

HOUSE CONCURRENT RESOLUTION NO. 3055

Introduced by

Representatives N. Johnson, Ekstrom, Keiser

Senators Klein, Krebsbach, Triplett

1 A concurrent resolution for the amendment of sections 1, 2, and 6 of article XII of the
2 Constitution of North Dakota, relating to regulation of corporations and to cumulative voting by
3 corporate members or shareholders; and to repeal sections 3, 4, 7, 8, 9, 11, 12, 13, 14, 15, and
4 17 of article XII of the Constitution of North Dakota, relating to regulation of business, railroad,
5 and banking corporations; and to provide an effective date.

STATEMENT OF INTENT

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7 This measure removes outdated or unnecessary provisions in the Constitution of North Dakota
8 relating to business, railroad, and banking corporations and authorizes the legislative assembly
9 to provide by law for regulation of corporations. This measure would take effect on July 1,
10 2006.

11 **BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES OF NORTH DAKOTA, THE**
12 **SENATE CONCURRING THEREIN:**

13 That the following proposed amendments to sections 1, 2, and 6 of article XII of the
14 Constitution of North Dakota and the proposed repeal of sections 3, 4, 7, 8, 9, 11, 12, 13, 14,
15 15, and 17 of article XII of the Constitution of North Dakota are agreed to and must be
16 submitted to the qualified electors of North Dakota at the primary election to be held in 2006, in
17 accordance with section 16 of article IV of the Constitution of North Dakota.

18 **SECTION 1. AMENDMENT.** Section 1 of article XII of the Constitution of North Dakota
19 is amended and reenacted as follows:

20 **Section 1.** The term "corporation", as used in this article, ~~shall not be understood as~~
21 ~~embracing~~ does not embrace municipalities or political ~~divisions~~ subdivisions of the state unless
22 otherwise expressly stated, ~~but it shall be held and construed to include all associations and~~
23 ~~joint stock companies having any of the powers or privileges of corporations not possessed by~~
24 ~~individuals or partnerships.~~

1 **SECTION 2. AMENDMENT.** Section 2 of article XII of the Constitution of North Dakota
2 is amended and reenacted as follows:

3 ~~**Section 2.** No charter of incorporation shall be granted, changed or amended by~~
4 ~~special law, except in the case of such municipal, charitable, educational, penal or reformatory~~
5 ~~corporations as may be under the control of the state; but the~~ All corporations existing or
6 hereafter chartered hold the charter subject to the provisions of this constitution. The legislative
7 ~~assembly shall~~ may provide by general laws for the organization and regulation of ~~all~~
8 corporations ~~hereafter to be created~~, and any ~~such~~ law, so ~~passed~~ enacted, ~~shall be~~ is subject
9 to future repeal or ~~alteration~~ amendment.

10 **SECTION 3. AMENDMENT.** Section 6 of article XII of the Constitution of North Dakota
11 is amended and reenacted as follows:

12 ~~**Section 6.** ~~It~~ Unless otherwise provided in the articles of incorporation, in~~ all elections
13 for directors or managers of a corporation, each member or shareholder may cast the whole
14 number of ~~his~~ the member's or shareholder's votes for one candidate, or distribute them upon
15 two or more candidates, as ~~he~~ the member or shareholder may prefer, provided, any
16 cooperative corporation may adopt bylaws limiting the voting power of its stockholders.

17 **SECTION 4. REPEAL.** Sections 3, 4, 7, 8, 9, 11, 12, 13, 14, 15, and 17 of article XII of
18 the Constitution of North Dakota are repealed.

19 **SECTION 5. EFFECTIVE DATE.** If approved by the voters, this measure becomes
20 effective on July 1, 2006.