

and other officials who are authorized to incur liabilities payable by the municipality may incur liability at a rate of expenditure not in excess of that authorized for the same purpose of the preceding year. Payments therefor may be made from any unappropriated balance in the treasury to be charged to the regular annual appropriation when made. No new or unusual expense shall be incurred or permanent contract made or salary increased until an appropriation therefor has been made by the council of the municipality.

§ 13. At the end of the fiscal year on June 30, the balance to the credit of each annual appropriation shall become a part of the general unappropriated balance in the municipal treasury, but no special appropriation shall lapse until the work for which it was made has been completed, the bills paid, and the accounts closed.

§ 14. All acts and parts of acts in conflict with this act are hereby repealed.

Approved March 6, 1925.

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## NEGOTIABLE INSTRUMENTS

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### CHAPTER 170

(S. B. No. 115—Page and Fleckten.)

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#### COLLECTION OF NEGOTIABLE INSTRUMENTS

An Act Relating to the Collection of Checks, Drafts, Notes or Other Negotiable Instruments by Banks or Trust Companies.

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

§ 1. Any bank, banker or trust company, hereinafter called bank, organized under the laws of, or doing business in, this State, receiving for collection, or deposit, any check, draft, note or other negotiable instrument drawn upon or payable at any other bank located in another city or town whether within or without this State, may forward such instrument for collection directly to the bank on which it is drawn or at which it is made payable, and such method of forwarding direct to the payer shall be deemed due diligence, and the failure of such payer bank, because of its insolvency or other default, to account for the proceeds thereof, shall not render the forwarding bank liable therefor, provided, however, that such forwarding bank shall have used due diligence in other respects in connection with the collection of such instrument.

§ 2. All Acts and parts of Acts in conflict herewith are hereby repealed.

§ 3. EMERGENCY.] Whereas there is now no relief provided by law, this Act is hereby declared an emergency measure and shall become and be in effect and in force immediately upon its passage and approval by the Governor.

Approved March 6, 1925.

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## CHAPTER 171

(S. B. No. 95—Lynch.)

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### RENEWAL NOTES

An Act To Amend and Re-enact Chapter 91 of the Session Laws of 1921 of the State of North Dakota relating to the taking of promissory notes in renewal of notes already held by banks, other corporations or individuals and affecting their legality.

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

§ 1. AMENDMENT.] Chapter 91 of the Laws of North Dakota for the year 1921 is hereby amended and re-enacted to read as follows:

§ 2. That it shall be illegal hereafter for any person or corporation, State or National Bank, doing business in the State of North Dakota, to take from any debtor or other person obligated upon a promissory note, any renewal note, therefor without returning the promissory note renewed unless there be written or printed across the renewed note the words "Renewed note" or words of like import and effect.

§ 3. Any note so renewed, whether so marked or not, shall be uncollectable by any person or corporation, unless such person or corporation shall be in possession of and offer to surrender the new note so taken, or shall indemnify the maker thereof, by good and sufficient bond, as in the case of a lost instrument, against liability thereon.

§ 4. All acts or parts of acts in conflict herewith are hereby repealed.

§ 5. Whereas Chapter 91 of the laws of North Dakota for the year 1921 is uncertain and confusing, and doubt is thereby being cast upon the integrity of all promissory notes executed in this state, an emergency is hereby declared to exist and this act shall take effect and be in force from and after its approval.

Approved March 6, 1925.