

vided, that all assets and liabilities shall be equalized according to Section 1327 of the Compiled Laws of North Dakota for the year 1913.

Approved March 7, 1919.

SCHOOL FUNDS

CHAPTER 198.

(S. B. No. 49—Pendray.)

INVESTMENT OF UNIVERSITY AND SCHOOL LAND FUNDS

An Act to Amend and Re-enact Section 287 of the Compiled Laws of North Dakota for the Year 1913 as Amended by Chapter 241 of the Session Laws of the State of North Dakota for the Year 1915, and as Amended by Chapter 204, Session Laws of the State of North Dakota for the Year 1917, Relating to the Investment of University and School Land Funds.

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

Sec. 1. AMENDMENT.) Section 287 of the Compiled Laws of the State of North Dakota for the year 1913, as amended by Chapter 241 of the Session Laws of the State of North Dakota for the year 1915, and as amended by Chapter 204, Session Laws of the State of North Dakota for the year 1917, is hereby amended and re-enacted to read as follows:

Sec. 287. BOARD INVESTS FUNDS. COMPENSATION OF BOARD. CONDITIONS OF LOANS.) Said Board shall have power, and it is made its duty from time to time to invest any money belonging to the permanent funds of the common schools, University, School of Mines, Reform School, Agricultural College and the School for the Deaf and Dumb, Normal Schools, and other permanent funds derived from the sale of public lands or from any other source in bonds of school corporations or of counties, or of townships, or of municipalities within the State, bonds issued for the construction of drains under the authority of law within the State, bonds of the United States, bonds of the State of North Dakota, bonds of other states; provided, such states have never repudiated any of their indebtedness, or in first mortgages on farm lands in this State, not exceeding in amount one-third of the actual value of any subdivision on which the same may be loaned, such value to be determined by the Board of Appraisal of School Lands; provided, that at least one-third of the whole amount of the several permanent funds aforesaid as computed by the Commissioner of University and School Lands at the end of each fiscal year, shall be invested in first mortgages on cultivated farm lands in this State, if there is a sufficient demand for investment in such loans; provided further, that for said services as such Board of Appraisal the County Auditor and County

Superintendent of Schools shall receive only the necessary traveling expenses, but that the Chairman of the Board of County Commissioners shall be entitled to the same mileage and per diem as when serving on the Board of County Commissioners. The first mortgages on farm lands in this State shall be made only in the manner following, to-wit:

1. The first mortgage on farm lands and each of them, shall run for a period of time not to exceed twelve years, and the funds so invested shall bear interest at the rate of five per cent per annum, payable annually to the County Treasurer of the County in which such lands are located. The borrower shall have his option of paying ten per cent or any multiple thereof of the principal at any interest bearing date, and the interest when paid shall be converted into and become a part of the interest and income fund.
2. First mortgage loans shall only be made upon cultivated land within the State and to persons who are actual residents thereof, and in no case on lands of which the appraised value is less than ten dollars per acre, and in sums not more than five thousand dollars to any person, firm or corporation.
3. Any or all of said mortgages may be satisfied at any interest paying date on payment of the whole amount due thereon. All proceedings in regard to investments in first mortgages as provided in this Chapter shall conform to and be governed by the laws of the State of North Dakota in such case made and provided. Said Board of University and School Lands shall not purchase or approve the purchase of any bonds or mortgages except at a legal session thereof, nor unless every member of the Board is notified by the secretary of said Board in time to be present at such meeting, and notified also that the question of purchasing or acting on a proposition for the purchase of certain bonds or mortgages is to be considered at the meeting, nor unless a majority of all the members vote in favor of such purchase, and the vote on the purchase of every bond and mortgage shall be taken by the yeas and nays and shall be duly recorded in the books of the Board.
4. PROCEDURE IN NEGOTIATING AND COMPLETING A LOAN.) The borrower shall submit to the State Land Commissioner an application stating the amount he wishes to borrow and giving other information as to the land and character thereof on a blank, prepared and furnished by the Land Commissioner, together with an appraisal of the land signed by at least two members of the County Board of Appraisal and other information which may be required by the Land Commissioner to be furnished by said Board. Such application and appraisal shall be presented to the Board of University and School Lands at their next meeting for consideration. Immediately after a loan is authorized the Land Commissioner shall notify the applicant in writing,

stating the amount that will be loaned. If the amount is satisfactory to the applicant he shall present to the Attorney General of the State an abstract continued to date.

The Attorney General shall carefully examine the same and ascertain the amount necessary to release each encumbrance, if any. The applicant shall also execute and deliver to the Attorney General a mortgage and note executed by the owner of said premises, by wife or husband or both as the case may be, with the State of North Dakota as mortgagee. The mortgage shall be recorded and abstract continued to date subsequent. The Attorney General shall then certify in duplicate to the Land Commissioner and State Auditor as to the condition of the title and as to the amount or amounts necessary to release each encumbrance and deliver the certificates, abstract, mortgage and note to the State Auditor. If the Attorney General finds the title satisfactory and that the encumbrances do not exceed the amount of the loan, he shall place the certificate and abstract before the State Auditor, who shall draw his warrant in favor of the County Treasurer of the county in which the loan is made for the amount of the loan. The County Treasurer shall obtain and file with the proper county officer the releases necessary to release the land from all encumbrances, as stated in the certificate. The County Treasurer shall also ascertain the amount of the unpaid recording, appraisal and abstract fees in connection with the loan, and file a statement of such fees with the State Land Commissioner. The County Treasurer shall then draw checks disbursing the proceeds of the loan in the following manner:

First: To each of the parties holding an encumbrance against the property, if any, the amount thereof;

Second: The balance to the applicant, and shall cause all releases to be recorded and continued on the abstract and forward to the State Land Commissioner, the abstract and all other instruments in connection with the loan.

Approved February 25, 1919.

SCHOOLS

CHAPTER 199.

(S. B. No. 142—Mortenson.)

CONSOLIDATION OF SCHOOLS.

An Act to Amend and Re-enact Section 1190 of the Compiled Laws of North Dakota for the Year 1913, as Amended by Chapter 127 of the Session Laws of 1915, Relating to the Consolidation of Schools.

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

Sec. 1. AMENDMENTS.) That Section 1190 of the Compiled Laws of North Dakota for the year 1913, as amended by Chap-