

Fifty-ninth
Legislative Assembly
of North Dakota

Introduced by

Representatives N. Johnson, Ekstrom, Keiser

Senators Klein, Krebsbach, Triplett

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

STATEMENT OF INTENT

This measure removes outdated or unnecessary provisions in the Constitution of North Dakota relating to business corporations and authorizes the legislative assembly to provide by law for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

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

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

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

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

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

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

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

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

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

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