

on account of said fair, and shall have no power to expend any funds of the State except such as are appropriated by the Legislative Assembly, and such board shall not receive any remuneration or compensation for their services.

§ 6. APPROPRIATION.] There is hereby appropriated out of the funds in the treasury of the State of North Dakota not otherwise appropriated the sum of \$1,250 annually to be expended by said board of trustees and directors of the Morton County Fair Association for the purpose of providing for premiums for agricultural, horticultural, stock exhibits, and for exhibits of the domestic arts, and for providing proper accommodations for said exhibits.

§ 7. *Whereas*, an emergency exists in this, that there is no law providing for the holding of a state fair in the State of North Dakota, this act shall take effect and be in force from and after its passage and approval.

Approved March 8, 1897.

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## SURETY COMPANIES.

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### CHAPTER 135.

[H. B. 91.]

#### SHALL FURNISH BONDS.

AN ACT Authorizing Surety Companies to Furnish Bonds and Prescribing the Conditions Upon Which Such Companies May Do Business in This State.

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

§ 1. BONDS REQUIRED.] That whenever any bond, undertaking, recognizance or other obligation is by law, or the charter, ordinances, rules or regulations of any municipality, board, body, organization, court, judge or public officer, required or permitted to be made, given, tendered or filed with surety or sureties, and whenever the performance of any act, duty or obligation, or the refraining from any act, is required or permitted to be guaranteed, such bond, undertaking, obligation, recognizance or guaranty may be executed by a surety company qualified as hereinafter provided; and such execution by such company of such bond, undertaking, obligation, recognizance or guaranty shall be in all respects a full and complete compliance with every requirement of every law, charter, ordinance, rule or regulation that such bond, undertaking, obligation, recognizance or guaranty shall be executed by one surety or by one or more sureties, or that such sureties shall be residents or householders or freeholders, or either or both, or

possess any other qualification; and all courts, judges, heads of departments, boards, bodies, municipalities and public officers of every character shall accept and treat such bond, undertaking, obligation, recognizance or guaranty, when so executed by such company as conforming to and fully and completely complying with every such requirement of every such law, charter, ordinance, rule or regulation.

§ 2. MUST COMPLY WITH LAWS OF STATE.] That such company to be qualified to so act as surety or guarantor, must comply with the requirements of every law of this State applicable to such company doing business therein; must be authorized under the laws of the State where incorporated, and under its charter, to become surety upon such bond, undertaking, obligation, recognizance or guaranty; must have a fully paid up and safely invested and unimpaired capital of at least \$250,000; must have good available assets exceeding its liabilities, which liabilities for the purposes of this act shall be taken to be its capital stock, its outstanding debts and a premium reserve at the rate of fifty per centum of the current and annual premiums on each outstanding bond, undertaking, recognizance and obligation of like character in force; must file with the Commissioner of Insurance a certified copy of its certificate of incorporation, a written application to be authorized to do business under this act, and also with such application, and in each year thereafter, a statement verified under oath, made up to December 31st, preceding, stating the amount of its paid up cash capital, particularizing each item of investment, the amount of premiums upon existing bonds, undertakings, recognizances and obligations of like character in force upon which it is surety, the amount of liability for unearned portion thereof estimated at the rate of fifty per centum of the current annual premiums on each such bond, undertaking, recognizance and obligation in force, stating also the amount of its outstanding obligations of all kinds, and such further facts as may be by the laws of this State required of such company in transacting business therein; and if such company be organized under the laws of any other state than this state it must have on deposit with a State officer of one of the states of the United States, not less than \$100,000 in good securities, deposited with and held by such officer for the benefit of the holders of its obligations; must also appoint an attorney in this state upon whom process of law can be served, which appointment shall continue until revoked or another attorney be substituted, and must file with the commissioner of insurance evidence of such appointment, which shall state the residence and office of such attorney.

§ 3. COMMISSIONER OF INSURANCE SHALL ISSUE CERTIFICATE.] That the Commissioner of Insurance upon due proof by any such company of its possessing the qualifications in this act specified, shall issue to such company a certificate setting forth that such company has qualified and is authorized for the ensuing year to

do business under this act, which said certificate shall be evidence of such qualification of such company and of its authorization to become and to be accepted as sole surety on all bonds, undertakings, recognizances and obligations, required or permitted by law or the charter, ordinance, rules or regulations of any municipality, board, body, organization or public officer, and the solvency and credit of such company for all purposes and its sufficiency as such surety.

§ 4. RELIEF FROM LIABILITY.] That from and after the passage of this act the surety, or the representative of any surety, upon the bond of any trustee, committee, guardian, assignee, receiver, executor or administrator, or other fiduciary, may apply by petition to the court wherein said bond is directed to be filed or which may have jurisdiction of such trustee, committee, guardian, assignee, receiver, executor or administrator, praying to be relieved from further liability as such surety for the acts or omissions of the trustee, committee, guardian, assignee, receiver, executor or administrator, or other fiduciary, which may occur after the date of the order relieving such surety to be granted as herein provided for and to require such trustee, committee, guardian, assignee, receiver, executor or administrator, or other fiduciary, to show cause why he should not account, and said surety be relieved from such further liability as aforesaid, and said principal be required to give a new bond; and thereupon, upon filing of said petition, said court shall issue such order returnable at such time and place and to be served in such manner as said court shall direct, and may restrain such trustee, committee, guardian, assignee, receiver, executor or administrator or other fiduciary from acting except in such manner as it may direct to preserve the trust estate; and upon the return of such order to show cause if the principal in the bond account in due form of law and file a new bond duly approved then said court must make an order releasing said surety filing the petition as aforesaid, from liability upon the bond for any subsequent act or default of the principal; and in default of said principal thus accounting and filing such new bond said court shall make an order directing such trustee, committee, guardian, assignee, receiver, executor or administrator, or fiduciary, to account in due form of law within thirty days, and that if the trust fund or estate shall be found or made good and paid over or properly secured such company shall be discharged from any and all further liability as such for the subsequent acts or omissions of the trustee, committee, guardian, assignee, receiver, executor or administrator, or other fiduciary, after the date of such surety being so relieved or discharged and discharging such trustee, committee, guardian, assignee, receiver, executor or administrators, or other fiduciary.

§ 5. REPEAL.] That all acts and parts of acts inconsistent with this act be and they hereby are repealed.

Approved March 9, 1897.