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BONDS

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## CHAPTER 24.

[S. B. No. 44—McCarten.]

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HOME BUILDING SERIES.

An Act Providing for the Issuing of Bonds of the State of North Dakota in a Sum Not Exceeding Two Million Dollars to Be Known as "Bonds of North Dakota, Home Building Series"; Prescribing the Terms and Stating the Purposes Thereof; Providing for a Tax and Making 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:*

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

§ 2. Whenever mortgages authorized by Chapter 150, Laws of North Dakota for 1919 shall be held by the Home Building Association securing a total amount of unpaid purchase money obligations in the sum of at least \$25,00.00, the Industrial Commission, subject, however, to the limitation expressed in Section 12 of said Act, as amended at the Special Session of 1919, may cause such mortgages, or such of them as it shall think proper, but not less than the total amount of \$25,000.00 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 Association 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, Home Building 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 Association shall deliver to the State Treasurer a verified statement showing the amount remaining unpaid on each obligation secured by the mortgages so assigned and delivered. In like manner and with like purpose and effect, whenever sale contracts as provided in Section 12, Chapter 150 of the Laws of North Dakota for 1919, as amended at the Special Session of 1919, shall have been made and shall be held by the Home Building Association such that the payments thereon to be

made to the Home Building Association aggregate not less than \$25,000.00, the Industrial Commission may cause the interest of the state in said contracts and in the payments therein contemplated and in the lands therein described to be assigned and conveyed to the State Treasurer.

§ 3. As soon as the State Treasurer shall receive any instruments delivered in pursuance of Section 2 above, 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 aggregate amount of the outstanding obligations secured by said mortgages and of the payments to be made under said sale contracts 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 assets of the Home Building Association of North Dakota deposited with the State Treasurer of North Dakota in pursuance of the provisions of this Act, which may be cited as the "Home Building 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 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, Home Building Series."

§ 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 term 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.

§ 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 fund for the Home Building Association of North Dakota, thus replacing in said Association the funds employed by it from time to time in conducting the enterprise and business established and directed by said Home Building Act.

§ 6. 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 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 interest 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 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.

§ 7. After such assignment of any mortgage, and the obligation thereby secured or of any sale contract, as above provided all payments accruing thereon shall be made to the State Treasurer. He shall hold and use said mortgages, obligations and contracts and the moneys paid thereon, and the interest of the State therein and in the lands thereby affected, in trust, first for the security and payment of the bonds to be issued as herein provided, and second, for redelivery to the Association 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 "Home Building Bond Payment Fund," apart from all other funds in his possession. He shall also keep in said funds, 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 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.

§ 8. 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 Home Building 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 Home Building 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.

§ 9. If the obligation evidenced by any such mortgage or contract so assigned to the State Treasurer shall not be performed according to its terms by the party obligated to make such payments, or if any condition expressed in any such mortgage or contract shall not be duly performed and kept by such party according to its terms, the State Treasurer shall proceed to exercise the rights conferred upon him as the assignee of said mortgage or contract through the enforcement of its terms, by foreclosure or otherwise, for realizing upon or protecting the security afforded by said mortgage or for collecting the amount of the obligation thereby secured or for repossessing the state of the lands affected by such contract, or otherwise protecting and enforcing the rights of the state therein. If in so doing it shall become necessary for the State Treasurer to purchase the property mortgaged, or to repossess the lands affected, 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 lands shall be perfected in any State Treasurer by virtue of such proceedings, he shall apply to the District Court of the county in which such lands are situated for directions 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 Home Building Bond Payment Fund.

§ 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, or if any such sale contract

shall have been fully performed by the buyer, the State Treasurer shall immediately so certify to the manager of the Association. The State Treasurer shall also give information to the Association 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.

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

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

§ 13. If at the time of the annual meeting of the State Board of Equalization, the moneys in the Home Building 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 judgment shall be necessary to meet the indicated deficiency, and the proceeds of such tax shall be placed by the State Treasurer in said fund.

§ 14. Whenever it shall appear that there are, in said Home Building Bond Payment Fund, funds which, with the mortgage securities and contracts, 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 Home Building Association, if so directed by the Industrial Commission.

§ 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 Two Million Dollars.

§ 16. There is hereby appropriated out of the general funds of the State, not otherwise appropriated, five thousand dollars, or as much thereof as may be necessary, to carry out the provisions of this Act.

Approved 9:10 p. m. December 11, 1919.

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## COMMISSIONER OF NOXIOUS WEEDS

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### CHAPTER 25.

[S. B. No. 16—Hemmingson.]

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#### COMMISSIONER OF NOXIOUS WEEDS.

An Act to Amend and Re-enact Sections 625 and 626 of the Compiled Laws of North Dakota for the Year 1913; and to Amend and Re-enact Sections 624 and 627 of the Compiled Laws of North Dakota for the Year 1913, as Amended and Re-enacted by Chapter 252 of the Session Laws of North Dakota for the Year 1917.

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

§ 1. That Section 625 of the Compiled Laws of North Dakota for the year 1913 is hereby amended and re-enacted to read as follows:

§ 625. The Commissioner of Noxious Weeds shall diligently examine and investigate into the existence and introduction of sow thistles in his district and if any of such noxious weeds are found growing therein he shall take charge of all such as are growing upon highways and upon cultivated lands and prevent the same from going to seed, or otherwise spreading, and it shall be his duty to investigate and ascertain the best practicable methods for their destruction and he shall persistently apply at proper times such remedy or treatment as he shall deem best suited to prevent their spread and to eradicate the same, and he shall serve upon all persons, partnerships, firms, corporations and associations owning or controlling any lands where such noxious weeds are growing, written notice to destroy the same within a time specified in said notice; and, upon their failure to do so, he may enter upon any such lands for the purpose of destroying any sow thistles growing thereon.

§ 2. That Section 626 of the Compiled Laws of North Dakota for the year 1913 is hereby amended and re-enacted to read as follows: