

§ 24. REPEAL.] All Acts and parts of Acts in conflict herewith are hereby repealed.

§ 25. PROVIDED, HOWEVER, that the provisions of this act shall not be applicable to any trailer or semi-trailer, the value of which is less than Fifty (\$50.00) Dollars.

§ 26. EMERGENCY.] This act is declared to be an emergency measure and shall take effect and be in force from and after its passage and approval.

Approved March 7, 1927.

MUNICIPAL CORPORATIONS

CHAPTER 181 (S. B. No. 192—Schlosser)

DUTIES AND REPORTS CITY AUDITORS

An Act to Amend and Re-enact Sections 3625 and 3626, Compiled Laws of the State of North Dakota for 1913, Relating to the Duties of City Auditors.

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

§ 1. AMENDMENT.] Section 3625 of the Compiled Laws of North Dakota for 1913, is hereby amended and re-enacted to read as follows:

§ 3625. REPORTS.] The city auditor shall report to the city council the receipts and expenses of the municipality for the six months period ending December 31st and for the twelve months period ending June 30th, on or before the tenth day of the following month. Such statement shall also include a statement of the financial condition of all municipal funds as of said dates. Such report shall be kept on file in the office of the city auditor as a permanent public record and a certified copy of such report shall be forwarded to the county auditor and the county treasurer and such certified copies shall be kept on file in said offices and shall be open to public inspection and examination. The city auditor shall make and keep a list of outstanding city bonds, to whom issued, for what purpose, when and where payable, and the rate of interest they respectively bear, and recommend such action to the city council as will secure the punctual payment of the principal and interest of such bonds.

§ 2. AMENDMENT.] Section 3626 of the Compiled Laws of North Dakota for 1913, is hereby amended and re-enacted to read as follows:

§ 3626. GENERAL DUTIES.] He shall countersign all contracts made in behalf of the city, and certificates of work authorized by any committee of the city council, or of any city officer; and each contract made in behalf of the city or to which the city is a party shall be void unless countersigned by the auditor. The city auditor shall keep regular books of account in which he shall enter all indebtedness of the city and which shall at all times show the financial condition of the city; the amount of bonds, orders, certificates or other evidences of indebtedness issued by the city council, the amount of all bonds, orders, certificates or other evidences of indebtedness, which have been redeemed, and the amount of each outstanding. He shall countersign all bonds, orders or other evidence of indebtedness of the city, and keep accurate account thereof stating to whom and for what purpose issued and the amount thereof. He shall keep accounts with all receiving and disbursing officers of the city showing the amount they have received from the different sources of revenue, and the amount which they have disbursed under the direction of the city council. He shall keep a list of all certificates issued for work or any other purpose.

The auditor shall examine all reports, books, papers, vouchers and accounts of the city treasurer and from time to time perform such other duties as the city council may direct. All claims and demands against the city, before they are allowed by the city council, shall be filed with the auditor and shall be audited and adjusted by the proper committee of the city council. The auditor shall keep a record of his acts and doings, and keep a book in which he shall enter all contracts, with an index thereto, which book shall be open to the inspection of all persons interested.

Approved March 3, 1927.

CHAPTER 182

(H. B. No. 318—Rulon by Request)

RESOLUTION DECLARING IMPROVEMENTS BY SPECIAL ASSESSMENTS IN CITIES

An Act to Amend and Re-enact Section 3704 of the Compiled Laws of North Dakota for 1913, as Amended by Chapter 212 of the Session Laws of 1925, Providing for a Resolution Declaring Improvement Work to Be Done by Special Assessments Necessary, and Permitting Protests Against Said Improvements to Be Filed by Property Owners.

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

§ 1. AMENDMENT.] That Section 3704 of the Compiled Laws of North Dakota for 1913 as amended by Chapter 212 of the Session Laws of 1925, be amended and re-enacted to read as follows:

§ 3704. RESOLUTION DECLARING WORK NECESSARY.] After the plans, specifications and estimates mentioned in the preceding section shall have been filed in the office of the city auditor and approved as provided in the preceding section, the city council or city commission shall by resolution declare such work or improvement (except the construction or alterations of sewer and water mains) necessary to be done, such resolution shall refer intelligently to the plans, specifications and estimates therefor, and shall be published twice, once each week for two consecutive weeks in the official newspaper of the city. If the owners of a majority of the property liable to be specially assessed for such proposed improvement shall within thirty days after the first publication of such resolution file with the city auditor a written protest, protesting against such improvement then the city council or city commission shall, at its next meeting after the expiration of the time for filing protests against such improvements, hear and determine the sufficiency of such protests and if after such hearing has been had the city council or city commission shall find such protests to contain the names of the owners of a majority of the property liable to be specially assessed therefor it shall be a bar against proceeding further with such improvement. In case the protests shall be found insufficient or invalid the city council or city commission shall have the power to cause such improvement to be made and to contract therefor and to levy and collect assessments therefor. In case the work to be done consists of paving or repaving, the city council or city commission in its resolution declaring such improvement necessary, shall not determine which kind of paving or paving material shall be adopted; but in the call for bids, bidders shall be invited to submit bids for one or more of the several kinds of paving material for which the city engineer shall have been directed to file plans and specifications. When the bids shall have been opened and made public, they shall be entered on the minutes of the meeting and be carefully preserved by the city auditor, and action on the same shall be deferred for a period of at least five days, and another meeting of the council or commission shall be held at least five days after the opening of the bids for the purpose of considering and acting on the same. Notice of the time and place of such future meeting shall be published by the city auditor at least once in the official newspaper of the city at least five days before the date fixed for such meeting. If, after the opening of the bids and before the meeting of the council or commission to consider the same, the owners of a majority of the property liable to be specially assessed for such paving or repaving, shall file with the city auditor a written petition (which may consist of a single petition or several separate petitions signed by the owners of a majority of the property liable to be specially assessed for such

improvement, or their authorized agents) indicating that such petitioners are agreed in preference for any one kind of paving or paving material for which bids have been invited, then it shall be obligatory upon the city council or city commission to cause the paving or repaving to be constructed of the kind of paving material indicated in such petition.

Approved March 5, 1927.

CHAPTER 183
(H. B. No. 328—Sperry)

SPECIAL ASSESSMENT AND WARRANTS FOR PUBLIC
IMPROVEMENTS

An Act to Amend and Re-enact Section 3711 of the Supplement to the Compiled Laws of 1913, Relating to Special Assessments and the Issuance of Warrants for Public Improvements.

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

§ 1. AMENDMENT.] Section 3711 of the Supplement to the Compiled Laws of North Dakota of 1913, is hereby amended and re-enacted to read as follows:

§ 3711. SPECIAL ASSESSMENT FUNDS. WARRANTS.] All special assessments levied under the provisions of this article shall constitute a fund for the payment of the cost of the improvement for the payment of which they are levied, and shall be diverted to no other purpose, and those for the payment of sewer improvements shall be designated respectively "sewer district No..... fund" and such funds shall be numbered according to the number of sewer district in which it is raised; those collected for the paving improvements shall be designated as "paving district No..... fund" and such fund shall be numbered according to the paving district in which it is raised; and those levied for the payment of water mains shall be known as "water main district No..... fund" and such fund shall be numbered according to the numbers of the water main district in which it is raised; those levied for water works improvements shall be designated as "water works district No..... fund" and such fund shall be numbered according to the number of the water works district; and those levied for the payment of grading, curbing, graveling, macadamizing or guttering of any street, highway, alley, lane or public place in such city, or of planting trees, constructing grass plots or sowing grass seed thereon, or of maintaining and preserving any one or more of such improvements shall be known as "improvement district No..... fund."

and such fund shall be numbered according to the number of the improvement district in which it is raised; and in anticipation of the levy and collection of such special assessments, the city may, at any time after making of a contract for any such improvements, issue warrants, on such fund, payable at specified times; (provided, that the first maturity of said warrants, or any of them shall not be less than two years from the date of issue) and said warrants shall be issued in such amounts as, in the judgment of the city council, the taxes and assessments will provide for, which warrants shall bear interest at the rate of not to exceed seven per cent per annum, payable annually or semi-annually, and may have coupons attached representing each year's or half year's interest, provided that special assessments levied for maintaining grass plots or trees, parking or other improvements for the beautifying of the city streets, shall be payable in a single amount. Such warrants shall state upon their face for what purpose they were issued, and the fund from which they are payable, and shall be signed by the mayor and countersigned by the city auditor, under the seal of the city, and be in denominations of not more than one thousand dollars each. Such warrants may be used in making payments on contracts for making such improvements or may be sold for cash, at not less than the par value thereof, and the proceeds thereof credited to such fund, and used for paying such improvements. It shall be the duty of the city treasurer to pay such warrants and interest coupons as they mature and are presented for payment out of the district funds on which they are drawn, and to cancel the same when paid.

Approved March 3, 1927.

CHAPTER 184
(S. B. No. 206—Erickson)

SPECIAL ASSESSMENTS WATER WORKS DISTRICTS

An Act to Validate and Legalize Certain Acts of Certain City Officials in Respect to Special Assessment Water Works Districts and to Prescribe the Procedure to Be Taken in Respect to Assessments Therein and the Issuance of Warrants.

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

§ 1. In all cases where the city councils of cities of this state have heretofore created, or attempted to create a special assessment water works and water main district, which district, by the terms of the ordinance purporting to create it, includes two separate portions of such city which are not contiguous, and a single contract for the construction of water mains and appurtenances in said areas has been let and the work under said contract substantially or entirely performed by the contractor, the action of such city councils in respect

thereto is hereby validated and legalized as fully as though such areas were contiguous and constituted a single district in fact, and such districts and contracts are hereby declared legal and valid.

§ 2. The engineer employed by such city in charge of said improvement, or any other competent engineer designated by the city council, shall, with the assistance of the city auditor, calculate, or estimate as nearly as may be, the relative portion of the entire cost of said improvement applicable to said respective separate areas. When such calculation or estimate has been filed in the office of the city auditor he shall certify a copy thereof to the Special Assessment Commission of such city in the manner prescribed by Section 3725 of the Political Code of the State of North Dakota, 1913, and thereupon the assessments for the cost of said improvement shall be made and collected in the same manner as for other special assessment districts, except that the total assessments in each of said areas shall not exceed the portion of cost applicable thereto as shown by such engineer's and auditor's calculation or estimate. Upon the completion thereof the city council may issue the warrants of such city drawn on the fund of such district in the manner authorized by Article 20 of Chapter 44 of said Political Code, as amended.

§ 3. This act shall not apply to, nor shall anything contained therein affect, any special assessment district, contract or warrant, the validity of which is questioned in any litigation now pending in any court in this state.

Approved March 3, 1927.

CHAPTER 185

(H. B. No. 319—Rulon by Request)

SPECIAL ASSESSMENTS FOR CONSTRUCTION OF SEWER AND WATER CONNECTIONS

An Act Providing for Special Assessments for the Construction of Sewer and Water Connections, and Providing for a Special Assessment Fund for that Purpose.

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

§ 1. All money collected from special assessments for laying and constructing sewer, water and other connections provided for in Section 3740 of the Compiled Laws of North Dakota for 1913, as amended by Chapter 71 of the Laws of 1925, shall be kept in a fund called Sewer and Water Connections Special Assessment Fund and warrants shall be drawn on such funds for the payment of the cost of all such connections and for nothing else. All such special

assessments for sewer, water, and other connections, shall be paid in equal payments extending over a period of from one to five years, at the option of the City Commission or the City Council for the cost thereof, and the City Auditor shall so certify up to the County Treasurer for collection such assessments as required by the City Engineer and filed in his office with the taxes against the lot or parcel of land so assessed, in the same manner as is provided in the case of other special assessments for improvements made by the City.

§ 2. All Acts and parts of acts in conflict with the provisions of this act are hereby repealed.

Approved March 3, 1927.

CHAPTER 186

(H. B. No. 321—Rulon by Request)

ADVERTISING FOR BIDS FOR SPECIAL IMPROVEMENTS IN CITIES

An Act to Amend and Re-enact Section 3705 of the Compiled Laws of North Dakota for 1913, Relating to the Advertising for Bids for Special Improvements.

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

§ 1. AMENDMENT.] That Section 3705 of the Compiled Laws of North Dakota for 1913 be amended and re-enacted to read as follows:

§ 3705. DUTY OF COUNCIL.] The City Council shall then cause proposals for said work to be advertised for in the official paper of such city twice, once in each week for two consecutive weeks, which advertisement may be published at the same time as the Resolution of necessity and which advertisement shall specify the work to be done according to the plans and specifications therefor on file in the auditor's office and shall call for bids therefor upon a basis of cash payment for said work, and state the time within which such bids will be received, and within which such work is to be completed. The City Council may also require bidders to state the rate of interest the warrants shall bear (not exceeding seven per cent per annum) which are to be received and accepted by them at par in payment for such work. In case of pavement such proposals may call for bids for one or more kinds of pavement. Bids for such work shall be forwarded to the city auditor of such city securely sealed so as to prevent their being opened without detection, and shall have indorsed upon the outside thereof a statement of what work such proposals are for. Such bids shall be opened by

the city council at the expiration of the time limited in said advertisement for receiving the same, which shall be not less than fifteen days after the first publication of said advertisement, or at such other time as the city council may appoint therefor, and if accompanied by a check and bond hereinafter provided for shall be considered, and if not accompanied by such check and bond shall be rejected.

Approved March 3, 1927.

CHAPTER 187
(H. B. No. 4—Trubshaw)

DEFINITIONS CITY BUDGET

An Act to Amend and Re-enact Section 3684a2 of the Supplement to the Compiled Laws of North Dakota for the Year 1913.

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

§ 1. AMENDMENT.] That Section 3684a2 of the Supplement to the Compiled Laws for the year 1913 be amended and re-enacted to read as follows:

§ 3684a2. The word "council" as used in this act shall be construed to mean the city council, board of trustees, park commission, commission, manager, or other governing body of any city, town, village or park district in the state; and the word "municipality" shall be construed to mean any city, town, village or park district in the state.

Approved February 1, 1927.

CHAPTER 188
(S. B. No. 191—Schlosser)

FISCAL YEAR APPROPRIATION AND TAX LEVY FOR GENERAL
EXPENSES OF CITIES

An Act to Amend and Re-enact Sections 3676, 3677 and 3680 of the Compiled Laws of the State of North Dakota for 1913, Relating to Finances of Cities Organized Under the General Laws of the State.

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

§ 1. AMENDMENT.] Section 3676 of the Compiled Laws of North Dakota for 1913, is hereby amended and re-enacted to read as follows:

§ 3676. FISCAL YEAR.] The fiscal year of each city organized under the general laws of this state shall commence on the first day of July of each year and terminate on the thirtieth day of June of the next year.

§ 2. AMENDMENT.] Section 3677 of the Compiled Laws of North Dakota for 1913, is hereby amended and re-enacted to read as follows:

§ 3677. APPROPRIATION FOR GENERAL EXPENSES, HOW MADE.] The city Council shall, at its regular budget meeting on the fourth Wednesday of July, or within ten days thereafter, pass an ordinance to be termed the annual appropriation bill, in which it may appropriate such sums of money as may have been determined to be necessary at such budget meeting to meet the expenses and liabilities of such corporation, during the ensuing fiscal year. Such ordinance shall specify the purpose for which such appropriations are made and the amount appropriated for each purpose.

§ 3. AMENDMENT.] Section 3680 of the Compiled Laws of North Dakota for 1913, is hereby amended and re-enacted to read as follows:

§ 3680. TAX LEVY, HOW AND WHEN MADE.] The city council shall at its budget meeting on the fourth Wednesday of July or within ten days thereafter, levy a tax sufficient to meet the expenses of the current fiscal year as determined upon at such budget meeting, and not exceeding in the aggregate such amount as may be raised under the limitations prescribed by Sections 2163a1 to 2163a10 of the Supplement to the Compiled Laws of 1913 or acts amendatory thereof.

The city auditor shall forthwith certify such levy to the county auditor of the county in which such city is situated. Such levy shall be made in specific amounts, and the county auditor of such county shall extend the same upon the tax lists of the county for the current year, in the same manner and with the same effect as other taxes are extended. The levy herein provided for may be made at the same meeting at which the annual appropriation bill is finally passed, and the provisions of law fixing the time at or within which any act or proceeding in the assessment or levy of any taxes shall be done or taken, shall be deemed and held to be directory and not mandatory.

Approved March 5, 1927.

CHAPTER 189
(S. B. No. 183—Schlosser)

NOTICE, MEETING AND TAX LEVY CITY BUDGET

An Act to Amend and Re-enact Sections 3684a6, 3684a7 and 3684a8, of the Supplement to the Compiled Laws of North Dakota for 1913, Relating to the Finances of Cities, Towns and Villages, (said sections constituting a part of what is known as the city budget law); Repealing Sections 4038, 4039, 4040, 4041 and 4045, Compiled Laws of 1913.

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

§ 1. AMENDMENT.] Section 3684a6 of the Supplement to the Compiled Laws of North Dakota for 1913, is hereby amended and re-enacted to read as follows:

§ 3684a6. NOTICE AS TO PRELIMINARY BUDGET STATEMENT.] As soon as the council has prepared such preliminary budget statement, the clerk or auditor of the municipality shall give notice either by publication or by posting as is hereinafter provided; that the preliminary budget is on file with him and that such budget statement may be examined by anyone applying therefor; that the council will meet on the fourth Wednesday in July (naming the time and place of holding such meeting) for the purpose of adopting the final budget and making the annual tax levy; and that the council will hold a public session at such time and place, at which any taxpayer may appear and discuss with the council any item of proposed expenditures or object to any such item or the amount thereof. Such published or posted notices shall also contain a statement of the total proposed expenditures under each group provided for in the preceding section and of the total proposed expenditures under all groups, but need not contain any detailed statement of proposed expenditures. Such notice shall be published at least once not less than six days prior to the budget hearing in a newspaper published in the municipality if there be one. If there be no newspaper published in the municipality, then such notice shall be posted not less than six days prior to such meeting in five public places in such municipality.

The clerk or auditor of the municipality shall also, not later than July 20th, mail a copy of the preliminary budget statement to the auditor of the county in which his municipality lies, which copy shall remain on file in the office of the county auditor available to public inspection.

§ 2. AMENDMENT.] Section 3684a7 of the Supplement to the Compiled Laws of North Dakota for 1913, is hereby amended and re-enacted to read as follows:

§ 3684a7. MEETING OF COUNCIL; CHANGES IN STATEMENT; FINAL BUDGET; CONTENTS.] The council shall meet at the time and place specified in such notice and shall hear any and all protests or objections to the items or amounts set forth in the preliminary budget statement. At such hearing the council shall make any changes it may deem advisable in the items or amounts shown on the preliminary budget statement, except as herein limited; and shall prepare the final budget which shall consist of the preliminary budget to which shall be added further columns showing:

(1) The final appropriations made on account of the various items of expenditures hereinbefore specified, which shall not as to any group total, exceed the amount specified in the preliminary budget estimate; (2) The amount of unencumbered cash on hand; (3) The amount of uncollected taxes standing to the credit of the municipality, which in the opinion of the board may be collected during the ensuing fiscal year; (4) The estimated income that may be received during the ensuing year from sources other than direct property taxes; (5) The net amount which it will be necessary to raise by taxation to meet said appropriations; (6) The amount of levy estimated to be necessary to provide such net amount of revenue during the fiscal year.

§ 3. AMENDMENT.] Section 3684a8 of the Supplement to the Compiled Laws of North Dakota for 1913, is hereby amended and re-enacted to read as follows:

§ 3684a8. TAX LEVY; AMOUNT; DETERMINATION OF.] Having completed the final budget, the council shall proceed to make the annual tax levy. In making determination of the amount required to be levied, the board shall first determine its net current resources by adding together—(1) the amount of unencumbered cash on hand; (2) the amount of uncollected taxes standing to the credit of the district, which in the opinion of the board will be collected during the ensuing fiscal year; (3) the estimated income that may be received during the ensuing year from sources other than direct property taxes. Such total amount shall be considered Net Current Resources of the district. The Net Current Resources shall be deducted from the total amount appropriated and the balance shall be considered the amount which is required to be raised by taxation during the ensuing year. The net amount which is to be levied shall then be determined upon by taking into consideration the fact that the statutes provide for the semi-annual payment of real estate taxes and that consequently, only a part of the amount levied can be collected within the current fiscal year. The determination of how much of the levy can be collected within the current fiscal year shall be made by the council based upon the past experience of the district. The levy as finally fixed must be adopted by a majority vote of the members of the council. The amount

levied shall be subject to such limitations as are now or may be hereafter prescribed by statute and shall be subject to the further limitation that it shall not exceed such amount as will produce the required funds within the fiscal year period for which the levy is being made. As soon as the annual tax levy has been adopted by the council, the city auditor or the village clerk shall immediately thereafter send a certified copy of the levy as adopted and a certified copy of the final budget to the county auditor. As soon as the county auditor has available the data showing the total assessed valuation of said municipality, he shall proceed to calculate the necessary tax rates to produce the sums called for in said final budget; provided, however, that if the county auditor shall find that any amount or amounts called for in the levy cannot be produced by a tax rate which is within the limit prescribed by Chapter 318, Laws of North Dakota for the year 1923, or acts amendatory thereof, said auditor shall reduce the amount so that it can be produced by a tax rate which is within legal limits; and said auditor shall at once notify the council of the reductions so made by him.

§ 4. REPEAL.] Sections 4038, 4039, 4040, 4041 and 4045 of the Compiled Laws of North Dakota for 1913 and all other acts or parts of acts in conflict with the provisions of this act are hereby repealed.

Approved March 3, 1927.

CHAPTER 190

(H. B. No. 194—Fowler)

VACATION OF STREETS, ALLEYS AND PUBLIC GROUNDS

An Act to Amend and Re-enact Section 3688, Compiled Laws of North Dakota, 1913, Relating to Vacation of Streets, Alleys and Public Grounds in Cities.

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

§ 1. AMENDMENT.] That Section 3688 Compiled Laws of North Dakota, 1913, is hereby amended and re-enacted so as to read as follows:

No public grounds, streets or alleys, or parts thereof, over, under or through which shall have been constructed, lengthwise, sewers or water mains of the city or water-mains, gas or other pipes or telephone or telegraph lines by the city's grantees of the right of way therefor shall be vacated unless such sewers or water-mains have been abandoned and are not in use, or unless such grantee shall consent thereto, and no other public grounds, streets or alleys, or parts thereof, within the city shall be vacated or discontinued by

the City Council except on a petition signed by all of the owners of property adjoining the plat to be vacated. Such petition shall set forth the facts and reasons for such vacation, accompanied by a plat of such public grounds, streets or alleys proposed to be vacated, and shall be verified by the oath of at least one petitioner. The city council shall thereupon, if they deem it expedient that the matter should be proceeded with, order the petition to be filed with the city auditor, who shall give notice of publication in the official newspaper of the city for four weeks, at least once in each week, to the effect that such petition has been filed as aforesaid, and stating in brief its object, and that said petition will be heard and considered by the council, or a committee thereof, on a certain day therein specified, not less than thirty days after the first publication of such notice. The City council, or such committee as may be appointed by it for the purpose, at the time and place appointed, shall investigate and consider the matter, and shall hear the testimony and evidence of persons interested. The city council thereupon after hearing the same, or upon the report of such committee favoring the granting of such petition, may, by resolution passed by a two-thirds vote of all of the members elect, declare such public grounds, streets or alleys or highways, vacated upon such terms and conditions as it shall deem just and reasonable; which resolution, before the same shall go into effect, shall be published as in the case of ordinances, and thereupon a transcript of such resolution, duly certified by the city auditor, shall be filed for record and duly recorded in the office of the register of deeds of the county, and shall have the effect to convey to the abutting property owners, all of the right, title and interest of the city to the property so vacated. Any person aggrieved thereby may, within twenty days after publication of such resolution, appeal to the district court of the county, under the same regulations as in the case of opening streets and alleys, and the judgment of the court therein shall be final. All expenses incurred in vacating any such public grounds, streets or alleys must be paid by the petitioners, who shall deposit with the city treasurer, such sum as may be necessary therefor, before any such expense is incurred, and the amount so to be deposited shall be determined by the city council, and any part thereof not used for such expenses shall be returned.

Approved, March 3, 1927.

CHAPTER 191
(S. B. No. 182—Schlosser)

ADDITIONAL DUTIES OF AUDITOR OF CITY UNDER
COMMISSION SYSTEM

An Act to Amend and Re-enact Section 3812 of the Compiled Laws of the State of North Dakota for 1913, Relating to Additional Duties of City Auditors Under the Commission System of Government.

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

§ 1. AMENDMENT.] Section 3812 of the Compiled Laws of North Dakota for 1913, is hereby amended and re-enacted to read as follows:

§ 3812. ADDITIONAL DUTIES OF AUDITOR.] The auditor shall, on or before the tenth day of July of each year, file with the president of the board a detailed statement of the expenses of the city and the wards thereof during the last fiscal year, and such statement shall also contain an estimate of the expenses of the ensuing fiscal year and the income for that year from sources other than taxes.

He shall countersign all contracts made with the city if the necessary funds shall have been provided to pay the liability that may be incurred thereunder and no such contract shall be valid until so countersigned. He shall make a list of all certificates for the payment of which special taxes are to be levied in each year in time for the same to be inserted in the tax roll in the form of a schedule of special taxes, and certify the correctness of the same, and such certified schedule shall be prima facie evidence of the legality and regularity of the taxes levied in pursuance thereof; but no irregularity in the making of such lists shall invalidate any such special tax. He shall report monthly, in writing, to the board of city commissioners, the condition of the several funds of the city and of the condition of all outstanding contracts and claims which may be payable out of such fund. He shall examine and countersign all city orders before the same shall be valid, but shall not countersign any order before the money is in the treasury to pay the same. He shall examine all claims presented against the city, whether founded on contract or otherwise and determine as to each whether it is properly itemized and sworn to; if on contract, whether the items charged are correct, whether such claim was incurred by proper authority and generally determine its correctness. For the above purposes he may swear witnesses to take testimony. If he does not find any objection to any claim, he shall mark his approval thereon, if he disapproves or approves in part or disapproves in part, he shall report to the board of city commissioners his reasons therefor and in all cases shall report the evidence taken by him. No claim shall be considered by the board of city commissioners until it shall have been

thus examined and reported on by the auditor. He shall examine each month the treasurer's accounts as reported and kept by him and report as to the correctness of the same, and also any violation by the treasurer of his duties in the manner of keeping his accounts or disbursing moneys. The auditor shall perform the duties of a member of the board of public works and such other duties as are required of him under the provisions of this chapter or by the board of city commissioners. In case the office of auditor is dispensed with, the duties pertaining thereunto shall be discharged by such officer or officers or board as the board of city commissioners shall designate by resolution or ordinance.

Approved March 3, 1927.

CHAPTER 192

(S. B. No. 190—Schlosser)

EXECUTIVE OFFICERS AND FINANCIAL STATEMENTS—CITIES UNDER COMMISSION FORM

An Act to Amend and Re-enact Section 3795 of the Compiled Laws of the State of North Dakota for 1913, Relating to Executive Officers and Financial Statements of Cities Organized Under the Commission System of Government.

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

§ I. AMENDMENT.] Section 3795 of the Compiled Laws of North Dakota for 1913, is hereby amended and re-enacted to read as follows:

§ 3795. EXECUTIVE OFFICERS, FINANCIAL STATEMENT, FILED.] The president of said board of commissioners shall be the executive officer of said city and shall see that all the laws thereof are enforced. The commissioner named at the head of each department shall audit all accounts against it, but before payment, they shall be acted upon and approved by at least three members of said Board of Commissioners. Said board shall require a statement to be filed in the office of the city auditor, quarterly, in July, October, January and April of each year, showing a full, clear and complete statement of all the taxes and other revenues collected and expended for the preceding three months, indicating the respective sources from which the moneys are derived, and also the disposition made thereof. All legislative sessions of said board, whether regular or called, shall be open to the public.

Approved, March 3, 1927.

CHAPTER 193
(H. B. No. 264—Jardine)

PURCHASE OF LAND FOR PARK PURPOSES

An Act Authorizing and Empowering the Board of Park Commissioners of the Park District of Any City, to Contract for the Purchase of Lands for Park Purposes, Upon Deferred and Installment Payments; Limiting the Amount of Such Purchases; and Requiring All Payments So Made Therefor, to Be Made From Revenues Derived From the Tax Levy of Such District Authorized by Law; Repeal.

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

§ 1. PURCHASES OF LAND ON INSTALLMENTS; PAYMENTS MADE FROM AUTHORIZED LEVY, ONLY; LIMIT OF OBLIGATIONS TO BE SO INCURRED.] The Board of Park Commissioners of any city, may, and is hereby authorized and empowered to, upon declaring by resolution duly passed, that an emergency exists in that it is desirable and necessary that additional lands, in such resolution described, be acquired for park purposes, enter into a contract, or contracts, for the purchase of such additional land for park purposes, the purchase price of the lands so purchased to be payable in annual installments; provided, however, that all moneys to be so paid annually under such contract, or contracts, shall be available and paid only from revenues to be derived from the authorized tax levy of such park districts; provided further, that contracts may not be so entered into under the provisions hereof, which shall at any time create aggregate future obligations of such park district, thereunder, in an amount in excess of one-fifth of one per cent of the value of all taxable property within such park district; provided further, that the total amount to be so contracted to become payable within any year, by any park board, shall not exceed twenty per cent of the authorized tax revenue of such park district for the year in which any such contract is so made and entered into.

§ 2. REPEAL.] All acts and parts of acts, in so far as the same may be in conflict herewith, are hereby repealed.

Approved March 3, 1927.

CHAPTER 194
(S. B. No. 231—Whitman)

POWERS OF PARK COMMISSION

An Act to Amend and Re-enact Subdivision (1) of Section 4059, of the 1925 Supplement to the Compiled Laws of the State of North Dakota 1913, Relating to the Powers of Park Boards.

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

§ 1. AMENDMENT.] That Subdivision (1) of Section 4059, of the 1925 Supplement to the Compiled Laws of the State of North Dakota 1913, be amended and re-enacted to read as follows:

§ 4059. POWERS OF PARK COMMISSION; LIMITED LEVY; BONDS.] The Park Commission shall have power:

(1) To acquire by purchase, gift, devise, condemnation or otherwise, land within its territorial limits, or within six miles thereof for park, boulevards and ways, and shall have sole and exclusive authority to maintain, govern, erect and improve the same, and in all cases where such board has acquired the legal title in fee to such lands, power to sell and convey the same; such conveyance to be executed by the President and Clerk of such Board, upon a resolution approved by not less than two thirds ($\frac{2}{3}$) of the members of such Park Board.

Approved March 5, 1927.

CHAPTER 195
(H. B. No. 277—Ferris)

REFUND AND REISSUE SPECIAL IMPROVEMENT WARRANTS IN
CITIES AND VILLAGES

An Act Empowering and Authorizing Cities and Villages to Refund and Reissue Special Improvement Warrants Upon the Surrender of the Outstanding Warrants by the Holders Thereof.

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

§ 1. All Cities and Villages are hereby empowered and authorized upon the surrender by the holders thereof of any outstanding special improvement warrants upon which the city or village has, or may, become liable, to refund and reissue the same under such terms and conditions as the governing body of the City or Village may by resolution provide; provided, however, that the rate of interest shall not be in excess of the rate on the refunded warrants.

§ 2. EMERGENCY.] This Act is hereby declared an emergency measure, and shall be in full force and effect from its passage and approval.

Approved March 3, 1927.

CHAPTER 196

(H. B. No. 123—Fowler and Lee)

BOND ISSUES OF MUNICIPAL CORPORATIONS

An Act Governing Borrowing by Means of Bond Issues by Counties, Cities, Villages, Townships, School Districts, Park Districts and Other Municipalities as Defined Herein; and Repealing Sections 1272, 1274, 1278, 1279, 1280, 1281, 1282, 1283, 1284, 1285, 1333, 1336, 1337, 1338, 1339, 1422, 3449, 3450, 3452, 3453, 3454, 3456, 3457, 3458, 3459, 3462, 3463, 3464, 3465, 3466, 3467, 3468, 3469, 3470, 3868, 4014, 4015, 4017, 4018, 4019, 4020, 4021, 4022, 4023, 4024, 4025, 4026, 4027, 4028, 4029, 4030, 4031, 4032, 4033, 4034, 4035, 4036, 4037, 4038, 4039, 4254, 4255, 4256, 4257, 4258, 4259, 4260, 4261, of the Compiled Laws of North Dakota for the Year 1913, and Repealing Sections 1273, 1274a1, 1274a2, 1275, 1276, 1277, 1303, 1307, 1321a14, 1332, 1334, 1335, 1341, 1421, 1422, 3451, 3743c1, 3743c2, 3743c3, 3882a1, 3882a2, 4016, 4037b, 4037c, 4037d1 and 4037d2 of the Supplement to the Compiled Laws of 1913, and All Acts and Parts of Acts in Conflict Herewith.

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

§ 1. DEFINITIONS AND INTERPRETATIONS.] In this act, unless the context or subject matter otherwise requires:

(1) "Municipality" Means a county, city, village, township, common school district, independent school district, special school district or park district empowered to borrow money and issue written obligations to repay the same out of public funds or revenues.

(2) "Governing body" means a board of county commissioners, city council, board of city commissioners, village board of trustees, school board or board of education of any school district and the similarly constituted and acting board of any other municipality enumerated in subsection (1) of this section.

(3) Any reference to the population of a municipality means its population according to the last officially published United States or State Census, whichever was latest taken; and every reference to the value of taxable property or the assessed valuation of a municipality means that portion of the value of all taxable property in such municipality as last finally equalized, against which the mill rate of taxes for state and county purposes is computed and extended.

(4) "Recorded" means copied at length in the record book required by Section 14 of this act.

(5) "Initial resolution" means any resolution or ordinance adopted pursuant to Section 7 of this act, by which a proceeding is instituted for the purpose of authorizing a municipality to borrow money and issue bonds.

(6) Proceedings for municipal borrowing or for the issuing of municipal bonds which may be pending at the time this act becomes effective may be continued to completion pursuant to the laws under which they were instituted.

(7) This act is not applicable:

(a) To issue of bonds, warrants or other forms of public securities issued on account of public improvements and for the payment of which special assessments are or shall be levied upon and against property benefited thereby which do not constitute, at the time of their issuance, a general obligation or fixed liability of the municipality issuing the same; nor the portion of any such issue, payable by general taxation, on account of assumption of a portion of the cost of such improvement under Section 3723 of the Compiled Laws of 1913 or any similar law; provided, however, that nothing in this subsection shall be construed to prevent the issuance of bonds by any city or village for the purposes specified in paragraph (g) of subsection (2) of section 4 of this act.

(b) To drainage bonds or irrigation bonds.

(c) To refunding of seed and feed bonds under the provisions of sections 3490b1 to 3490b6 of the Supplement to the Compiled Laws of 1913 or acts amendatory thereof.

(d) To county bonds for agricultural training schools issued under the provisions of Sections 1471a1 to 1471a11 of the Supplement to the Compiled Laws of 1913.

(e) To borrowing of money in anticipation of tax collections by means of certificates of indebtedness, as provided by Sections 2079b1 to 2079b13 of the Supplement to the Compiled Laws of 1913.

§ 2. PROCEDURE VALIDATED.]

(1) Validations heretofore effected by legislative enactment of defective or irregular procedure in the creation, execution or issuance of bonds or any other forms of public securities of any municipality, as herein defined, and validations of debts, bonds or other public securities of such municipalities theretofore contracted or issued without authority previously existing therefor shall continue unaffected by the repeal or by the consolidation and revision of such validating acts in this chapter, and any debts, bonds or other public securities may be funded or refunded under the provisions of this chapter.

(2) Defects and irregularities in any proceeding hereafter had in substantial compliance with this chapter, where the issue is for a lawful purpose, is unaffected by fraud, and does not exceed any constitutional or statutory limitation of amount, shall not invalidate the bonds issued or the indebtedness incurred after the bonds have been sold and the proceeds thereof received by the municipality, nor

after the performance of a contract has been entered upon by a party who is to receive as consideration for said contract the said bonds or the proceeds thereof.

§ 3. GRANT OF POWER TO BORROW. GENERAL LIMITATIONS OF INDEBTEDNESS.]

(1) Every municipality may borrow money and issue municipal obligations therefor for the purposes specified and by the procedure provided in this chapter and for no other purpose and in no other manner, except as provided otherwise in subsection (6) and (7) of Section 1. No municipality shall incur indebtedness in any manner or for any purpose in any amount which, with all other outstanding indebtedness of the municipality, shall exceed five per centum (5%) of the assessed value of the taxable property therein; provided that any incorporated city may, by a two-thirds ($\frac{2}{3}$) vote of the qualified voters thereof voting upon said question at a general or special election, increase such limit of indebtedness three per centum (3%) on such assessed value beyond said five per centum (5%) limit, and a school district, by a majority vote of the qualified voters thereof voting upon said question at a general or special election, may increase such limitation of indebtedness five per centum (5%) on such assessed value beyond the five per centum (5%) limit; provided also that any county or city, upon authorization by a majority vote of the qualified voters thereof voting upon said question at a general or special election, may issue bonds upon any revenue producing utility owned by such county or city or for the purchasing or acquiring of the same or building or establishment thereof, in amounts not exceeding the physical value of such utility, industry or enterprise; provided, further, that any incorporated city, upon authorization by a majority vote of the qualified voters thereof voting upon said question at a general or special election, may become indebted in any amount not exceeding four per centum (4%) of such assessed value, without regard to the existing indebtedness of said city, for the purpose of constructing or purchasing water works for furnishing a supply of water to the inhabitants of such city or for the purpose of constructing sewers, and for no other purposes whatever, but the aggregate of such additional indebtedness for water works and sewers shall never exceed such four per centum (4%) over and above the limitations of indebtedness in this paragraph heretofore prescribed. In estimating the indebtedness which the municipality, as herein defined, may incur, the entire amount, whether contracted prior or subsequent to the adoption of this chapter, shall be included. All bonds or obligations in excess of the amount of indebtedness permitted by this chapter, given by any municipality as herein defined, shall be void.

(2) The amount so limited includes such indebtedness only as has been or may be incurred independently by a municipality for its own separate purposes, and does not include any indebtedness, in

whole or in part, that has been or may be incurred independently by any other municipality for its own separate purposes, even though the territory and taxable property of either municipality constitutes the whole or a part of the territory and taxable property of the other.

§ 4. PURPOSES AND SPECIFIC LIMITATIONS OF BOND ISSUES]. Municipalities are empowered to borrow money, subject to the general limitations of amounts prescribed by section 3 of this chapter and subject, in certain cases, to the further limitations prescribed by this section, and to issue bonds therefor for the purposes enumerated in this section. Such bonds may be issued:

(1) By any County:

(a) To provide county buildings, but all outstanding unpaid bonds for these purposes shall not exceed in amount at any one time one and one-half per centum ($1\frac{1}{2}\%$) of the value of the taxable property in such county.

(b) To construct or aid in the construction of bridges within or without such county, but all outstanding unpaid bonds for such purposes shall not exceed in amount at any one time one per centum (1%) of the value of the taxable property in such county.

(c) To provide a sum for the original construction and for the improvement and maintenance of highways, but all outstanding unpaid bonds for these purposes shall not exceed in amount at any one time one per centum (1%) of the value of the taxable property in such county.

(2) By any city:

(a) For the erection, purchase, construction, enlargement or repair of municipal or public buildings for the following purposes: city halls, fire protection buildings, water works buildings, police stations, city markets, public baths, hospitals, libraries, museums, auditoriums, armories, gymnasiums and music halls; and to purchase and acquire sites for such buildings, and for the equipment and furnishing thereof.

(b) For the purchase of fire engines and other equipment and materials for fire protection and for the purchase, construction and installation of pumps, watermains, reservoirs, and other necessary facilities, for fire protection.

(c) For the construction and extension of water works plants or purchase of existing plants, construction and improvement of watermains, sewers and drains; to provide the erection, planning, construction and establishment of a sewage disposal plant or system; or for the erection and construction and enlargement of garbage disposal plants; and to purchase sites for the same.

(d) To construct, acquire, enlarge, extend or maintain any plant or equipment or any part of a plant or equipment for the production, transmission, delivery or furnishing of heat, light or power, either directly or indirectly, to or for the public, or to enlarge and extend such plants or equipment or any part thereof. (This paragraph shall not be construed as an amendment to Chapter 255 or 256 Session Laws of 1923, as amended.)

(e) To purchase or acquire any public utility or street railway. (This paragraph shall not be construed as impairing, altering or affecting the powers of the Railroad Commission in any such proceeding.)

(f) To provide for acquiring, laying out and improving parks, parkways, park buildings, public drives, boulevards and cemeteries and to acquire land for these purposes.

(g) To provide money for the payment of any deficiency in the fund of any special improvement district whenever all special assessments heretofore or hereafter levied and collected for the specific improvement are insufficient to pay the special improvement warrants issued against such improvement with interest, and the last of said special improvement warrants shall have matured, but only to the extent of such deficiency.

(3) By any village:

(a) For any of the purposes specified for cities by paragraphs

(b) (d), (f) and (g) of sub-section 2 of this section, under the circumstances and subject to the limitations therein expressed.

(b) For the erection, purchase, construction and enlargement or repair of municipal or public buildings for the following purposes: village halls, fire protection buildings, water works buildings, and police stations; and to purchase or acquire sites for such buildings, and for the equipment thereof.

(4) By any common school district, independent school district, special school district, or any other class of school districts by whatever name designated: To purchase, erect, enlarge and improve school buildings and teacherages, and to acquire sites therefor and for play grounds and to furnish and equip such buildings with heat, light and ventilation or other necessary apparatus.

(5) By townships:

(a) For the erection of a township hall and the purchase of a site therefor.

(b) For the construction of roads and bridges but all outstanding unpaid bonds for road and bridge purposes shall not exceed in amount at any one time one and one-half per centum (1½%) of the value of the taxable property in such township.

(6) By any park district which constitutes a distinct municipality: To provide for acquiring, laying out and improving parks, parkways, boulevards and pleasure drives, and to acquire land for these purposes, but such indebtedness shall not at any time exceed one per centum of the value of the taxable property in such park district.

(7) By any municipality as herein defined: For the purpose of paying any final judgment obtained against the municipality within the State of North Dakota in case the governing body does not deem it advisable to pay such judgment out of current revenues. In case the bonds authorized by this sub-section cannot be sold in accordance with this act, such bonds may be issued to the judgment creditor in payment of such judgment.

(8) By any of the above mentioned municipalities: To provide necessary funds for the payment of principal and interest of bonds of such municipality, due or about to become due, for the payment of which the municipality has not sufficient funds, but only to the extent of such deficit.

§ 5. ELECTION REQUIRED.. EXCEPTIONS.] It shall be unlawful for any municipality, as herein defined, or for the governing body thereof, to issue bonds without first being authorized to do so by a vote of sixty per cent of all the qualified voters of such municipality voting upon the question of such issue, except as otherwise provided in Section 3 of this Act and, except that the governing body may issue bonds of the municipality for the purpose and within the limitations specified by paragraph (g) of subsection 2 of Section 4, including village bonds for such purpose, and subsection 7 and 8 of Section 4 of this act without an election.

§ 6. MAXIMUM INTEREST RATE, MATURITY AND DENOMINATIONS.] No bonds issued under the provisions of this act shall bear interest at a rate higher than six per cent per annum, payable semi-annually, nor shall the rate thereof exceed the maximum rate specified in the initial resolution for the issuance of such bonds. No bonds issued under the provisions of this act shall run for a longer period than twenty years from their date. Bonds issued under the provisions of this act shall be in denominations of \$100 each or some multiple thereof, not exceeding \$1000. No bonds issued under the provisions of this act shall bear date earlier than the date of the election authorizing their issuance, if such election be required, nor

earlier than the date of the adoption of the resolution of the governing body determining to issue bonds for which no election is required.

§ 7. INITIAL RESOLUTION. HOW ADOPTED.] Proceedings for the issuance of bonds under the authority of this act shall be instituted by the adoption of an initial resolution therefor by the governing body of the municipality in the manner specified by paragraph (b) of this section or by the proposing of such resolution by petition of the voters of the municipality in the manner specified by paragraph (c) of this section. Such initial resolution shall state: (1) the maximum amount of bonds proposed to be issued; (2) the maximum interest rate they shall bear; (3) whether they will be of serial or a single maturity; (4) and if a single maturity the year thereof, or if serial maturities the years of such maturities, but not the amounts for each of such years; (5) the purpose for which they are proposed to be issued; (6) the assessed valuation of all taxable property in the municipality; (7) the total amount of bonded indebtedness of the municipality; (8) the amount of outstanding bonds of the municipality issued for a similar purpose; and (9) any other statement of fact deemed advisable by the governing body or voters proposing the same.

(b) Such initial resolution may be adopted by a majority vote of the governing body at any regular meeting thereof or at any special meeting of which notice has been given as required by law, without any previous action thereon or request therefor by the voters or property owners.

(c) Such initial resolution may be proposed by filing a copy thereof in the office of the clerk, auditor or secretary of the municipality, together with a petition signed by legal voters of the municipality aggregating in number one-fourth ($\frac{1}{4}$) of the number of legal voters of the municipality, as shown by the poll book for the last preceding annual or general election held therein, or if such poll book was not kept, then as shown by a census of the voters of such municipality verified by the affidavit of one of such petitioners, which petition shall ask that an election on the question of issuing such bonds be called. Upon the filing of such proposed initial resolution and petition, it shall be the duty of the governing body to call such election in the manner specified by Section 8 of this act.

§ 8. ELECTION. WHEN AND HOW CALLED AND HELD.] Upon or after the adoption of an initial resolution by the governing body or at the first meeting of the governing body held after the filing of a petition and proposed initial resolution by the voters as specified in

Section 7 (c) hereof, the governing body shall by resolution provide for submitting to the qualified voters of the municipality the question whether such initial resolution shall be approved. The date of such election shall be not less than twenty days after the passage of such initial resolution by the governing body or the filing of a sufficient petition therefor by the voters. In case any municipal election is to be held in the municipality after such twenty days, but within forty days after such passage or filing, the question shall be submitted at such municipal election. If no such municipal election is to be held within such time the question shall be submitted at a special election. The governing body shall designate the date of such election, the polling hours and polling place or places thereof (which shall be the same as for municipal elections therein) and shall appoint an inspector, two judges and two clerks of election for each polling place. In case of the absence of any such official of election or their inability to act at the opening of the polls the remaining election officials for the precinct shall appoint a qualified voter to fill such vacancy. Such election shall be conducted and the returns thereof made and canvassed in the same manner as for elections of members of the governing body of such municipality.

§ 9. NOTICE OF ELECTION TO BE GIVEN.] The auditor, clerk, secretary, or similarly acting officer, by whatever name designated, of such municipality, shall give notice of such election by causing a notice thereof to be published once each week for at least two weeks prior to the date thereof in the official newspaper or newspapers of such municipality, if any, or if it have none in any newspaper published therein, or if there be no newspaper published therein, then by posting copies of such notice in five public places in the municipality. The date of such posting or first publication shall be at least fifteen days before the date of such election, exclusive of the day of such posting or first publication. Such notice shall specify the date, polling hours and polling places of such election, and shall contain a complete copy of such initial resolution, and that the question to be submitted thereat shall be whether said initial resolution shall be approved. Provided, however, that if said question is to be submitted at a municipal election the notice herein prescribed may be separate from the notice of such municipal election and may refer to the notice of such municipal election for the designation of polling places.

§ 10. BALLOT. WHAT TO CONTAIN.] The ballot for such election shall be separate from other ballots used on the same day for other elections, and shall be written or printed, and shall state the question in substantially the following form.

Shall the * * * * (here inserting the name of the municipality) issue its bonds in the amount of not to exceed \$..... (here inserting the amount) for the purpose of * * * (here inserting the purpose)?

☐ YES

☐ NO

Spoiled or blank ballots cast at such election shall not be counted either for or against the proposed issue.

§ 11. BONDS ISSUED WITHOUT AN ELECTION.] Preceedings for the issuance of bonds under this act, where no election is required, shall be instituted by a resolution of the governing body containing the facts required for an initial resolution, as prescribed by paragraph (a) of Section 7 of this act, except that the amount, date and maturities of the issue shall be specifically stated. At or after the adoption of such resolution, the governing body may proceed to sell, issue and deliver such bonds, as hereinafter provided in this act for the sale, issuance and delivery of bonds.

§ 12. DIRECT, ANNUAL, IRREPEALABLE TAX.] The governing body of every municipality issuing bonds under the authority of this act shall, after the sale of such bonds and before the delivery thereof, levy by recorded resolution or ordinance a direct, annual tax sufficient in amount to pay and for the express purpose of paying the interest on such bonds as it falls due, and also to pay and discharge the principal thereof at maturity. The municipality shall be and continue without power to repeal such levy or obstruct the collection of said tax until such payments have been made or provided for. A copy of such resolution or ordinance shall be certified to and filed with the county auditor and after the issuance of such bonds such tax shall be from year to year carried into the tax roll of the municipality and collected as other taxes are collected. No further or annual levy for that purpose shall be necessary.

§ 13. AUTHORITY TO BORROW AND ISSUE BONDS, WHEN COMPLETE.] Every municipality that has first complied with all requirements prescribed for and made applicable to it by the preceding section may, but not otherwise, borrow money and issue and sell its municipal bonds to the amount and for the purpose or purposes specified in the initial resolution.

§ 14. RECORD OF PROCEEDINGS.] Every municipality shall provide and keep a record book or record books in which its auditor, clerk or secretary shall record a full and correct statement of every step or proceeding had or taken in the course of authorizing and issuing municipal bonds, including a statement of the affirmative and negative votes cast by the electors.

§ 15. FORM AND CONTENTS OF BONDS.]

(1) Every municipal bond shall be a negotiable instrument payable to bearer, or to bearer or the registered owner, with interest coupons attached payable annually or semi-annually at the rate specified in the accepted bid for the purchase of said bonds, which rate shall not exceed the maximum rate specified in the initial resolution. Each bond shall specify the time and place of payment of the principal and interest, and shall be numbered consecutively with the other bonds of the same issue, which shall begin with number one (1) and continue upward, or if so directed by the governing body, shall begin with any other number and continue upward, and each shall bear upon its face a name indicative of the purpose of the issue specified in said initial resolution, and shall contain a certificate or recital that a direct, annual, irrevocable tax has been levied by the municipality upon all the taxable property therein sufficient to pay the interest when it falls due, and also to pay and discharge the principal of such bond at maturity, and may contain any other statement of fact not in conflict with said initial resolution. The entire issue may be composed of bonds of a single denomination or two or more denominations.

(2) Bonds issued under the authority of this act shall be of serial maturities if so specified in the initial resolution. If the maturities are serial the first installment of principal shall fall due not more than three years and the last installment not more than twenty years from the date of the bonds. No installment of principal shall be less than one-third of the amount of the largest installment, except that the amount of such installments of principal may be such that the increase thereof from year to year shall approximately equal the decrease from year to year in the interest on the bonds remaining unpaid.

§ 16. EXECUTION, REGISTRATION AND DELIVERY.] Municipal bonds shall be executed in the name of and for the municipality issuing them by their qualified officers, who shall for that purpose sign the same in their official capacities, as follows: For a county: the chairman of the county board and the county auditor; for a city: the mayor or president of the board of city commissioners and the city clerk or city auditor; for a village: the president of the village board of trustees and the village clerk; for any other municipality: the chairman or president of the board and the clerk or secretary of the governing body, or such other officer or officers as the governing body thereof may determine. The interest coupons attached to such bonds may be executed by the lithographed or engraved fac-simile signature of such officers. The validity of every bond so executed shall remain unimpaired by the fact that one or

more of the subscribing or attesting officers shall have ceased to be such officer or officers before delivery to the purchaser. Every bond issued by a municipality having an official or corporate seal shall be sealed with such seal. After the bonds have been executed as above provided they shall be delivered to the county auditor, except in cities or school districts or park districts having a population of more than 4000, in which cities or school districts or park districts they shall be delivered to the auditor, clerk or secretary thereof. When such bonds are delivered to the county auditor there shall be delivered to him a certified copy of the resolution of the governing body showing their sale. The county auditor or auditor, clerk or secretary of cities, school districts or park districts having a population of more than 4000, upon receipt of such bonds, shall register, in a separate book provided for the purpose, an accurate description of every bond so issued, specifying its number, date, purpose, amount, rate of interest, when and where payable, and the coupons attached. In all cases where the registering officer is not the recording officer of the governing body of the municipality issuing the bonds, there shall also be filed with him a certified copy of all proceedings of the municipality relating to such issue, and a detailed financial statement of the municipality given by the treasurer of the municipality under oath. When such bonds have been fully registered as required by this paragraph, the registering officer shall sign an endorsement on the back of each bond certifying that such bond is fully registered in his office, and, if such be the truth, that such bond is issued in accordance with law and is within the debt limit of the municipality issuing the same. No bond shall be valid without such certificate endorsed thereon. When the bonds have been so registered and certified such registering and certifying officer shall deliver the same to the purchaser thereof in accordance with the terms of the resolution awarding their sale, and shall forthwith transmit the proceeds thereof to the treasurer of the municipality. All bonds authorized pursuant to this act which are not delivered to the purchaser and paid for within three years of their date shall be cancelled. It shall be the duty of such registering and certifying officer, in the presence of at least two other electors of the municipality which authorized their issuance, to destroy such bonds by the burning thereof, and with such witnesses to make and file in the records of his office an affidavit as to the bonds so destroyed and the time and place of such destruction, and to make a record thereof in a proper book of record in his office. A copy of such affidavit shall be filed with the auditor, clerk, or secretary of the municipality which authorized their issuance.

§ 17. MANNER OF SALE OF BONDS.]

(1) No municipality shall sell or enter into any contract for the sale of any issue of its bonds authorized by this act, for whatever purpose issued, without first advertising for bids in the manner prescribed by this section.

(2) A notice calling for bids for each proposed issue of bonds shall be published at least once in the official newspaper of the county in which the municipality is situated not less than fifteen (15) days nor more than thirty (30) days before the date specified therein for the receiving of such bids. Such notice may be in any form but shall specify the amount of bonds offered for sale, and the date or dates of the maturity thereof. A copy of such notice shall be mailed to the tax commissioner at Bismarck not less than fifteen (15) days before the date specified for the opening of bids, and the tax commissioner shall keep such notice on file for public inspection. The county auditor, clerk, or secretary of the taxing district, advertising such sale shall at the same time file with the tax commissioner a statement giving the assessed valuation, the area, the population, and the indebtedness thereof. Failure to publish such notice or to send a copy thereof to the tax commissioner shall not impair the validity of such bonds, but shall render unenforceable any executory contract entered into for the sale thereof, and the auditor, clerk or secretary failing to publish or to send such notice shall be liable to a fine of not more than five hundred dollars (\$500.00) at the discretion of the district court, to be recovered in an action brought by the state's attorney in the name of the state; and the fine, when collected, shall be paid into the general fund of the county. If such failure to publish or send such notice is willful, the auditor, clerk or secretary shall be guilty of a misdemeanor and shall be punished accordingly.

(3) The notice shall specify the time and place at which bids will be received. Except in cases of cities of over 4,000 population or school districts of over 4,000 population or park districts of over 4,000 population, the notice shall specify that bids will be received at the county auditor's office on the day and at the hour specified in the notice. At the time and place specified, the governing board of the taxing district shall be represented by one of its officials or by the county auditor or some other person acting at the request of the board, who shall receive competitive bids, whether submitted orally or in writing. When the bids are received, the county auditor shall enter in a permanent record the amount and rate of interest of each bid and the name and address of the bidder. All bids shall be accompanied by a certified check, cashier's check, or bank draft, to the amount of not less than 2% of the bid. After all bids have been received, they shall be forthwith delivered to the governing body of

the municipality, which shall award the sale of such bonds to the bidder who agrees to purchase them upon the terms most favorable to the municipality, unless the governing body determines to reject all bids. The governing body shall have the right to reject any and all bids, and no sale shall be for less than the par value and accrued interest on such bonds.

(4) When bids are advertised for bonds to be issued by cities of over 4,000 population or by school districts of over 4,000 population or park districts of over 4,000 population the notice may specify that the bids will be received at a place other than the county auditor's office. The auditor, clerk or secretary of the municipality shall send to the tax commissioner a copy of such notice at the same time and in like manner as is required of other municipalities.

(5) It shall be unlawful for an auditor, clerk, secretary, or other official of a municipality, to accept from a bidder or prospective bidder at a sale of bonds, a commission or any other compensation for his services rendered or to be rendered in connection with the issuance, sale or delivery of such bonds.

(6) The procedure prescribed in this section shall not be required in case bonds are sold to the state board of University and School Lands or in case other trust funds administered by public officials are invested in them.

§ 18. REGISTRATION OF OWNERSHIP OF BONDS.]

(1) The ownership of all bonds payable to 'bearer or the registered owner', as authorized by Section 15 of this act, issued by any municipality may be registered as to the principal thereof by the county auditor, or in the case of a municipality of over four thousand (4,000) population, by the auditor, clerk or secretary of the municipality issuing them, or such other officer as the governing body of the municipality may determine. Registration by such officers shall be recorded in the bond register.

(2) The holder of any bond registerable as herein provided may have the ownership thereof registered by the officials named in sub-division 1 of this section, and such registration noted on the bond by or on behalf of the municipality. After such registration no transfer thereof shall be valid unless made on the records of the county auditor or the records of the municipality by the registered owner in person or by his duly authorized attorney and similarly noted on the bond, but the same may be discharged from registration by being in like manner transferred to bearer, and thereafter transferability by delivery shall be restored, but such bond may again from time to time be registered or transferred to bearer as before. Such registration, however, shall not affect the negotiability

of the appurtenant coupons, but every such coupon shall continue to be transferable by delivery only and shall remain payable to bearer.

§ 19. FISCAL AND ADMINISTRATIVE REGULATIONS.]

(1) All money borrowed by municipalities and all money received in payment of any tax levied in accordance with this chapter shall be lawful money of the United States, and all municipal bonds shall be payable in such money.

(2) The governing body of any municipality indebted on account of outstanding municipal bonds is authorized in its discretion to appoint a fiscal agent located in some city within or without the state, or if deemed convenient two such agents, each in a different city. Every such fiscal agent shall be an incorporated bank or trust company authorized by the laws of the United States or of the state in which it is located to do a bank or trust company business. The custodian of the sinking funds of the municipality shall, when necessary, deposit with such fiscal agent or agents such sums of money as are required for the payment of the principal or interest of municipal bonds.

(3) All borrowed money shall be paid into the treasury of the municipality borrowing it, shall be there kept until used in a fund separate and distinct from all other funds, to be used for the purpose for which it was borrowed and for no other purpose except as provided otherwise by Section 20, and be withdrawn only upon orders or warrants made payable out of said funds and expressing the purpose for which they were drawn. The purchaser of any bonds issued pursuant to this act shall not be obliged to see to the application of the purchase price thereof, but shall be fully protected in paying for such bonds by the receipt of the county treasurer or of the officer delivering such bonds, as provided by Section 16 of this act.

(4) After any municipality has provided, as required by Section 13 of this act, for an issue of bonds for a lawful purpose which can be accomplished only through performance of an executory contract by some other contracting party, such contract may be entered into before the actual execution or sale of the bonds with like effect as if the necessary cash for payments on the contract were already in the treasury.

§ 20. SINKING FUND, SOURCES AND USES.] The sinking funds for the payment of all bonds issued pursuant to this act shall be held by the county treasurer of the county within which the municipality issuing the same is located except in case of municipalities having a population of over 4,000, in which instance the treasurer of the municipality shall be the custodian of sinking and interest funds. Such sinking fund shall be disbursed by the county treasurer or treasurer of the municipality as the case may be, upon the

directions therefor by resolution of the governing body of the municipality issuing such bonds. Provided that the county treasurer or treasurer of the municipality shall not disburse any of such funds contrary to the provisions of this act, even though so directed by such governing body; and provided further that the county treasurer or treasurer of the municipality may disburse such funds for the purpose of paying the principal and interest, or either, of the bonds for which such fund was created without any authorization therefor by the governing body. The sinking fund of each bond issue shall be kept separate and shall be designated by a name indicative of the issue of bonds on account of which it was created. The sources of such funds shall be:

First. All moneys accruing to the borrowed money fund prescribed by sub-section 3 of Section 19 of this act which at any stage are not needed and which will not be needed for the purpose for which the money was so borrowed, and any moneys so becoming applicable to the sinking funds shall be transmitted by the treasurer of the municipality to the county treasurer in case of municipalities having a population of 4,000 or less upon direction therefor by the governing body of the municipality.

Second. All moneys raised by taxation pursuant to Section 12 of this act for the purpose of paying said bonds.

Third. Such moneys derived from licenses or other sources, the expenditure of which is not otherwise provided for by law, as the governing body may elect to place in the sinking fund, which moneys shall be paid over to the county treasurer for deposit in such sinking fund by the treasurer of the municipality upon a resolution directing such payment by the governing body.

Fourth. The premium, if any, for which the bonds have been sold over and above the par value and accrued interest.

(2) Proper orders or warrants shall be drawn upon the sinking fund each year to pay interest and principal maturing in such year upon said bonds. Taking care that enough cash is always retained in such fund to provide for such annual payments, the surplus, if any there be, may be loaned or invested under the direction of the proper governing body as follows:

First. The outstanding bonds for the payment of which the sinking fund is required, at any price not exceeding the principal, accrued interest, and a premium of not to exceed two years' interest on such bonds.

Second. In interest bearing bonds of the United States or of the State of North Dakota or of any municipality as defined in Section 1 of this act.

Third. Otherwise all such sinking funds shall be loaned or deposited in conformity with the provisions of Sections 714a1 to 714a19 of the Supplement to the Compiled Laws of 1913 or acts amendatory thereof.

(3) Investment of the second class specified in sub-section 2 shall continue a part of the sinking fund and shall be held in the custody of the treasurer of the municipality. Bonds representing such investments may be sold by the governing body at any time, but the money received shall likewise remain, until used, a part of the sinking fund.

(4) Money shall not be withdrawn from a sinking fund and appropriated to any purpose whatever other than the purposes for which the fund was instituted until that purpose has been accomplished, except as authorized by this section.

(5) Any surplus in a sinking fund after all of the bonds for the payment of which the fund was created have been paid and canceled and after all investments of the second and third class have been finally disposed of or realized upon, shall be placed in the general fund of the municipal treasury.

(6) Every municipal sinking fund maintained at the time of the enactment of this act under laws in force up to that time, shall be continued and administered in accordance with this law.

§ 21. MUNICIPALITIES IN MORE THAN ONE COUNTY.] Wherever in this act a county officer is required to take any action in reference to the bond issues or sinking funds of the municipalities of such county, if such municipality is situated partly within one county and partly within another or others, the governing body of such municipality shall by ordinance or recorded resolution designate the county whose official shall act in such capacity. In such cases collection of taxes levied in accordance with this act in any county wherein a portion of such municipality is situated shall be transmitted and delivered to the custodian of the sinking fund of the municipality so specified by the governing body.

§ 22. LIMITATION OF ACTION.] No action shall be brought or maintained in any court in this state questioning the validity of any bonds issued pursuant to this act or of any tax levied pursuant hereto, unless such action shall have been commenced within sixty (60) days after the adoption of the resolution of the governing body awarding the sale of such bonds.

§ 23. PENALTY FOR DIVERSION OF SINKING AND INTEREST FUNDS.] Any treasurer who shall pay over moneys raised for the retirement of bonded debt obligations or for the payment of interest on bonded debt obligations for any purpose except for the payment of principal and interest on the bonded debt for which the fund was created shall be deemed guilty of embezzlement. Any member of a

governing board or clerk of a municipality who shall be a party to the issuance of a warrant drawn on any sinking fund or interest fund for any purpose except for the purpose for which the fund was created shall be deemed guilty of a misdemeanor.

§ 24. PENALTY FOR DIVERSION OF BORROWED MONEY FUND.] Any treasurer who shall make payment of any amount out of the borrowed money fund for any purpose except for the purposes for which the fund was raised, or except by transfer to the sinking fund established for retirement of the debt obligation, shall be deemed guilty of a misdemeanor, and any clerk of a municipality or member of the governing body of the municipality who shall be a party to such diversion or attempted diversion shall be deemed guilty of a misdemeanor.

§ 25. REPEAL.] Sections 1272, 1274, 1278, 1279, 1280, 1281, 1282, 1283, 1284, 1285, 1333, 1336, 1337, 1338, 1339, 1422, 3449, 3450, 3452, 3453, 3454, 3456, 3457, 3458, 3459, 3462, 3463, 3464, 3465, 3466, 3467, 3468, 3469, 3470, 3868, 4014, 4015, 4017, 4018, 4019, 4020, 4021, 4022, 4023, 4024, 4025, 4026, 4027, 4028, 4029, 4030, 4031, 4032, 4033, 4034, 4035, 4036, 4037, 4038, 4039, 4254, 4255, 4256, 4257, 4258, 4259, 4260, 4261 of the Compiled Laws of North Dakota for the year 1913 and repealing Sections 1273, 1274a1, 1274a2, 1275, 1276, 1277, 1303, 1307, 1321a14, 1332, 1334, 1335, 1341, 1421, 1422, 3451, 3743c1, 3743c2, 3743c3, 3882a1, 3882a2, 4016, 4037b 4037c, 4037d1 and 4037d2 of the Supplement of the Compiled Laws of 1913, and all acts and parts of acts in conflict with the provisions of this act are hereby repealed.

Approved February 28, 1927.

CHAPTER 197
(H. B. No. 124—Wilson)

ELECTRIC PLANTS OF MUNICIPAL CORPORATIONS

An Act to Authorize and Empower Cities, Towns or Villages to Purchase, Erect, Operate and Maintain, Enlarge, Improve, and Extend, or Lease From Any Person, Firm or Corporation, or Sell or Lease to Any Person, Firm or Corporation, Any Electric Light and Power Plant, Site, Buildings and Equipment Thereof, or Any Electric Distribution System and Equipment Thereof, or Any Electric Transmission Line and Equipment Thereof, or All or Any Part or Parts of Any of Such Plants, Systems and Lines, and Any Interest in Any Such Plant, System or Line Within and Without the Corporate Limits of Such City, Town or Village, and Providing for the Issuance of Bonds and the Levying of Special Assessments and the Creating of Special Assessment Districts in Connection With the Exercise of Any of the Powers Above Granted, and Providing for the Legalization and Validation of Purchases and Sales and the Issuance of Bonds Heretofore Made and Repealing Chapter 255 of the Session Laws of North Dakota for the Year 1923, Being Sections 3992b1 and 3992b2 of the Supplement to the 1913 Compiled Laws of the State of North Dakota.

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

§ 1. That Chapter 255 of the Session Laws of North Dakota for the year 1923 is hereby amended and re-enacted to read as follows:

§ 1. Any city, village or town is authorized and empowered to purchase, erect, operate and maintain, enlarge, improve and extend, or lease from any person, firm or corporation, or sell or lease to any person, firm or corporation, any electric light and power plant, site, buildings and equipment thereof, or any electric distribution system and equipment thereof or any electric transmission line and equipment thereof, or all or any part or parts of any of such plants, systems and lines, and any interest in any such plant, systems or lines, within and without the corporate limits of such city, village or town for the purpose of furnishing or procuring to be furnished electric energy for heat, light and power purposes for such city, village or town and its inhabitants and industries in the manner herein provided.

§ 2. No such city, village or town officers shall purchase, erect or substantially enlarge, improve, extend or lease from others any such plant, system or line unless and until the proposition of doing so shall have been submitted under authority of a resolution of the governing body to the qualified voters of said city, village or town at an annual or special election called, held and conducted upon the notice and in the manner specified by law for the election of the governing body of such city, village or town, and shall have been approved by a majority of such voters voting thereon.

§ 3. No such city, village or town shall sell any such plant, system or line or lease the same or any substantial part thereof or interest therein to any person, firm or corporation unless and until such person, firm or corporation shall have filed in the office of the clerk or auditor of such municipality a complete offer or proposition therefor in writing and a majority of the qualified voters of said municipality at an election called, held and conducted as specified in Section 2 hereof shall have voted in favor of accepting the offer or proposition so filed, and a copy of said offer or proposition shall be published with the notice of such election. The proceeds of any sale or lease made as in this section provided shall be applied to the payment of existing indebtedness, if any, of such municipality incurred for the purpose of purchasing, erecting, operating and enlarging, improving or extending such plant, system or line. Provided, however, that the purchaser or lessee shall not be required to see to the application of the consideration of such purchase or lease, but shall be fully protected in making such payment or payments by the receipt of the treasurer of such municipality therefor.

§ 4. Any such city, village or town may pay the cost of purchasing, erecting, enlarging, improving, extending or leasing any such plant, system or line, or any part thereof, either by issuing special assessment warrants as hereinafter provided, or by issuing bonds of such municipality as hereinafter provided, or partly by such special assessment warrants and partly by such bonds.

§ 5. In case the governing body of such municipality shall deem it advisable to pay the whole or any part of the cost mentioned in Section 4 hereof by special assessment warrants it shall first by ordinance create a special assessment district which shall include, as nearly as may be determined, all of the property in such municipality, that will be benefited by such improvement, whether the entire municipality or a portion thereof, and shall thereafter adopt a resolution of necessity and hold a hearing thereon and estimate the amount of the cost of said improvement and let a contract or contracts therefor and create a fund for said district and issue and sell the warrants of the municipality drawn on said fund and complete the work of said improvement and assess the property benefited thereby, all in the form and upon the notices and in the manner specified by Sections 3698, 3703 to 3716, both inclusive, and 3724 and 3739, both inclusive, and 3743 of the Political Code of the State of North Dakota for the year 1913, all as amended, in so far as such sections are applicable to the improvement so being made hereunder, and the special assessments so levied shall be payable in equal annual installments extending over a period not exceeding 20 years, and

shall bear interest at a rate not to exceed 7% per annum on the total amount of such assessments remaining from time to time unpaid. Such municipality shall have power, within the debt limit provisions of the Constitution, to pay at the option of the governing body any portion of the cost of such improvement by general taxation upon all taxable property in the municipality, which tax shall be levied at the time of making such improvement, shall be spread over the years and in such amounts as will meet the municipality's share of the cost represented by the principal of warrants issued against said fund and interest thereon, and which tax when and as collected shall be paid into the fund of said district and used solely for the payment of the principal and interest of warrants issued against said district. The ordinance levying such tax shall be irrepealable so long as any warrants are outstanding against said fund.

§ 6. No such city, village or town shall issue its bonds as authorized by Section 4 hereof unless and until the question of issuing such bonds shall have been approved by a majority of the voters of such municipality voting upon the question of their issuance at an election called, held and conducted as specified in Section 2 hereof. The notice of such election shall specify the maximum amount, maximum interest rate, purpose and maturity of such bonds. Such bonds shall be sold in the manner provided by Chapter 327 of the Session Laws of North Dakota for the year 1923 as amended. At or before the issuance of such bonds, such municipality shall by ordinance levy a direct annual irrepealable tax upon all the taxable property in such municipality in the years and amounts sufficient to pay the principal and interest of such bonds when due.

§ 7. Any or all of the propositions and questions to be voted upon as specified in Section 2, 3 and 6 may be submitted at one and the same election, and upon one ballot, but the ballot shall state each of said propositions separately.

§ 8. Any proceedings heretofore instituted by any city, village or town under the provisions of Chapter 255 of the Session Laws of 1923, may be completed under and in accordance with said law as the same existed before this amendment thereof.

§ 9. Where the officers of any incorporated city, village or town of this state shall have heretofore purchased, erected, operated, maintained, enlarged, improved, extended or leased from any person, firm or corporation, or sold or leased to any person, firm or corporation, any such plant, system or line, or part thereof, such actions of such municipal officers are hereby legalized and validated provided, however, that nothing contained herein shall effect any act or proceeding now pending in any court in this state, affecting the same.

§ 10. Any and all bonds heretofore issued by any city, village or town for the purpose of purchasing, erecting, operating, maintaining, enlarging, improving or extending any such plant, system or line, or part thereof, which bonds were on the date of their issuance within the constitutional debt limit, are hereby declared to be legal and valid and an enforceable obligation of such city, village or town, provided, however, nothing contained herein shall affect any act or proceeding now pending in any court in this state, affecting the same.

§ 2. REPEAL.] Chapter 255 of the 1923 Session Laws of the State of North Dakota is hereby repealed.

§ 3. EMERGENCY.] This act is hereby declared to be an emergency measure and shall be in force and effect from and after its passage and approval.

Approved February 19, 1927.

CHAPTER 198

(H. B. No. 56—Steedsman)

MUNICIPALITIES AND TOWNSHIPS—SUPPORT DISTRICT FAIR ASSOCIATION

An Act to Amend and Re-enact Sections 4089a1, 4089a2, 4089a3 and 4089a4 of the Supplement to the Compiled Laws of North Dakota for the Year 1913, Providing that Townships and Municipalities May Contribute to the Support of District Fair Association.

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

§ 1. AMENDMENT.] Section 4089a1 of the Supplement to the Compiled Laws of North Dakota for the year 1913 be and the same is amended and re-enacted to read as follows:

§ 4089a1. VOTE AS TO.] At each annual meeting of any township or municipality in the state the electors thereof may vote upon the question of contributing to the support of a district fair association. If the majority of the votes cast on the question are in favor of contributing to the aid of such fair association, the township or municipality shall pay to the treasurer of the fair association a sum not to exceed one hundred dollars, the amount to be determined at said annual meeting; provided, that no township or municipality shall contribute to the support of more than one district fair association.

§ 2. AMENDMENT.] Section 4089a2 of the Supplement to the Compiled Laws of North Dakota for the year 1913 be and the same is amended and re-enacted to read as follows:

§ 4089a2. DISPOSITION OF MONEY CONTRIBUTED.] The money contributed by any township or municipality to the support of a district fair association shall go into the general fund of the association and shall be expended by the fair association in cash prizes which shall be offered and given to competitive exhibitors who are residents of the district.

§ 3. AMENDMENT.] Section 4089a3 of the Supplement to the Compiled Laws of North Dakota for the year 1913 be and the same is amended and re-enacted to read as follows:

§ 4089a3. REPORT.] It shall be the duty of the secretary of the fair association to give a report to the clerk of the township or municipality which made the contribution to said fair association which report shall contain a list of the prizes given.

§ 4. AMENDMENT.] Section 4089a4 of the Supplement to the Compiled Laws of North Dakota for the year 1913, be and the same is amended and re-enacted to read as follows:

§ 4089a4. EMERGENCY.] An emergency existing in that there is no provision in law whereby the township or municipality may contribute to the support of district fair associations, therefore, this act shall take effect and be in force from and after its passage and approval.

Approved February 16, 1927.

NOTE: The foregoing measure carried the following vote on final passage:

House	60—48—5
Senate	38— 8—3

CHAPTER 199

(S. B. No. 236—Ettestad)

TAX LEVY—ELECTORS VOTE TOWNSHIP PURPOSES

An Act to Amend and Re-enact Section 2151 of the Supplement to the Compiled Laws of 1913, Relating to Township Tax Levies and Elector's Right to Vote Amounts for Township Purposes.

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

§ 1. AMENDMENT.] Section 2151 of the Supplement to the Compiled Laws of 1913 is hereby amended and re-enacted to read as follows:

§ 2151. ELECTOR'S RIGHT TO VOTE AMOUNTS FOR TOWNSHIP PURPOSES.] The electors of each township have power at the annual meeting to vote to raise such sums of money for the repair and construction of roads and bridges, for the support of the poor and

for all township charges and necessary expenses, as they deem expedient. They may, at such annual meeting, direct such portion of the poll or road tax of the township to be expended on the highways in an adjoining township, as they deem conducive to the interests of the township. Labor and taxes in such instances shall be expended under the joint direction of the supervisors of the townships interested and furnishing the same. Where more than one congressional township is included within an organized township, the poll and road taxes raised within the limits of each of such congressional townships, shall be expended within such congressional townships, unless raised to be expended outside of such organized townships in an adjoining township.

Provided, the total rate of the annual tax levy in civil townships shall not exceed five mills on the dollar of the net taxable assessed valuation thereof. The Board of Township Supervisors may levy for township purposes such sum as may be voted at the annual town meeting. The Board of County Commissioners shall have the same jurisdiction in relation to roads and bridges, and the same power to levy road and bridge taxes in unorganized parts of counties, as the Township Supervisors now have in organized townships, but the total tax for road and bridge purposes, levied by the Board of County Commissioners in such unorganized townships for road and bridge purposes, shall not exceed three mills on the dollar of the net taxable assessed valuation of such unorganized townships. Such limitation, however, shall not be construed as limiting the power of the Board of County Commissioners to levy general county taxes for road and bridge purposes in such unorganized territory as may be provided by law.

Approved March 5, 1927.

CHAPTER 200
(S. B. No. 4—Forbes)

SERVICE ON TOWNSHIP

An Act to Amend and Re-enact Section 4230 of the Compiled Laws of North Dakota for the Year 1913.

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

§ 1. AMENDMENT.] That Section 4230 of the Compiled Laws of North Dakota for 1913 be, and the same is, amended and re-enacted to read as follows:

§ 4230. Whenever any action or proceeding is commenced against a township, the supervisor, upon whom service of papers shall have been made, shall have the power and it shall be his duty,

to call a special meeting of the board of supervisors of such township, within six days after such service, and at such special meeting the said supervisors shall provide for the defense of such action, if they be so advised, and employ counsel for that purpose, the expenses of which defense shall be audited by said supervisors and by them ordered paid out of any unappropriated funds in the township treasury.

Approved January 28, 1927.

CHAPTER 201

(S. B. No. 199—Carey and Ettestad)

COMPENSATION TOWNSHIP TREASURERS

An Act to Amend and Re-enact Section 4206 of the Compiled Laws of North Dakota 1913, Relating to the Compensation of Township Treasurers.

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

§ 1. AMENDMENT.] That Section 4206 of the Compiled Laws of North Dakota 1913, be, and the same is, hereby amended and re-enacted to read as follows:

§ 4206. TREASURER TO DRAW MONEYS FROM THE COUNTY.] The Township Treasurer shall, from time to time, draw from the County Treasurer such moneys as have been received by the County Treasurer for the use of his township, and upon the receipt of such moneys shall deliver proper vouchers therefor. Each township treasurer shall be allowed and entitled to receive one and one-half per cent ($1\frac{1}{2}\%$) of all moneys paid out of the township treasury, for receiving, safely keeping, and paying over the same according to law; provided, that in no case shall such township treasurer receive for such services more than FIFTY DOLLARS (\$50.00) in any one year; provided further, that such treasurer shall not be allowed any percentage or amount on the balance turned over by him to his successor in office.

Approved March 5, 1927.

CHAPTER 202
(S. B. No. 161—Tofsrud)

FEEs OF POUNDMASTER—NOTICE AND SALE OF ESTRAYS

An Act to Amend and Re-enact Section 4251 of the Compiled Laws of 1913, Relating to Fees of Pound Master and Notice of Taking Up Estrays and Sale of Estrays.

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

§ 1. AMENDMENT.] Section 4251 of the Compiled Laws of 1913 is hereby amended and re-enacted to read as follows:

§ 4251. FEES OF POUND MASTER AND NOTICE OF TAKING UP ESTRAYS. SALES.] The pound master is allowed to charge and collect the following fees:

For taking into pound or discharging therefrom any horse, ass or mule, and all neat cattle, twenty cents each; for every sheep or lamb, ten cents each; and for every hog, large or small, ten cents each; and twenty-five cents for keeping each of said animals twenty-four hours in pound, except in case of horses, the charge may be fifty cents for each twenty-four hours in pound; and the pound master has a lien on all such animals for the full amount of his legal charges and expenses, and shall be entitled to the possession of such animals until the same are paid; and if the same are not paid and said animals removed within ten days after they are impounded, the pound master shall give notice as provided in Section 2658 of the Supplement to the Compiled Laws of 1913, and also by posting in three of the most public places in the township, notices that said animals, describing them, are impounded, and that unless the same are taken away and fees paid within thirty days after the date of such notice, he will sell the same at public vendue at the place where the township meetings of such township are usually held; and on the day designated in such notice the pound master shall expose such animals for sale and sell the same to the highest bidder for cash, for which service he shall receive two per cent of the purchase money for each animal.

In case any animal taken up by the pound master or impounded is worthless and cannot be sold, the pound master shall destroy the animal, and the township board of supervisors shall pay the pound master the statutory fees for the care of such animals out of the general fund of the township.

Approved March 3, 1927.