in not

less than ten nor more than thirty years; provided, however, that advanced payment of one or more annual installments, for the reduction of the principle, or the payment of the entire principal, may be made at any regular installment date; and, provided further, that in case of a crop failure which reduces the mortgagor's reasonable crop income by one-half, all payments under said mortgage may, in the discretion of the Industrial Commission be extended for one year, upon condition that on the payment of all installments, such further annual payment shall be made as will pay the interest, with interest thereon, for the years for which no payments were made. The Industrial Commission shall determine whether a mortgagor is entitled to an extension of the payment of any installment, under the provisions of this section.

Sec. 18. Every such mortgage, and the note or other obligation thereby secured, shall run to "The Manager of the Bank of North Dakota, his successors in office or his assigns," as payee and mortgagee, and shall contain a recital that it is executed and delivered in conformity with and upon the conditions expressed in this Act, designated by its title and the date of its approval. After having been duly recorded in each county in which the lands therein described are situated, every such mortgage shall be delivered to the Manager of said bank and together with said note or other obligation shall be held by the Manager as a part of the assets of the bank, or shall be otherwise disposed of, as hereafter provided. If so held, payments upon the note or other obligation secured by said mortgage shall be made to the Bank of North Dakota, and whenever it shall have been fully paid, the Manager shall promptly satisfy and discharge the mortgage lien of record and deliver the mortgage cancelled, with a satisfaction thereof, to the person entitled to receive it.

Sec. 19. Every such mortgage, together with the note or other obligation thereby secured, may be sold and assigned upon the payment to the bank of the full value thereof, and upon such sale and assignment, the Manager may endorse either with or without recourse. In that case payments upon said note or other obligation shall be made to the person entitled to receive them; but each such assignment shall be made subject to the provisions concerning extension of the time of payments on account of crop failures as provided in Section 17 of this Act, and subsequent action of the Industrial Commission in that regard shall be binding upon the assignee of such mortgage; provided, however, that after assignment of such mortgage extensions of payments for a yearly period shall be limited in total number to not more than one for every period of five years or fraction thereof during which such mortgage has to run after the date of assignment.

Sec. 20. Every such mortgage, together with the note or other obligation thereby secured, may be assigned, and upon order of the Industrial Commission shall be assigned, to the State Treasurer of the State of North Dakota as security for bonds to

be issued by the state as provided by law. In case of such assignment all payments due upon said note or other obligation shall be made to the State Treasurer, and the money so by him received shall be by him held or disbursed as may be provided by law. If while any such mortgage so assigned to the State Treasurer is in his hands, the note or obligation thereby secured shall have been fully paid, the State Treasurer shall so certify to the Manager of the bank, who shall thereupon proceed to satisfy said mortgage in the same manner as though said note or other obligation had been paid directly to the bank. In case of such assignment to the State Treasurer of any such mortgage, the provisions contained in Section 19 of this Act, respecting extensions on account of crop failure, shall be effective and shall be applied.

Sec. 21. All business of the bank may be conducted under the name of "The Bank of North Dakota." Title to property pertaining to the operation of the bank shall be obtained and conveyed in the name of "The State of North Dakota, doing business as the Bank of North Dakota." Written instruments shall be executed in the name of the State of North Dakota, signed by any two members of the Industrial Commission, of whom the Governor shall be one, or by the Manager of the Bank of North Dakota within the scope of his authority so to do as defined by the Industrial Commission.

Sec. 22. Civil actions may be brought against the State of North Dakota on account of causes of action claimed to have arisen out of transactions connected with the operation of the Bank of North Dakota, upon condition that the provisions of this section are complied with. In such actions the state shall be designated as "The State of North Dakota, doing business as the Bank of North Dakota," and the service of process therein shall be made upon the Manager of said Bank. Such actions may be brought in the same manner and shall be subject to the same provisions of law as other civil actions brought pursuant to the provisions of the Code of Civil Procedure. Such actions shall be brought, however, in the county where the Bank of North Dakota shall have its principal place of business, except as provided in Sections 7415, 7416 and 7418, Compiled Laws of North Dakota, 1913. The provisions of Section 375 and 657 of the Compiled Laws of 1913 shall not apply to claims against the state, affected by the provisions of this section.

Sec. 23. The State Examiner shall personally or through deputy examiners visit the Bank of North Dakota at least twice annually, and shall inspect and verify the assets in its possession and under its control, with sufficient thoroughness of investigation to ascertain with reasonable certainty whether the valuations are correctly carried on its books. He shall investigate its methods of operation and accounting. He shall report the results of each such examination and investigation to the Industrial Commission as soon as practicable, and to the Legislative Assembly at its next

ensuing session, and as provided in paragraph numbered 5, of Section 5146 of the Civil Code, Compiled Laws 1913, to the State Banking Board.

Sec. 24. There is hereby appropriated out of the general funds of the State, not otherwise appropriated, one hundred thousand dollars, or so much thereof as may be necessary, to carry out the provisions of this Act. This appropriation is hereby made available immediately upon the passage and approval of this Act. The Industrial Commission shall, out of the earnings of the bank, make provision for accumulating a fund with which to replace in the general funds of the state, the amount received by the commission under this appropriation, as may be directed by the Legislative Assembly.

Sec. 25. All Acts and parts of Acts inconsistent with this Act are hereby repealed.

Sec. 26. This Act is hereby declared to be an emergency measure and shall take effect and be in force from and after its passage and approval.

Approved February 25, 1919.

CHAPTER 148.

(H. B. No. 49—Committee State Affairs.)

BONDS OF NORTH DAKOTA.

An Act Providing for the Issuing of Bonds of the State of North Dakota in the Sum of Two Million Dollars, to be Known as "Bonds of North Dakota, Bank Series"; Prescribing the Terms, and Stating the Purposes Thereof; Providing a Tax and Making Other Provision for the Payment Thereof; Making Appropriations for the Payment of Said Bonds and to Carry Into Effect the Provisions of This Act; and Declaring this Act to be an Emergency Measure.

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

Sec. 1. The State Treasurer is hereby directed forthwith to prepare for issue, and the Governor and the State Treasurer are hereby authorized, empowered and directed to issue, negotiable bonds of the State of North Dakota in the aggregate amount of two million dollars. They shall be executed by the Governor and the State Treasurer under the great seal of the state and shall be attested by the Secretary of State. The Auditor and Secretary of State shall endorse and sign on each such bond a certificate showing that it is issued pursuant to law and is within the debt limit. The bonds so issued shall be designated "Bonds of North Dakota, Bank Series."

Sec. 2. The bonds so issued shall be payable to the purchaser or bearer; provided, however, that the provisions of Section 151, Compiled Laws of 1913, are hereby declared to apply to them. They shall be issued in denominations of from five dollars to ten

thousand dollars, and shall be payable in not less than ten nor more than thirty years from the passage of this Act. They shall bear interest at a rate not exceeding six per cent. per annum from their date until maturity, payable semi-annually on the first day of January and of July in each year; and coupons shall be attached to each bond, evidencing the amount of interest payable at each first day of January and July until maturity. Principal and interest shall be payable at the office of the State Treasurer in Bismarck. The terms of said bonds, as to values of denominations, periods of maturity and rates of interest, shall be fixed by the Governor in his sound judgment, within the limitations above stated. Every such bond and coupon must be presented for payment at the office of the State Treasurer within six years from the date of its maturity, and no such bond or coupon shall bear interest after maturity unless payment thereof shall not be made upon due presentation for payment. All said bonds shall be exempt from state, county and municipal taxes of any and all kinds.

Sec. 3. The said issue of bonds is authorized for the purpose of making delivery thereof to the Industrial Commission of North Dakota as hereinafter provided, and as contemplated by Section Six (6) of the Act entitled "An Act declaring the purpose of the State of North Dakota to engage in the banking business and establishing a system of banking under the name of the Bank of North Dakota, operated by the State, and defining the scope and manner of its operation, and the powers and duties of the persons charged with its management; making an appropriation therefor, and providing penalties for the violation of certain provisions thereof," enacted in the year 1919 by the Sixteenth Session of the Legislative Assembly of North Dakota, being House Bill No. 18, and also by Section Five (5), paragraph (g) of the Act entitled "An Act creating the Industrial Commission of North Dakota, authorizing it to conduct and manage on behalf of the State certain utilities, industries, enterprises and business projects, and defining its powers and duties; and making an appropriation therefor," enacted in the year 1919 by the Sixteenth Session of the Legislative Assembly of North Dakota, being House Bill Number 17, and for the purpose of enabling the Industrial Commission to negotiate and sell such bonds, pursuant to the provisions of this Act and of said Section Five (5), paragraph (g) of the Act entitled as last above stated, being House Bill Number 17 of the Sixteenth Session of the Legislative Assembly of North Dakota, in the year 1919; thereby to procure the fund to be designated as the capital of the Bank of North Dakota.

Sec. 4. In furtherance of the purposes declared by this Act, it is hereby made the duty of the Governor and the State Treasurer after the issue, execution, sealing and attestation of said bonds to deliver them to the Industrial Commission, in such denominations and amounts, bearing interest at such rates, and run-

ning to such periods of maturity, as may be determined by the Governor, in his discretion, upon consideration of such recommendations as the Commission may make in regard thereto. The Industrial Commission is empowered, authorized and directed, in connection with and in addition to its other powers and duties, to act as the agent of the state for the negotiation, sale and delivery of said bonds. It shall sell them for cash in such manner and at such terms as in its sound discretion it shall deem most advantageous to the interests of the state. The Commission is hereby authorized to receive all moneys paid by buyers of said bonds, upon the sale thereof, and upon receipt of the purchase price to deliver to each purchaser the bonds by him purchased. Upon such delivery of bonds so purchased and paid for, the faith and credit of the State of North Dakota is pledged for the payment thereof, both principal and interest, to the lawful holder and owner thereof upon presentation for payment, according to law. The moneys so derived and received from the sale of said bonds shall constitute the fund to be designated as the capital of the Bank of North Dakota, and shall be so employed by the Industrial Commission. Nothing in this Act, however, shall be construed to prevent the purchase of any of said bonds with any funds in the Bank of North Dakota.

Sec. 5. From time to time the Industrial Commission shall, out of the earnings derived from the operation of the Bank of North Dakota, pay to the State Treasurer such moneys as the Commission shall deem available to devote to the purpose of paying said bonds and interest. In making such payment the Commission shall file a statement with the State Treasurer specifying the purpose of such payment. When moneys shall have been so paid to the State Treasurer, he shall apply the same to their specified purpose as hereinafter directed.

Sec. 6. At the time of each annual meeting of the State Board of Equalization hereafter, the Industrial Commission shall deliver to said board an exact written statement of all bonds issued under the provisions of this Act outstanding at that time, including therein the dates of maturity, interest rates and all other information proper to enable the Board intelligently to comply with the provisions of this Act in regard to tax levies. On the basis of such information the State Board of Equalization shall annually levy a tax, at the time other taxes are levied, sufficient in amount to pay such interest on said bonds as will become due during the year beginning on the next ensuing first day of January, and said tax shall be collected in the same manner as other state taxes are collected. In determining, however, the amount of the tax sufficient for such purpose the Board of Equalization shall take into account whatever moneys, if any, shall then have been paid to the State Treasurer by the Industrial Commission as provided in Section 5 of this Act, for the specific purpose of paying such interest. The Board of Equalization shall apply to the State Treas-

urer for information as to the amount of such moneys, and he shall forthwith supply the information requested. If the amount of such moneys shall equal or exceed the amount of the interest on said bonds payable during said year beginning on the next ensuing first day of January, then no tax shall be levied by the Board of Equalization for that purpose; but if the amount of such moneys shall be less than the amount of the interest on said bonds payable during said year, then the Board of Equalization shall deduct the amount of said moneys in the possession of the Treasurer from the amount of the interest so payable, and shall levy the tax hereinbefore in this Section provided for at least the difference between said amounts.

Sec. 7. Whenever it shall appear to the Board of Equalization from the information contained in any statement delivered to it by the Industrial Commission at any annual meeting of said Board, as provided in Section 6 above, that there will mature, within a period of five years from such annual meeting, any of the bonds provided for in this Act, the Board of Equalization shall thereupon, at such annual meeting, levy a tax in an amount equal to one-fifth of the amount of the principal of such bonds; provided, however, that in determining the amount of such tax, the Board of Equalization shall take into account whatever moneys, if any shall have been paid to the State Treasurer by the Industrial Commission for the specific purpose of paying the principal of said bonds when due, as provided in Section 5 of this Act. The Board of Equalization shall apply to the State Treasurer for information as to the amount of such moneys and as to the times when paid to him. If the amount of such moneys, paid to the Treasurer since the date of the last preceding tax levy made by the Board of Equalization, shall equal or exceed one-fifth of the amount of the bonds so to mature, then such tax shall not be levied; but if the amount of such moneys, paid to the State Treasurer since the date of the last preceding tax levy, shall be less than one-fifth of the amount of said bonds so to mature, then the Board of Equalization shall deduct the amount of such moneys, so paid, from such one-fifth of said bonds, and shall levy the tax, hereinbefore in this Section provided, for the difference. It is the intention of this Section to provide that in each of the last five years, before the maturity of any of said bonds, a state tax shall be levied which, together with such moneys as shall during the next preceding year have been paid to the State Treasurer, by the Industrial Commission for the purpose, shall be at least sufficient to pay one-fifth part of the principal of said bonds.

Sec. 8. To identify and distinguish the funds provided and available for the payment of the bonds issued pursuant to this Act there is hereby created and established, as a part of the moneys of the State received and kept by the State Treasurer, a fund to be designated the "Bank Bond Payment Fund." All moneys

received by the State Treasurer, whether from the proceeds of taxes, or from payments made by the Industrial Commission, or from legislative appropriation, or otherwise, which shall be by law or by other authoritative designation made applicable to the payment of the said bonds, or interest thereon, shall be by him kept in said fund distinct from all other moneys, and shall be disbursed by him only for the particular purpose or purposes for which such moneys shall be delivered to him; and no other appropriation shall ever be made of the moneys in said fund until the said bonds shall be fully paid. But this Act shall not be construed as preventing the State Treasurer from depositing said funds in the Bank of North Dakota, as provided by law with respect to all public funds.

Sec. 9. There is hereby appropriated, all of the moneys obtained as proceeds of the taxes provided for in Sections 6 and 7 above, and all moneys paid to the State Treasurer by the Industrial Commission as specified in Section 5 above, and all moneys constituting the Bank Bond Payment Fund, or so much thereof as may be from time to time necessary, to pay the interest and principal upon the said bonds as payments thereon, shall become due; and whenever any of said bonds, or any coupons thereon, being due, shall be presented for payment, the State Treasurer shall pay the same out of the fund applicable thereto. If for any reason the said fund shall for the time being, be insufficient, the Treasurer shall supply the deficiency out of any other available moneys of the State in his custody; but in that case he shall as soon as possible, out of the Bank Bond Payment Fund, return the amount of such deficiency to the source whence taken.

Sec. 10. There is hereby appropriated out of the general funds of the State, not otherwise appropriated, ten thousand dollars or as much thereof as may be necessary, to carry out the provisions of this Act. This appropriation is hereby made available immediately upon the passage and approval of this Act.

Sec. 11. This Act is hereby declared to be an emergency measure and shall take effect and be in force from and after its passage and approval; and the provisions of Sections 6, 7, 8 and 9 hereof shall remain in full force and effect throughout the period of thirty-six years from and after the passage of this Act.

Approved February 25, 1919.

CHAPTER 149.

(H. B. No. 127—Herbert.)

DEVELOPMENT OF DAIRY INDUSTRY.

An Act to Promote the Development of the Dairy Industry of the State, Especially Through the Manufacturing and Marketing of Dairy Products and Authorizing the Commissioner of Agriculture and Labor to Contract for and Operate and Manage a Creamery for Experimental Purposes and to Engage in the Activities Connected with or Incident to the Manufacturing and Marketing of Dairy Products and By-Products, Defining His Powers and Duties; Making an Appropriation; and Providing for the Raising and Expenditure of Funds for Carrying into Effect the Provisions of This Act.

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

Sec. 1. The State Commissioner of Agriculture and Labor is hereby authorized to contract with any person, partnership, firm, association or corporation, for the purpose of directing and managing the operation of a creamery to be designated, while such contract is in effect, as a State Experimental Creamery. But no such contract shall be made with any person, partnership, firm, association or corporation for the direction and management of a creamery for more than five consecutive years. The Commissioner of Agriculture and Labor, in directing and managing the operation of said experimental creamery, may hire and fix the salary of competent help, purchase equipment and material and do all other things necessary or usual in buying, collecting, manufacturing, grading, storing and marketing any or all dairy products or by-products and may engage in experimental or investigational work connected with or incident to the operation of a creamery. The Commissioner of Agriculture and Labor shall keep or cause to be kept a detailed record of all operations and shall publish at such intervals as may be deemed proper, the results of all such activities, experiments or investigations undertaken.

Sec. 2. Every person, partnership, firm, association or corporation owning or operating a creamery, cheese factory, ice-cream factory, renovating or process butter factory or condensory in this state, and also every person, partnership, firm, association or corporation owning or operating a creamery, cheese factory, ice cream factory, renovating or process butter factory or condensory outside this state shall, on the first day of July, 1919, and every three months thereafter, report to the Commissioner of Agriculture and Labor of this state, upon blanks furnished by him the number of pounds of butter fat produced within the State of North Dakota purchased or received by any such person, partnership, firm, association or corporation during the preceding three months. Said reports shall be filed not later than ten days after the same become due, and, with said reports, the person, partnership, firm, association or corporation making same shall pay the Commissioner of Agriculture and La-

bor of this state, as taxes, fifty cents for and upon every one thousand pounds of butter fat so purchased or received by such person, firm, partnership, association or corporation during such preceding three months.

Sec. 3. The taxes collected by the Commissioner of Agriculture and Labor under the provisions of this Act shall be deposited by him in the State Treasury in the fund to be known as the State Experimental Creamery Fund. The expenses incurred in conducting and operating such creamery shall be paid by the Commissioner of Agriculture and Labor out of the said Experimental Creamery Fund and shall not exceed the amount collected and deposited therein. The Commissioner of Agriculture and Labor shall reserve from such fund an amount sufficient to guarantee the owner or owners and the patrons of such creamery against loss through the use of such plant, equipment or material as is actually used for experimental purposes, but no funds herein provided for shall be expended to defray actual and necessary expenses incurred in the ordinary operation and use of property belonging to such persons, partnerships, firms, associations or corporations with whom the Commissioner of Agriculture and Labor may contract.

Sec. 4. An emergency is hereby declared to exist and does exist and this Act shall be in force and effect from and after its passage and approval.

Approved March 13, 1919.

CHAPTER 150.

(S. B. No. 19—Committee State Affairs)

HOME BUILDING ASSOCIATION OF NORTH DAKOTA

An Act Declaring the Purpose of the State of North Dakota to Engage in the Enterprise of Providing Homes for Residents of this State and to that End to Establish a Business System Operated by the State Under the Name of The Home Building Association of North Dakota, and Defining the Scope and Manner of its Operation and the Powers and Duties of the Persons Charged with its Management; and Making an Appropriation Therefor.

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

Sec. 1. For the purpose of promoting home building and ownership the State of North Dakota shall engage in the enterprise of providing homes for residents of the state, and to that end it shall and does hereby, establish a business system operated by the State under the name of The Home Building Association of North Dakota, hereinafter for convenience called the Association.

Sec. 2. The Industrial Commission of North Dakota shall operate, manage and control the Association and shall locate and

maintain its places of business, of which the principal place shall be within the state, and shall make and enforce orders, rules, regulations and by-laws for the transaction of its business.

Sec. 3. To accomplish the purposes of this Act the Industrial Commission shall acquire by purchase, lease or exercise of the right of eminent domain, as provided by Chapter 36 of the Code of Civil Procedure, Compiled Laws of 1913, all requisite property and property rights, and may construct, repair and remodel buildings, having strict regard for economy in the administration of its affairs.

Sec. 4. The Industrial Commission shall obtain such assistance as in its judgment may be necessary for the establishment, maintenance and operation of the Association. To that end it shall appoint a manager, and may appoint such subordinate officers and employees as it may judge expedient. It may constitute such manager its general agent, in respect to the functions of the Association, but subject, nevertheless, in such agency, to the supervision, limitation and control of the Commission. It shall employ such contractors, architects, builders, attorneys, clerks, accountants and other experts, agents and servants as in the judgment of the Commission the interests of the State may require, and shall define the duties, designate the title, and fix the compensation and bonds of all such persons so engaged; provided, however, that subject to the control and regulation of the Commission, the Manager of the Association shall appoint and employ such deputies and other subordinates, and such contractors, architects, builders, attorneys, clerks, accountants and other experts, agent and servants as he shall, in his judgment, deem are required by the interests of the Association. The total compensation of such appointees and employees, together with other expenditures for the operation and maintenance of the Association, shall remain within the appropriation and earnings lawfully available in each year for such purpose. All officers and employees of the Association engaged upon its financial functions shall, before entering upon their duties, respectively furnish good and sufficient bonds to the State in such amount and upon such conditions as the Commission may require and approve, but the bond of the Manager shall not be less than fifty thousand dollars. Such bonds shall be filed with the Secretary of State.

Sec. 5. The Industrial Commission may remove and discharge any and all persons appointed in the exercise of the powers granted by this Act, whether by the Commission or by the Manager of the Association, and any such removal may be made whenever in the judgment of the Commission the public interests require it; provided, however, that all appointments and removals contemplated by this Act shall be so made as the Commission shall deem most fit to promote the efficiency of the public service.

Sec. 6. Whenever funds shall be available, derived from the

sale of bonds issued by the State and delivered to the Industrial Commission for negotiation to carry on the business of the Association; or derived from appropriations made by the Legislative Assembly for such purpose; or derived from deposits received by the Association as hereinafter provided; or derived from payments made for homes by purchasers thereof, such funds shall be used, under proper regulations of the Industrial Commission, for investment in building or purchasing homes within the State for members of the Home Buyers League, as such Leagues are hereinafter defined. No home shall be built, or purchased and sold, at a price to exceed five thousand dollars, except in case of a farm home, in which case the selling price shall not exceed ten thousand dollars. The word "home" as herein used, shall mean a dwelling house, within or adjacent to a town, village or city, together with such equipments as are customarily used in connection with a dwelling house. The words "farm home" as herein used, shall mean a tract of agricultural land together with a dwelling house, a barn, and such other farm buildings and equipments as are customarily used in connection with a farm home.

Sec. 7. The Association shall make a specialty of building standardized houses, barns and other buildings and equipments provided for herein. For its uses the Industrial Commission may acquire suitable tracts of land, by purchase or by exercise of the right of eminent domain, deemed by the Commission suitable to accomplish the purposes of this Act; and may subdivide such land into lots, and lay out streets, sidewalks, parks and gardens therein, and build homes on said lots, as provided for herein, and supply them with water, light and heat.

Sec. 8. Any person may open a home buying account with the Association by applying in person, by mail or through a Home Buyer's League, trade union, a woman's club or any other recognized industrial, social or civic body. Special efforts shall be made to secure deposits from children, young people, renters and wage earners, in order that more people may own their own homes. Any such deposits, together with interest, may be withdrawn upon six months' notice.

Sec. 9. The Industrial Commission shall fix the rate of interest on all deposits and loans, and the charges for all services rendered by the Association; but no interest rate allowed or received shall exceed six per cent. per annum.

Sec. 10. Ten or more depositors in the Association may form themselves into a local body, to be known as a Home Buyers' League. Every such Home Buyers' League must be authorized, registered and numbered in the office of the Association, and it shall be governed by such rules and regulations as may be prescribed by the Industrial Commission. No person shall become a member of a Home Buyers' League without the written consent

of all of the other members, which shall be filed and recorded in the office of the Association.

Sec. 11. Each Home Buyers' League shall elect a Secretary-Treasurer, who shall perform the duties usual to such office, and shall be its executive officer. He shall also be the agent of the Association and shall perform such other duties as the Industrial Commission may prescribe.

Sec. 12. Whenever a member of a Home Buyers' League shall have deposited with the Association a sum equal to twenty per cent of the total selling price of a home or farm home, the Association shall, upon his application, purchase or build such home or farm home and convey it to him upon a cash payment of twenty per cent., the balance to be secured by a purchase money mortgage on the property, and to be paid on an amortization plan by means of a fixed number of monthly installments sufficient to cover, first, a charge on the loan, at a rate to be determined by the Industrial Commission, second, a charge for administration and surplus at a rate not exceeding one per cent. per annum on the unpaid principal, said two rates combined constituting the interest rate on the deferred payments; and, third, such amounts to be applied on the principal as will extinguish the debt within an agreed period, not less than ten or more than twenty years. Additional payments in sums of twenty five dollars or any multiple thereof, for the reduction of the amount of the unpaid principal, or on the payment of the entire principal may be made on any regular installment date, under the rules and regulations of the Industrial Commission. In case of any accident, crop failure or other event, which reduces the buyer's reasonable income by one-half, all payments under such contract may in the discretion of the Industrial Commission be extended from time to time for a period of one year; provided, however, that on the payment of all installments such further annual payments shall be payable as will pay the interest, with interest thereon, for the years for which no payments were made.

Sec. 13. Each member of every Home Buyers' League shall be jointly and severally liable for all contracts, debts and obligations due the Association from his League, to the extent of fifteen per cent of the price at which his home was sold to him.

Sec. 14. All funds of the Association shall be deposited in the Bank of North Dakota and disbursed through it.

Sec. 15. All business of the Association may be conducted under the name of "The Home Building Association of North Dakota." Title to property pertaining to the operation of the Association shall be obtained and conveyed in the name of "The State of North Dakota, doing business as the Home Building Association of North Dakota." Written instruments shall be executed in the name of the State of North Dakota, signed by any two members of the Industrial Commission of whom the Gover-

nor shall be one, or by the Manager of the Association within the scope of his authority so to do as defined by the Industrial Commission.

Sec. 16. Civil actions may be brought against the State of North Dakota on account of causes of action claimed to have arisen out of transactions connected with the operation of the Association upon condition that the provisions of this section are complied with. In such actions the State shall be designated as "The State of North Dakota, doing business as the Home Building Association," and the service of process therein shall be made upon the Manager of the Association. Such actions may be brought in the same manner and shall be subject to the same provisions of law as other civil actions brought pursuant to the provisions of the Code of Civil Procedure. Such actions shall be brought, however, in the county where the Association shall have its principal place of business, except as provided in Sections 7415, 7416 and 7418, Compiled Laws of North Dakota, 1913. The provisions of Section 375 and 657 of the Compiled Laws of 1913 shall not apply to claims against the state, affected by the provisions of this section.

Sec. 17. The State Examiner shall personally or through deputy examiners visit the Association at least twice annually, and shall inspect and verify the assets in its possession and under its control, with sufficient thoroughness of investigation to ascertain with reasonable certainty whether the valuations are correctly carried on its books. He shall report the results of each such examination and investigation to the Industrial Commission as soon as practicable and to the Legislative Assembly at its next ensuing session.

Sec. 18. There is hereby appropriated out of the general funds of the State, not otherwise appropriated, one hundred thousand dollars, or so much thereof as may be necessary, to carry out the provisions of this Act. This appropriation is hereby made available immediately upon the passage and approval of this Act. The Industrial Commission shall, out of the earnings of the Association, make provision for accumulating a fund with which to replace in the general funds of the State, the amount received by the Commission under this appropriation, as may be directed by the Legislative Assembly.

Approved February 25, 1919.

CHAPTER 151.

(H. B. No. 17—Committee State Affairs)

INDUSTRIAL COMMISSION

An Act Creating the Industrial Commission of North Dakota, Authorizing it to Conduct and Manage on Behalf of the State Certain Utilities, Industries, Enterprises and Business Projects, and Defining its Powers and Duties; and Making an Appropriation Therefor.

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

Sec. 1. A commission is hereby created and established to conduct and manage, on behalf of the State of North Dakota, certain utilities, industries, enterprises and business projects, now or hereafter established by law. It shall be known as the Industrial Commission of North Dakota, but may be designated as the Industrial Commission.

Sec. 2. The Industrial Commission shall consist of three members, namely: The Governor, the Attorney General and the Commissioner of Agriculture and Labor, of the State of North Dakota. Two Members shall constitute a quorum for the transaction of business. The first meeting of the Commission shall be held in the office of the Governor, at his call, within twenty days after this Act goes into effect. Its meetings thereafter shall be held at such times and places as the Governor or a majority of the Commission may determine. It shall be provided by the proper authorities with suitably furnished offices at the seat of government.

Sec. 3. The Governor shall be the Chairman of the Industrial Commission, and its attorney shall be the Attorney General of the State. In the transaction of its general business it may employ secretaries and other subordinate officers, clerks and agents, on such terms as it may deem proper, appointing and discharging all persons so engaged when and as, in its judgment, the public interests may require. The Commission may require suitable bonds of any such secretary or other subordinate officer, clerk or agent, and shall fix the amount of the compensation of each. Such compensation, together with other expenditures for operation and maintenance of the general business of the Commission, shall remain within the appropriation available in each year for such purpose.

Sec. 4. The Industrial Commission shall adopt and procure an official seal, and may authenticate therewith its documentary acts. All orders, rules, regulations, by-laws and written contracts, adopted or authorized by the Commission shall, before becoming effective, be approved by the Governor, as Chairman, and shall not be in force unless approved and signed by him.

Sec. 5. The Industrial Commission is hereby empowered and directed to manage, operate, control and govern all utilities, industries, enterprises and business projects, now or hereafter es-

established, owned, undertaken, administered or operated by the State of North Dakota, except those carried on in penal, charitable or educational institutions. To that end it shall have the power, in the exercise of its sound judgment, and is hereby directed:

(a) To determine the locations of such utilities, industries, enterprises and business projects.

(b) For the State and in its name and behalf, in order to accomplish the purposes of this Act, to acquire by purchase, lease or by exercise of the right of eminent domain, as provided by Chapter 36 of the Code of Civil Procedure, Compiled Laws of 1913, all necessary properties and property rights and to hold and possess or to sell the whole or any part thereof; to construct and reconstruct necessary buildings thereon; to equip, maintain, repair and alter any and all such properties and the improvements thereon; and generally to use the same so as to promote such utilities, industries, enterprises and business projects.

(c) To appoint a Manager, and all necessary subordinate officers and employes, of and for each such utility, industry, enterprise and business project; to constitute any such Manager its general agent in the performance of its duties in the particular utility, industry, enterprise or business project in which he shall be engaged, but subject, nevertheless, in such agency to the supervision, limitation and control of the Commission; to employ such contractors, architects, builders, attorneys, salesmen, clerks, accountants and other experts, agents and servants, as in the judgment of the Commission the interests of the state may require; and to define the duties, designate the titles, and fix the compensation and bonds, of all such persons so engaged in each such utility, industry, enterprise and business project; provided, however, that subject to the control and regulation of the Commission the Manager of each such utility, industry, enterprise and business project shall appoint and employ such deputies, assistants and other subordinates, and such contractors, architects, builders, attorneys, salesmen, clerks, accountants and other experts, agents and servants, as he shall in his judgment deem are required by the interests of the utility, industry, enterprise or business project of which he shall be in charge. The total compensation of such appointees and employes engaged in each several utility, industry, enterprise and business project, together with other expenditures for the operation and maintenance thereof, shall remain within the appropriation and earnings lawfully available in each year for such purpose.

(d) To remove and discharge any and all persons appointed in the exercise of the powers granted by this Act, whether by the Commission or by any Manager of any utility, industry, enterprise or business project; and any such removal may be made whenever in the judgment of the Commission the public interests re-

quire it; provided however, that all appointments and removals contemplated by this Act shall be so made as the Commission shall deem most fit to promote the efficiency of the public service.

(e) To fix the buying price of things bought and the selling price of things sold, incidental to the said utilities, industries, enterprises and business projects, and to fix rates and charges, for any and all services rendered thereby. In fixing such prices, rates and charges, the Commission shall make provision for accumulating a fund with which to replace, in the general funds of the state, the amount received by the Commission under the appropriation made in this Act, as may be directed by the legislative assembly.

(f) To make rules, regulations, orders and by-laws for the management and operation, and for the transaction of the business, of such utilities, industries, enterprises and business projects.

(g) To procure the necessary funds for such utilities, industries, enterprises and business projects by negotiating the bonds of the State of North Dakota in such amounts and in such manner as may be provided by law.

(h) To conduct investigations of all matters directly or indirectly connected with, or bearing upon the success of, any of the utilities, industries, enterprises and business projects under its management, and of all matters which may directly or indirectly affect the methods, operations, processes, products or results thereof. In aid of any such investigation the Commission shall have the power to summon and compel the attendance of witnesses and to examine them under oath, which any member thereof shall have the power to administer. It shall have access to, and may order the production of, all books, accounts, papers, and property, material to such investigation. Witnesses other than those in the employ of the state shall be entitled to the same fees as in civil cases in the district court. The claim that any testimony or evidence sought to be elicited or produced on such examination may tend to criminate the person giving or producing it, or expose him to public ignominy, shall not excuse him from testifying or producing evidence, documentary or otherwise; but no person shall be prosecuted or subjected to any penalty or forfeiture for and on account of any matter or thing concerning which he may testify or produce such evidence; provided, that he shall not be exempted from prosecution and punishment for perjury committed in so testifying. It shall be the duty of the Commission to cause the testimony so taken to be transcribed and filed in the office of the Commission, at the seat of government, within ten days after it is taken, or as soon thereafter as practicable, and when so filed it shall be open for inspection by any person. Any person failing or refusing to obey the order of the Commission issued under the provisions of this section, or to give or produce evidence when

required, shall be reported by the Commission to the district court or any judge thereof, and shall be dealt with by the court or judge as for contempt of court.

(i) To make rules and regulations for its own procedure; and to do any and all things necessary or expedient in conducting the business of such utilities, industries, enterprises and business projects, and in the accomplishment of the purposes of this Act.

Sec. 6. The Industrial Commission shall prepare an annual report and file it in the office of the Secretary of State not later than the first day of February of each year. The report shall contain an itemized account of its expenditures and a complete and detailed financial statement of each utility, industry, enterprise and business project under its control, showing fully all items of income and disbursements and liabilities of every nature for the calendar year ending December 31st next preceding. The report shall also set forth a list of all persons in the employ of the Commission, with the name of each person drawing a salary under its authority, the amount of the salary and all other emoluments received, and the fund from which drawn.

Sec. 7. There is hereby appropriated out of the general funds of the State, not otherwise appropriated, two hundred thousand dollars, or so much thereof as may be necessary, to carry out the provisions of this Act. This appropriation is hereby made available immediately upon the passage and approval of this Act.

Sec. 8. This Act is hereby declared to be an emergency measure and shall take effect and be in force from and after its passage and approval.

Approved Feb. 25, 1919.

CHAPTER 152.

(S. B. No. 20—Committee State Affairs)

NORTH DAKOTA MILL AND ELEVATOR ASSOCIATION

An Act Declaring the Purpose of the State of North Dakota to Engage in the Business of Manufacturing and Marketing of Farm Products, and for Establishing a Warehouse, Elevator and Flour Mill System Under the Name of North Dakota Mill and Elevator Association Operated by the State, and Defining the Scope and Manner of its Operation, and the Powers and Duties of the Persons Charged with its Management; and Making an Appropriation Therefor.

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

Sec. 1. That for the purpose of encouraging and promoting agriculture, commerce and industry, the State of North Dakota shall engage in the business of manufacturing and marketing farm products and for that purpose shall establish a system of warehouses, elevators, flour mills, factories, plants, machinery and equipments, owned, controlled and operated by it under

the name of North Dakota Mill and Elevator Association, hereinafter for convenience called the Association.

Sec. 2. The Industrial Commission shall operate, manage and control the Association, locate and maintain its places of business, of which the principal place shall be within the state, and shall make and enforce orders, rules, regulations and by-laws for the transaction of its business. The business of the Association, in addition to other matters herein specified, may include anything that any private individual or corporation may lawfully do in conducting a similar business except as herein restricted. The Industrial Commission shall meet within twenty days after the passage and approval of this Act to begin the organization of the Association

Sec. 3. To accomplish the purposes of this Act the Industrial Commission shall acquire by purchase, lease, or by exercise of the right of eminent domain, as provided by Chapter 36 of the Code of Civil Procedure, Compiled Laws of 1913, all necessary property or property rights, and may construct, remodel or repair all necessary buildings; and may purchase, lease, construct, or otherwise acquire, warehouses, elevators, flour mills, factories, offices, plants, machinery, equipments, and all other things necessary incidental or convenient in the manufacturing and marketing of all kinds of raw and finished farm products within or without the state and may dispose of the same; and may buy, manufacture, store, mortgage, pledge, sell, exchange or otherwise acquire or dispose of all kinds of manufactured and raw farm and food products and by-products, and may for such purposes establish and operate exchanges, bureaus, markets and agencies, within or without the state, including foreign Countries, on such terms and conditions, and under such rules and regulation as the Commission may determine.

Sec. 4. The Industrial Commission shall obtain such assistance as in its judgment may be necessary for the establishment, maintenance and operation of the Association. To that end it shall appoint a Manager, and may appoint such subordinate officers and employes as it may judge expedient. It may constitute such Manager its general agent, in respect to the functions of the Association, but subject, nevertheless in such agency, to the supervision, limitation and control of the commission. It shall employ such contractors, architects, builders, attorneys, clerks, accountants and other experts, agents and servants as in the judgment of the Commission the interests of the state may require. and shall define the duties, designate the titles, and fix the compensation and bonds of all such persons so engaged: provided, however, that subject to the control and regulation of the Commission, the Manager of the Association shall appoint and employ such deputies and other subordinates, and such contractors, architects, builders, attorneys, clerks, accountants and other experts, agents and servants as he shall, in his judgment, deem are re-

quired by the interests of the Association. The total compensation of such appointees and employes, together with other expenditures for the operation and maintenance of the Association, shall remain within the appropriation and earnings lawfully available in each year for such purpose. All officers and employes of the Association engaged upon its financial functions shall, before entering upon their duties, respectively furnish good and sufficient bonds to the state in such amount and upon such conditions as the Commission may require and approve; but the bond of the Manager shall not be less than fifty thousand dollars. Such bonds shall be filed with the Secretary of State.

Sec. 5. The Industrial Commission may remove and discharge any and all persons appointed in the exercise of the powers granted by this Act, whether by the Commission or by the Manager of the Association and any such removal may be made whenever in the judgment of the Commission the public interests require it; provided, however, that all appointments and removals contemplated by this Act shall be so made as the Commission shall deem most fit to promote the efficiency of the public service.

Sec. 6. The Industrial Commission shall fix the buying price of all things bought, and the selling price of all things sold, incidental to the operation of the Association, and shall fix all charges for any and all services rendered by the Association, but in fixing these prices—while all services are to be rendered, as near as may be, at cost—there shall be taken into consideration, in addition to other necessary costs, a reasonable charge for depreciation of all property, all overhead expenses and a reasonable surplus, together with all amounts required for the re-payment, with interest, of funds received from the state.

Sec. 7. All business of the Association may be conducted under the name of "North Dakota Mill and Elevator Association." Title to property pertaining to the operation of the Association shall be obtained and conveyed in the name of "The State of North Dakota, doing business as the North Dakota Mill and Elevator Association." Written instruments shall be executed in the name of the State of North Dakota, signed by any two members of the Industrial Commission, of whom the Governor shall be one, or by the Manager of the Association within the scope of his authority so to do as defined by the Industrial Commission.

Sec. 8. Civil actions may be brought against the State of North Dakota on account of causes of action claimed to have arisen out of transactions connected with the operation of the Association, upon condition that the provisions of this section are complied with. In such actions the State shall be designated as "The State of North Dakota, doing business as North Dakota Mill and Elevator Association," and the service of process therein shall be made upon the Manager of the Association. Such actions may be brought in the same manner and shall be subject to the

same provisions of law as other civil actions brought pursuant to the provisions of the Code of Civil Procedure. Such actions shall be brought, however, in the county where the Association shall have its principal place of business, except as provided in Sections 7405, 7416 and 7418, Compiled Laws of North Dakota, 1913. The provisions of Section 375 and 657 of the Compiled Laws of 1913 shall not apply to claims against the state affected by the provisions of this section.

Sec. 9. There is hereby appropriated, to carry out the purposes of this act, all moneys raised by the mill tax for terminal elevators as provided in Sections 2072 and 2073 of the Compiled Laws of 1913. Said moneys shall be paid to the manager of said Association, and he shall place the said moneys in the general funds of the Association. Said money, together with any funds that shall be procured by the Industrial Commission through the sale of state bonds, as may be provided by law for that purpose, shall be designated as the capital of the Association.

Sec. 10. The State Examiner shall personally or through deputy examiners visit the Association at least twice annually, and shall inspect and verify the assets in its possession and under its control, with sufficient thoroughness of investigation to ascertain with reasonable certainty whether the valuations are correctly carried on its books. He shall report the results of each such examination and investigation to the Industrial Commission as soon as practicable, and to the Legislative Assembly at its next ensuing session.

Sec. 11. This Act is hereby declared to be an Emergency Measure and shall take effect and be in force from and after its passage and approval.

Approved February 25, 1919.

CHAPTER 153.

(S. B. No. 75—Committee State Affairs.)

BONDS OF NORTH DAKOTA, MILL AND ELEVATOR SERIES.

An Act Providing for the Issuing of Bonds of the State of North Dakota in a Sum not Exceeding Five Million Dollars to be Known as "Bonds of North Dakota, Mill and Elevator Series"; Prescribing the Terms and Stating the Purposes Thereof; Providing for Tax and Making Other Provisions for the Payment Thereof; Making Appropriations and Other Provisions for the Payment of Interest and Principal of Said Bonds and to Carry into Effect the Provisions of this Act; and Declaring this Act to be an Emergency Measure.

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

Sec. 1. The issuance of bonds of the State of North Dakota to be known as "Bonds of North Dakota, Mill and Elevator Series," is hereby authorized and directed, under the conditions and in the manner and for the purposes hereinafter set forth.

Sec. 2. Whenever the Industrial Commission shall deem it expedient so to do, for the purpose of authorizing the issuance of bonds of the State of North Dakota as contemplated by this Act, it shall cause mortgages to be executed in the manner prescribed by Section 7 of the Act entitled "An Act declaring the purpose of the State of North Dakota to engage in the business of manufacturing and marketing farm products, and for establishing a warehouse, elevator and flour mill system under the name of North Dakota Mill and Elevator Association operated by the State, and defining the scope and manner of its operation, and the powers and duties of the persons charged with its management: and making an appropriation therefor," enacted in the year 1919 by the Sixteenth Session of the Legislative Assembly of North Dakota, being Senate Bill Number 20. The grantee and mortgagee designated in said mortgages shall be "the State Treasurer of North Dakota and his successors in office in trust." Each mortgage shall be executed and delivered to the Treasurer of North Dakota and his successors in office, in trust as security for bonds to be issued by the State of North Dakota under the designation of "Bonds of North Dakota Mill and Elevator Series," as provided by law, and shall contain a recital to that effect. The property described in and covered by said mortgages shall be such property as is owned by or may be acquired for the State of North Dakota, doing business as North Dakota Mill and Elevator Association, and dedicated to or acquired for the use thereof by the Industrial Commission. All property dedicated to or acquired for the State of North Dakota doing business as North Dakota Mill and Elevator Association shall be described in and covered by first mortgages so that at all times all of the property of the State of North Dakota doing business as North Dakota Mill and Elevator Association shall be pledged to the payment of all of the bonds issued, sold and delivered under the provisions of this Act and attached to each of said mortgages, and incorporated by reference into the provisions thereof, shall be an itemized statement of all of the property specified and covered therein, showing the true value of each item thereof based upon appraisal made under the direction of the Industrial Commission and verified by the oath of the appraisers. Said mortgages shall be a first lien upon all of said property without prior lien or incumbrance of any kind whatsoever.

Sec. 3. Said mortgages shall be duly recorded in each county in which the property affected thereby is situated. As soon as such mortgages are recorded they shall be delivered to the State Treasurer, and be retained by the State Treasurer and his successors in office in trust until all of the bonds secured thereby as provided by this Act shall be paid.

Sec. 4 As soon as the State Treasurer shall receive such mortgages so recorded he shall notify the Governor, the State Auditor and the Secretary of State, who shall thereupon im-

mediately inspect them; and upon ascertaining from such examination and inspection that said mortgages have been properly executed and duly recorded, it shall be the duty of the State Treasurer to immediately prepare for issue, and the Governor and State Treasurer shall thereafter issue, negotiable bonds of the State of North Dakota in an amount not exceeding the value of the property included within the terms of said mortgages as expressed in the itemized statements and valuation attached to said mortgages, as provided in Section 2 of this Act. Each of the bonds so issued shall contain a recital that it is secured by first mortgages deposited with the State Treasurer of North Dakota upon property of the State, dedicated to the use of the North Dakota Mill and Elevator Association, that it is issued in pursuance of the provisions of this Act, which may be cited as the "Mill and Elevator Bond Act of North Dakota." Said bonds shall be executed by the Governor and the State Treasurer under the great seal of the State and shall be attested by the Secretary of State. The Auditor and Secretary of State shall endorse and sign on each such bond, when issued, a certificate showing that it has been issued pursuant to law and is within the debt limit. The bonds so issued shall be designated "Bonds of North Dakota, Mill and Elevator Series" and may be issued in series from time to time as the Industrial Commission may by order designate and require.

Sec. 5. The bonds so issued shall be payable to the purchaser or bearer; provided, however, that the provisions of Section 151, Compiled Laws of 1913, are hereby declared to apply to them. They shall be issued in denominations of from Five Dollars to Ten Thousand Dollars and shall be payable in not less than Ten or more than Thirty years from the passage of this Act. They shall bear interest at a rate not exceeding six per cent per annum from their date until maturity, payable semi-annually on the first day of January and of July in each year; and coupons shall be attached to each bond, evidencing the amount of interest payable at each first day of January and July until maturity. Principal and interest shall be payable at the office of the State Treasurer in Bismarck. The terms of said bonds, as to values of denominations and rates of interest, shall be fixed by the Commission in its sound judgment, within the limitations above stated. Every such bond and coupon must be presented for payment at the office of the State Treasurer within six years from the date of its maturity; and no such bond or coupon shall bear interest after maturity unless payment thereof shall not be made upon due presentation for payment.

Sec. 6. The said bonds so issued shall be delivered to the Industrial Commission of North Dakota to the end that the said Commission may by negotiation and sale of said bonds procure necessary funds for the operation of said Association.

Sec. 7. In furtherance of the purpose declared by this Act.

it is hereby made the duty of the Governor and the State Treasurer after the issue, execution, sealing and attestation of said bonds, to deliver them to the Industrial Commission, in such denominations and amounts, bearing interest at such rates, and running to such period of maturity, as may be required by the Commission, within the limitations herein stated. The Industrial Commission is empowered, authorized and directed, in connection with and in addition to its other powers and duties, to act as the agent of the State for the negotiation, sale and delivery of said bonds. It shall sell them for cash at not less than par value in such manner and at such times as in its sound discretion it shall deem most advantageous to the interests of the state. The Commission is hereby authorized to receive all moneys paid by buyers of said bonds, upon the sale thereof, and upon receipt of the purchase price to deliver to each purchaser the bonds by him purchased. Upon such delivery of bonds so purchased and paid for, the faith and credit of the State of North Dakota is pledged for the payment thereof, both principal and interest, to the lawful holder and owner thereof upon presentation for payment, according to law. The money so derived and received from the sale of said bonds shall be placed by the Industrial Commission in the funds of the Association. Nothing in this Act, however, shall be construed to prevent the purchase of any said bonds with any funds in the Bank of North Dakota.

Sec. 8. The State Treasurer and his successors in office shall hold such mortgages, first, for the security and payment of the bonds issued as provided in this Act, and second, for the satisfaction and cancellation thereof, and re-delivery to the Industrial Commission, if and when said bonds have been fully paid.

Sec. 9. From time to time the Industrial Commission shall, out of the earnings derived from the operation of the Association, pay to the State Treasurer such moneys as the Commission shall deem available to devote to the purpose of paying said bonds and interest. In making such payment the Commission shall file a statement with the State Treasurer specifying the purpose of such payment. When moneys shall have been so paid to the State Treasurer, he shall apply the same to their specified purpose as hereinafter directed.

Sec. 10. At the time of each annual meeting of the State Board of Equalization hereafter, the Industrial Commission shall deliver to said board an exact written statement of all bonds issued under the provisions of this Act outstanding at that time, including therein the dates of maturity, interest rates and all other information proper to enable the board intelligently to comply with the provisions of this Act in regard to tax levies. On the basis of such information, the State Board of Equalization shall annually levy a tax, at the time other taxes are levied, sufficient in amount to pay such interest on said bonds as will become due during the year beginning on the next ensuing first day

of January, and said tax shall be collected in the same manner as other state taxes are collected. In determining, however, the amount of the tax sufficient for such purpose the Board of Equalization shall take into account whatever moneys, if any, shall then have been paid to the State Treasurer by the Industrial Commission, as provided in this Act, for the specific purpose of paying such interest. The Board of Equalization shall apply to the State Treasurer for information as to the amount of such moneys, and he shall forthwith supply the information requested. If the amount of such moneys shall equal or exceed the amount of the interest on said bonds payable during said year beginning on the next ensuing first day of January, then no tax shall be levied by the Board of Equalization for that purpose; but if the amount of such moneys shall be less than the amount of the interest on said bonds payable during said year, then the Board of Equalization shall deduct the amount of said moneys in the possession of the treasurer from the amount of the interest so payable, and shall levy the tax hereinbefore in this section provided for at least the difference between said amounts.

Sec. 11. Whenever it shall appear to the Board of Equalization from the information contained in any statement delivered to it by the Industrial Commission at an annual meeting of said Board, as provided in Section 10 above, that there will mature, within a period of five years from such annual meeting, any of the bonds provided for in this Act, the Board of Equalization shall thereupon, at such annual meeting, levy a tax in an amount equal to one-fifth of the amount of the principal of such bonds; provided, however, that in determining the amount of such tax, the Board of Equalization shall take into account whatever moneys, if any, shall have been paid to the State Treasurer by the Industrial Commission for the specific purpose of paying the principal of said bonds when due, as provided in Section 9 of this Act. The Board of Equalization shall apply to the State Treasurer for information as to the amount of such moneys and as to the times when paid to him. If the amount of such moneys paid to the treasurer since the date of the last preceding tax levy made by the Board of Equalization, shall equal or exceed one-fifth of the amount of the bonds so to mature, then such tax shall not be levied; but if the amount of such moneys, paid to the State Treasurer since the date of the last preceding tax levy shall be less than one-fifth of the amount of said bonds so to mature, then the Board of Equalization shall deduct the amount of such moneys, so paid from such one-fifth of said bonds, and shall levy the tax, hereinbefore in this section provided, for the difference. It is the intention of this section to provide that in each of the last five years before the maturity of any of said bonds, a state tax shall be levied which, together with such moneys as shall during the next preceding year have been paid to the State Treasurer, by the Industrial Commission for the purpose, shall

be at least sufficient to pay one-fifth part of the principal of said bonds.

Sec. 12. To identify and distinguish the funds provided and available for the payment of the bonds issued pursuant to this Act, there is hereby created and established, as a part of the moneys of the state received and kept by the State Treasurer, a fund to be designated the "Mill and Elevator Bond Payment Fund." All moneys received by the State Treasurer, whether from the proceeds of taxes, or from payments made by the Industrial Commission, or from legislative appropriation, or otherwise, which shall be by law or by other authoritative designation made applicable to the payment of the said bonds, or interest thereon, shall be by him kept in said fund distinct from all other moneys, and shall be disbursed by him only for the particular purpose or purposes for which such moneys shall be delivered to him; and no other appropriation shall ever be made of the moneys in said fund until the said bonds shall be fully paid. But this Act shall not be construed as preventing the State Treasurer from depositing said funds in the Bank of North Dakota, as provided by law with respect to all public funds.

Sec. 13. There is hereby appropriated, all of the moneys obtained as proceeds of the taxes provided for in Sections 10 and 11 above, and all moneys paid to the State Treasurer by the Industrial Commission as specified in Section 9 above, and all moneys constituting the Mill and Elevator Bond Payment Fund, or so much thereof as may be from time to time necessary, to pay the interest and principal upon the said bonds as payments thereon shall become due; and whenever any of said bonds, or any coupons thereon being due, shall be presented for payment, the State Treasurer shall pay the same out of the fund applicable thereto. If for any reason the said fund shall, for the time being be insufficient the treasurer shall supply the deficiency out of any other available moneys of the state in his custody; but in that case he shall as soon as possible, out of the Mill and Elevator Bond Payment Fund, return the amount of such deficiency to the source whence taken.

Sec. 14. The State Treasurer shall pay the interest on said bonds upon presentation to him of the coupons for such interest when due, and shall redeem said bonds upon their maturity by paying the principal thereof, all such payments being made from the Mill and Elevator Bond Payment Fund, without auditor's warrant. Each payment so made, in addition to other accounting as provided by law shall be reported to the said Association. All moneys in said fund, or as much thereof as may be necessary, are hereby appropriated for the payment of the interest and the principal of said bonds, and this appropriation shall not be repealed and no provisions made in this Act for the payment of said bonds and interest shall be discontinued until

the debt evidenced by said bonds, both principal and interest, shall have been paid.

Sec. 15. The powers herein granted may be repeatedly exercised and the duties following thereupon shall be likewise repeatedly performed from time to time as occasion may arise under the terms of this Act; provided, however, that at no time shall the amount of bonds issued and outstanding pursuant to the terms of this Act, exceed the total of Five Million Dollars.

Sec. 16. All said bonds shall be exempt from state, county and municipal taxes of any and all kinds.

Sec. 17. There is hereby appropriated out of the general funds of the state, not otherwise appropriated Ten Thousand Dollars, or as much thereof as may be necessary, to carry out the provisions of this Act. This appropriation is hereby declared to be immediately available upon the passage and approval of this Act.

Sec. 18. This Act is hereby declared to be an Emergency Measure and shall take effect and be in force from and after its passage and approval.

Approved February 25, 1919.

CHAPTER 154

(S. B. No. 130—Committee State Affairs.)

BONDS OF NORTH DAKOTA, REAL ESTATE SERIES.

An Act Providing for the Issuing of Bonds of the State of North Dakota in a Sum not Exceeding Ten Million Dollars, to be Known as "Bonds of North Dakota, Real Estate Series"; Prescribing the Terms and Stating the Purposes Thereof; Providing for a Tax and Making Other Provisions for the Payment Thereof; Making Appropriations and Other Provisions for the Payment of Interest and Principal on Said Bonds, and to Carry Into Effect the Provisions of this Act; and Declaring this Act to be an Emergency Measure.

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

Sec. 1. An issue of bonds of the State of North Dakota, to be known as "Bonds of North Dakota, Real Estate Series," is hereby authorized and directed under the conditions and in the manner and for the purposes hereinafter set forth.

Sec. 2. Whenever first mortgages upon real estate, such as are authorized by the Act entitled "An Act declaring the purpose of the State of North Dakota to engage in the banking business and establishing a system of banking under the name of the Bank of North Dakota, operated by the State, and defining the scope and manner of its operation, and the powers and duties of the persons charged with its management; making an appropriation therefor; and providing penalties for the violation of certain provisions thereof," enacted in the year 1919

by the Sixteenth Session of the Legislative Assembly of North Dakota, being House Bill Number 18, hereinafter called the Bank Act, shall be held by the Bank of North Dakota, securing a total amount of unpaid mortgage loans in the sum of at least One Hundred Thousand Dollars, the Industrial Commission may cause such mortgages, or such of them as it shall think proper, but not less than in the total amount of One Hundred Thousand Dollars, to be assigned, together with the obligations thereby secured, to the State Treasurer. The assignment of each such mortgage and obligation shall be executed by the Manager of the Bank and shall recite that it is made to "the State Treasurer of North Dakota, and his successors in office in trust as security for bonds to be issued by the State of North Dakota under the designation of Bonds of North Dakota, Real Estate Series, as provided by law;" and it shall be duly recorded by said Manager in each county in which the lands affected by the mortgage are situated. As soon as such assignments are recorded, they, with the instruments assigned, shall be delivered to the State Treasurer, and at the same time the Manager of the Bank shall deliver to the State Treasurer a verified statement showing the amount of the loan remaining unpaid on each such obligation secured by the mortgages so assigned and delivered.

Sec. 3. As soon as the State Treasurer shall receive said instruments, he shall notify the Governor, the State Auditor and the Secretary of State, who shall each immediately inspect them. Thereupon the State Treasurer shall immediately prepare for issue, and the Governor and the State Treasurer shall thereafter issue, negotiable bonds of the State of North Dakota in an amount not exceeding the amount of the outstanding loans secured by the mortgages delivered to and in the possession of the State Treasurer, as above provided. Each of the bonds so issued shall contain a recital that it is issued and that it is secured by real estate first mortgages deposited with the State Treasurer of North Dakota in pursuance of the provisions of this Act, which may be cited as the "Real Estate Bond Act of North Dakota." Said bonds shall be executed by the Governor and the State Treasurer under the great seal of the State and shall be attested by the Secretary of State. The Auditor and Secretary of State shall endorse and sign on each such bond, when issued, a certificate showing that it is issued pursuant to law and is within the debt limit. The bonds so issued shall be designated "Bonds of North Dakota, Real Estate Series."

Sec. 4. The bonds so issued shall be payable to the purchaser or bearer; provided, however, that the provisions of Section 151, Compiled Laws of 1913, are hereby declared to apply to them. They shall be issued in denominations of from five dollars to ten thousand dollars, and shall be payable in not less than ten or more than thirty years from the passage of this Act; provided,

however, that at the option of the Industrial Commission they shall be payable at any time after five years from the date of their issue, upon public notice given by the Industrial Commission that they shall mature and become payable at a date not less than one year from the time of the giving of such public notice. They shall bear interest at a rate not exceeding six per cent per annum from their date until maturity, payable semi-annually on the first day of January and of July in each year: and coupons shall be attached to each bond, evidencing the amount of interest payable at each first day of January and July until maturity. Principal and interest shall be payable at the office of the State Treasurer in Bismarck. The terms of said bonds, as to values of denominations, periods of maturity and rates of interest, shall be fixed by the Commission in its sound judgment, within the limitations above stated. Every such bond and coupon must be presented for payment at the office of the State Treasurer within six years from the date of its maturity: and no such bond or coupon shall bear interest after maturity unless payment thereof shall not be made upon due presentation for payment.

Sec. 5. The said issue of bonds is authorized for the purpose of making delivery thereof to the Industrial Commission of North Dakota, as hereinafter provided, to the end that the said Commission may, by negotiation and sale of said bonds, procure necessary funds for the Bank of North Dakota, thus replacing in said Bank the funds employed by it from time to time in making loans upon first mortgages of real estate.

Sec. 6. In furtherance of the purpose declared by this Act, it is hereby made the duty of the Governor and the State Treasurer after the issue, execution, sealing and attestation of said bonds, to deliver them to the Industrial Commission, in such denominations and amounts, bearing interest at such rates, and running to such period of maturity, as may be required by the Commission, within the limitations hereinbefore stated. The Industrial Commission is empowered, authorized and directed, in connection with and in addition to its other powers and duties, to act as the agent of the state for the negotiation, sale and delivery of said bonds. It shall sell them at not less than par value for cash in such manner and at such times as in its sound discretion it shall deem most advantageous to the interests of the state. The Commission is hereby authorized to receive all moneys paid by buyers of said bonds, upon the sale thereof, and upon receipt of the purchase price to deliver to each purchaser the bonds by him purchased. Upon such delivery of bonds so purchased and paid for, the faith and credit of the State of North Dakota is pledged for the payment thereof, both principal and interest, to the lawful holder and owner thereof upon presentation for payment, according to law. The moneys so derived and received from the sale of said bonds shall be placed by

the Industrial Commission in the funds of the Bank. Nothing in this Act, however, shall be construed to prevent the purchase of any said bonds with any funds in the Bank of North Dakota.

Sec. 7. After such assignment of any mortgage, and the obligation thereby secured, all payments accruing thereon shall be made to the State Treasurer. He shall hold and use said mortgages, obligations and the moneys paid thereon, in trust, first, for the security and payment of the bonds to be issued as herein provided and, second, for redelivery to the Bank of such remaining part or balance thereof as may come within the provisions hereinafter stated. He shall keep said moneys in a separate fund designated the "Real Estate Bond Payment Fund", apart from all other funds in his possession; and the provisions of Section 7 of the Bank Act shall not apply thereto. He shall also keep in said fund, as a part thereof, for the same purpose and in the same manner and under the same conditions, all moneys received by him, whether from the proceeds of taxes, or from payments made by the Industrial Commission or from legislative appropriation, or otherwise, which shall be by law or by other authoritative designation made applicable to the payment of the said bonds or interest thereon. No other disposition, by appropriation or otherwise, shall ever be made of the moneys in said funds until said bonds shall be fully paid, or until the time limit by law for the payment thereof shall have expired; provided, however, that if any of said bonds issued and delivered to the Industrial Commission, as hereinbefore provided, shall be returned to the State Treasurer, not sold, then such returned bonds shall not be deemed a part of the bond issue secured by such fund.

Sec. 8. The State Treasurer shall pay the interest on said bonds upon presentment to him of the coupons for such interest when due, and shall redeem said bonds upon their maturity by paying the principal thereof, all such payments being made from the Real Estate Bond Payment Fund, without Auditor's Warrant. Each payment so made, in addition to other accounting as provided by law, shall be reported to the Bank of North Dakota. All moneys in said fund, or as much thereof as may be necessary, are hereby appropriated for the payment of the interest and the principal of said bonds, and this appropriation shall not be repealed, and no provisions made in this Act for the payment of said bonds and interest shall be discontinued until the debt evidenced by said bonds, both principal and interest, shall have been paid.

Sec. 9. If the obligation secured by any such mortgage so assigned to the State Treasurer shall not be performed according to its terms by the mortgagor, by payment or otherwise, or if any condition expressed in any such mortgage shall not be duly performed and kept according to its terms, the State Treasurer shall proceed to exercise the rights conferred upon him as the assignee of said mortgage, through the enforcement of its terms, by fore-

closure or otherwise for realizing upon or protecting the security afforded by said mortgage or for collecting the amount of the obligation thereby secured. If in so doing it shall become necessary for the State Treasurer to purchase the property mortgaged, he shall take title thereto as State Treasurer, and as Trustee, in trust for the security for payment of said bonds; and if title to any such mortgaged lands shall be perfected in any State Treasurer by virtue of said purchase, he shall apply to the District Court of the county in which such lands are situated for direction as to the further performance of the duties of his trust in the premises. The cash proceeds derived from the possession, use or sale of any such lands shall become a part of the said Real Estate Bond Payment Fund.

Sec. 10. If, while any mortgage so assigned to the State Treasurer is in his hands, the note or obligation thereby secured shall have been fully paid according to its terms, the State Treasurer shall immediately so certify to the Manager of the Bank. The State Treasurer shall also give information to the Bank as to any proceedings which he may from time to time take respecting the enforcement and collection of the securities so assigned to him, not paid according to their terms.

Sec. 11. The State Treasurer shall from time to time, at the request of the Bank of North Dakota, give information as to the amount of cash balances in his hands credited to said Real Estate Bond Payment Fund. If such balances shall include funds received by him upon the payment of the principal sum loaned upon any such mortgage, the Bank may, to the extent of such principal sums so paid, substitute therefor new mortgages by assignment thereof, together with the obligation thereby secured, in the same manner and to the same effect as in the case of the mortgages and obligations originally assigned as the basis of the issue of such bonds, and upon such assignment and substitution of such new mortgages, the State Treasurer shall pay to the Bank the amount thereof, and such mortgages so substituted shall become and continue a part of the body of said trust, the same as the mortgages and obligations originally assigned to the State Treasurer therefore; provided, however, that unless the amount of the mortgages in such fund falling due before bonds secured thereby is sufficient to pay such bonds, the Treasurer shall reserve sufficient cash for that purpose.

Sec. 12. All said bonds shall be exempt from state, county and municipal taxes of any and all kinds.

Sec. 13. If at the time of the annual meeting of the State Board of Equalization, the moneys in the Real Estate Bond Payment Fund shall appear to the State Treasurer to be insufficient to meet the payments of interest or principal upon said bonds accruing within a period of one year thereafter, he shall so inform the State Board of Equalization, which shall thereupon proceed to include in the annual tax levy, such tax as in its judg-

ment shall be necessary to meet the indicated deficiency, and the proceeds of such tax shall be placed by the State Treasurer in said fund.

Sec. 14. Whenever it shall appear that there are, in said Real Estate Bond Payment Fund, funds which, with the mortgage securities on hand, are more than sufficient to provide for the payment of all bonds and interest thereon outstanding, the excess of such funds requisite for that purpose shall be paid by the State Treasurer to the Bank of North Dakota, if so directed by the Industrial Commission.

Sec. 15. The powers herein granted may be repeatedly exercised and the duties following thereupon shall be likewise repeatedly performed, from time to time as occasion may arise under the terms of this Act; provided, however, that at no time shall the amount of bonds issued and outstanding pursuant to the terms of this Act exceed the total of ten million dollars.

Sec. 16. There is hereby appropriated out of the General Funds of the State, not otherwise appropriated, Ten Thousand Dollars, or as much thereof as may be necessary, to carry out the provisions of this Act. This appropriation is hereby declared to be immediately available upon the passage and approval of this Act.

Sec. 17. This Act is hereby declared to be an Emergency Measure and shall take effect and be in force from and after its passage and approval.

Approved February 25, 1919.

INSURANCE

CHAPTER 155.

(S. B. No. 154—Insurance Committee.)

FRATERNAL BENEFIT SOCIETIES TO ESTABLISH CLASSIFIED MEMBERSHIP

An Act to Authorize Fraternal Benefit Societies to Establish and Maintain Classified Membership.

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

Sec. 1. FRATERNAL SOCIETIES MAY ESTABLISH CLASSIFIED MEMBERSHIP.) Any fraternal society chartered or transacting business in this State is hereby authorized and empowered to establish or maintain separate classes of membership each class having a separate form of contract of similar general plan and character in its purpose; the assets or mortuary collections secured from the member of each class respectively shall be carried and main-