

SENATE CONCURRENT RESOLUTION NO. 4013

Introduced by

Senators Krebsbach, Tollefson

Representative Kretschmar

1 A concurrent resolution for the amendment of sections 6 and 9 of article XII of the Constitution
2 of North Dakota, relating to cumulative voting and preemptive rights of corporate shareholders.

3 **STATEMENT OF INTENT**

4 This amendment would provide the same flexibility to all corporations in elections of their
5 directors as is now enjoyed by cooperative associations only and would remove the
6 requirement that existing stockholders consent to the issuance of additional stock.

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

9 That the following proposed amendment to sections 6 and 9 of article XII of the
10 Constitution of North Dakota is agreed to and must be submitted to the qualified electors of
11 North Dakota at the primary election to be held in 2004, in accordance with section 16 of
12 article IV of the Constitution of North Dakota.

13 **SECTION 1. AMENDMENT.** Section 6 of article XII of the Constitution of North Dakota
14 is amended and reenacted as follows:

15 **Section 6.** In all elections for directors ~~or managers~~ of a corporation, each member or
16 shareholder may cast the whole number of ~~his~~ the votes of the member or shareholder for one
17 candidate, or distribute them upon two or more candidates, as ~~he~~ the member or shareholder
18 may prefer, provided, ~~any cooperative~~ a corporation may adopt bylaws limiting the voting power
19 of its ~~stockholders~~ members or shareholders.

20 **SECTION 2. AMENDMENT.** Section 9 of article XII of the Constitution of North Dakota
21 is amended and reenacted as follows:

22 **Section 9.** ~~No~~ A corporation ~~shall~~ may not issue stock or bonds except for money,
23 labor done, or money or property actually received; and all fictitious increase of stock or
24 indebtedness ~~shall be~~ is void. The stock and indebtedness of corporations ~~shall~~ may not be

Fifty-eighth
Legislative Assembly

- 1 increased except in pursuance of general law, ~~nor without the consent of the persons holding~~
- 2 ~~the larger amount in value of the stock first obtained.~~