

and sell the same for his own account in the usual and ordinary course of business and not for the direct or indirect promotion of any enterprise or scheme within the purview of this Act, providing, that such ownership is in good faith. Repeated or successive sales of any such security or securities shall be prima facie evidence that the claim of ownership is not bona fide, but is a mere shift or device to evade the provisions of this Act.

Approved March 7, 1927.

CHAPTER 256

(S. B. No. 25—Committee on Appropriations)

FEES STATE SECURITIES COMMISSION

An Act to Amend and Re-enact Section 22 of Chapter 182, Session Laws 1923, the Same Being Section 5235a22 of the Supplement to the 1913 Compiled Laws of North Dakota, 1913-1925, Relating to the Disposition of Fees Collected by the State Securities Commission.

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

§ 1. AMENDMENT.] That Section 22 of Chapter 182, Session Laws 1923, the same being Section 5235a22 of the Supplement to the 1913 Compiled Laws of North Dakota, 1913-1925, is hereby amended and re-enacted to read as follows:

§ 5235a22. All fees herein provided for shall be collected by the Securities Commission and by them shall be paid into the general fund of the State Treasury, monthly. All money actually and necessarily paid out by the Securities Commission for traveling or incidental expenses on duties performed under this act shall be audited as other claims against the state and paid out of the appropriation made for the purpose of carrying this act into effect.

Approved, February 3, 1927.

STATE EDUCATIONAL INSTITUTIONS

CHAPTER 257

(S. B. No. 217—Schlosser and Hamilton)

CONSTRUCTION RESIDENCE HALLS OR DORMITORIES AT STATE EDUCATIONAL INSTITUTIONS

An Act Defining the Powers and Duties of the Board of Administration Relating to the Construction of Residence Halls or Dormitories on Lands of the Educational Institutions Under its Control.

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

§ 1. AUTHORITY OF STATE BOARD OF ADMINISTRATION.] For the purpose of providing dormitories or residence halls to be used

in connection with the University, agricultural college or any of the normal schools or other state educational institutions, and to permit the construction, financing and ultimate acquisition thereof, the State Board of Administration may convey a site for any such building upon the campus of any state educational institution or to an institutional holding association for a term not exceeding fifty years, upon condition that such association shall construct on the leased premises such building, with necessary appurtenances, for dormitory or residence hall purposes, as the State Board of Administration shall approve, and shall lease the same to the State Board of Administration, upon such terms regarding rentals, maintenance, payment of indebtedness, and the ultimate transfer of title to the state for the use of the educational institution affected, as such Board shall prescribe.

§ 2. CONTRACTS RELATING TO PROPERTY.] The State Board of Administration may contract to pay as rental for such property out of the net income derived therefrom and from other dormitory buildings on the same campus, a sum sufficient to pay the principal and the interest thereon of any indebtedness of the holding association incurred for the construction of such building; on the amortization plan, or otherwise, and may pledge such income for that purpose and enter into any other contract with such association as may be for the best interest of the educational institution affected. Provided, that the state shall incur no liability by reason of the exercise of the authority hereby granted to the State Board of Administration, and provided further, that any building and its appurtenances so constructed together with the site upon which it is located and all bonds or other evidences of debt issued by such association shall be exempt from taxation.

§ 3. REPEAL.] All acts or parts of acts in conflict herewith are hereby repealed.

Approved, March 5, 1927.

CHAPTER 258

(S. B. No. 218—Schlosser and Hamilton)

ORGANIZATION INSTITUTIONAL NON-PROFIT HOLDING ASSOCIATIONS

An Act Authorizing the Organization of Non-Profit Sharing Institutional Holding Associations and Defining Their Powers.

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

§ 1. ASSOCIATIONS AUTHORIZED.] Non-profit sharing corporations to be known as institutional holding associations, may be

formed for the purpose of erecting and managing buildings and their necessary appurtenances on the campus of the state university, the agricultural college, or any of the normal schools or other state educational institutions, in the manner, and with the rights, and subject to the restrictions and liabilities, prescribed by Chapter 12, of the civil code of the Compiled Laws of 1913, except as herein otherwise provided.

§ 2. ARTICLES OF INCORPORATION.] The articles of incorporation shall set forth the name of the association, the place where its business is to be transacted, the term for which it is to exist, the number of members and the conditions of membership and succession therein, the number of its directors and the names and residences of those who shall serve until their successors are elected and qualified, the purpose for which it is formed, and the amount of indebtedness authorized, and the plan for the payment thereof, and shall provide that the association is non-profit sharing, that its indebtedness shall be paid out of its net income from rentals, and that when all debts are paid its right and interest in the building site shall terminate and its property, including all buildings and improvements, shall become the property of the state.

§ 3. LIMITATIONS ON POWERS.] Such association may construct buildings with their appurtenances only upon the campus of any such educational institution, according to plans and specifications therefor approved by the State Board of Administration, and as a prerequisite to its right so to do shall secure a site therefor from such board. The association may contract debts and issue bonds or other evidences of indebtedness to construct such buildings, and to secure the payment thereof may mortgage its property and pledge all rentals to be received therefor, but its debts shall not exceed in amount the value of the property, both real and personal, actually owned by the association, and the provisions for the payment thereof shall be approved by the State Board of Administration. The association shall not issue corporate stock, nor shall any member thereof have or acquire any divisional share in its property, and all of its net income shall be applied to the payment of its indebtedness. When such indebtedness is paid the title to all buildings and improvements of the association shall be conveyed to and shall vest in the state. The transfer or conveyance of the property of the association, except in accordance with the provisions of this act, is prohibited.

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

Approved March 5, 1927.