

State, except those of state owned utilities, enterprises and business projects, and such others as are now specifically excepted by law. Each and every claim, account, bill or demand against the state, paid by the State Auditor, shall bear the approval of the State Auditing Board, and the State Examiner shall hold the State Auditor personally responsible for the sum of any or all bills paid by the State Auditor which do not bear the approval of the State Auditing Board. The State Auditing Board may in its discretion require the filing of any additional information which it may deem necessary to the proper understanding and audit of any claim, account, bill or demand against the State, and may require the filing of a sworn statement in such form as it may prescribe.

Approved 11:45 A. M., Dec. 10, 1919.

BANKS

CHAPTER 22.

[S. B. No. 19—Welford.]

DEPOSITS EXEMPT FROM INCOME TAX.

An Act Providing for the Exemption From Taxation of the Income From Moneys Deposited in Any Bank or Other Financial Institution Within the State.

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

§ 1. All income derived from moneys deposited in any bank or other financial institution within the state is hereby exempted from taxation under the provisions of Chapter 234 (224), Laws of North Dakota, 1919.

§ 2. All Acts or parts of Acts, insofar as inconsistent with the provisions of this Act, are hereby repealed.

§ 3. 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 2:15 P. M., Dec. 11, 1919.

CHAPTER 23.

[H. B. No. 10—Bailey.]

LEGAL RESERVE.

An Act to Amend and Re-enact Section 5170 of the Compiled Laws, State of North Dakota, for the Year 1913, as Amended by Chapter 58 of the

Session Laws of 1915, Relating to the Legal Reserve Fund of Banking Corporations and Associations.

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

§ 1. That Section 5170 of the Compiled Laws of the State of North Dakota for the year 1913, as amended by Chapter 58 of the Session Laws of 1915, is hereby amended and re-enacted to read as follows:

§ 5170 as amended. AMENDMENT. RESERVE FUND.] Each corporation or association shall at all times have on hand in available funds an amount which shall equal 10 per cent of its demand deposits and amounts due to other banks and 7 per cent of its time deposits; three-fifths of this amount may consist of balances due to the corporation or association from the Bank of North Dakota, or good solvent state or national banks or trust companies, which carry sufficient reserve to entitle them to act as such depository banks, and are located in such commercial centers as will facilitate the purposes of banking exchanges, and which depository bank shall have been first approved by the State Banking Board, and the remaining two-fifths of such reserve shall consist of actual cash on hand; cash items shall not be included in computing reserve, and no corporation or association shall carry as cash or cash items, any paper or other matter except legitimate bank exchange, which will be cleared on the same or next succeeding day. Whenever the available funds, within the meaning of this Section, shall be below ten per cent of its demand deposits and amounts due to other banks, and seven per cent of its time deposits, such corporation or association shall not increase its liabilities by making any new loans or discounts other than by discounting or purchasing bills of exchange, payable at sight, nor make any dividend of its profits, until the required proportion between the aggregate amount of the deposits and its lawful money reserve has been restored; and the State Banking Board must notify any corporation or association whose lawful money reserve shall be below the amount required to be kept on hand, to make good such reserve, and if such corporation or association shall fail to do so for a period of thirty days after such notice, the State Banking Board may impose a penalty of not less than one hundred dollars or more than five hundred dollars, which shall be collected in the same manner as other penalties prescribed in this Chapter.

Approved 8:00 p. m. December 11, 1919.