

INSURANCE

CHAPTER 131

S. B. No. 246—(Magnuson, by request.)

CAPITAL STOCK DOMESTIC AND OTHER STOCK INSURANCE COMPANIES

An Act to amend and re-enact Section 4863 of the 1925 Supplement to the Compiled Laws of North Dakota for the year 1913 as amended by Chapter 145, Session Laws of 1929, relating to capital stock required by domestic and other stock insurance companies.

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

§ I. AMENDMENT.] Section 4863 of the 1925 Supplement to the Compiled Laws of North Dakota for the year 1913 as amended by Chapter 145, Session Laws of 1929, is hereby amended and re-enacted to read as follows:

§ 4863. No stock life insurance company shall be incorporated under this Chapter unless it has an authorized capital stock of at least \$150,000; provided, that if the articles of incorporation of such company permits also the writing of accident and health insurance, such authorized capital stock shall be not less than \$200,000. Domestic stock insurance companies writing other than life, health and accident insurance shall have an authorized capital stock of not less than \$250,000. No domestic stock insurance company may issue any policy of insurance until 50% (fifty per cent) of its authorized capital has been paid, the residue to be paid within twelve months from the time of filing the articles of incorporation; provided, that the Commissioner of Insurance may, for good cause shown, extend the time of payment of such residue for the further period of not to exceed one year. Provided, however, that a domestic stock fire insurance company may be organized under the laws of this state with a capital stock of not less than \$100,000 for the purpose of purchasing, acquiring and taking over the business, property and assets of another domestic stock fire insurance company organized under the laws of this state prior to the enactment of Chapter 163 Laws of 1919 with a capital of \$100,000 and still doing business in this state, and upon the completion of such purchase and taking over thereof the charter of the selling corporation shall become forfeited and null and void.

No foreign stock insurance company shall hereafter be admitted to do business in this state unless it has a fully paid up capital stock in amount at least equal to the stock required of domestic companies transacting the same classes of insurance.

§ 2. REPEAL.] All Acts and parts of Acts in conflict with this Act are hereby repealed.

Approved March 9, 1933.

CHAPTER 132

S. B. No. 262—(Magnuson, by request.)

REGULATION INVESTMENT OF FUNDS DOMESTIC
INSURANCE COMPANIES

An Act to amend and re-enact Sections one (1) and two (2) of Chapter 146, of the Session Laws of 1929 to regulate the investment of funds and the real estate holdings of domestic insurance companies, and prohibiting loans to officers and directors of such companies.

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

That Sections 1 and 2 of Chapter 146 of the Session Laws of 1929 relating to the investment of funds and the real estate holdings of domestic insurance companies, and prohibiting loans to officers and directors of such companies, is hereby amended and re-enacted to read as follows:

§ 1. INVESTMENT OF FUNDS RESTRICTED.] No domestic insurance company incorporated under the laws of this state shall after the first day of July, 1929, invest in or loan upon any shares of stock of any corporation, other than a municipal corporation or shares of domestic building and loan associations nor, excepting government, state, or municipal securities, shall it invest in or loan upon, any bonds or obligations not secured by adequate collateral security, and when more than one-third of the total value of the collateral security shall consist of shares of stock it shall be deemed inadequate. No investment or loan, except policy loans, shall be made by any such insurance company unless the same shall first have been authorized by the board of directors or by a committee thereof charged with the duty of supervising such investment or loan. No such company shall subscribe to or participate in any underwriting of the purchase or sale of securities or property, or enter into any transaction for such purchase or sale on account of said company jointly with any other person, firm or corporation; nor shall any such company enter into any agreement to withhold from sale any of its property, but the disposition of its property shall be at all times within the control of its board of directors. Any such company, in addition to other investments allowed by law, may invest any of its funds and accumulations in the bonds or other obligations of the United States or of any state in the United States or of any county, city, town or village or duly organized school district therein, or of any municipality or civil division of any state, and may loan upon mortgages on improved unincumbered real estate within this state, or within any state in which such company is or becomes duly authorized and licensed to transact business, worth double the sum loan thereon, exclusive of buildings, unless such buildings are insured and the policies made payable to the company as its interest may appear, or may invest in first mortgage bonds on improved city real estate, in any state, issued by a real estate corporation duly incorporated

under the laws of any state of the United States, wherein the loans are made in accordance with the requirements as to first mortgage loans herein provided. Such companies may also invest in the mortgage bonds of any dividend paying railway company duly incorporated and organized under the authority of this state or any other state, Federal Land Bank bonds, or in the mortgage bonds of any dividend paying industrial or public utility corporation duly incorporated and organized under the authority of the United States or of any state therein, and it may also make loans on the security of promissory notes amply secured by pledge of any bonds in which such insurance companies are hereby authorized to invest their funds. Domestic life insurance companies may also make loans upon the security of its own policies, but no loan on any policy shall exceed the reserve value thereof.

From and after the taking effect of this Act, no insurance company or association organized under the statutes of North Dakota to transact an insurance business, shall invest its capital, surplus funds or other assets in, or loan the same on, property owned by any officer or director of such company or by any of the immediate members of the family of any such officer or director, neither shall any such office or director gain through the investment of funds of any such company.

§ 2. HOLDING OF REAL PROPERTY LIMITED.] Every such insurance company may acquire, hold and convey real property only for the following purposes and in the following manner:

First. Such as shall be requisite for the convenient accommodation in the transaction of its business.

Second. Such as shall have been mortgaged to it in good faith by way of security for loans previously contracted or for moneys due.

Third. Such as shall have been conveyed to it in satisfaction of debts previously contracted in the course of its dealings.

Fourth. Such as shall have been purchased at sales on judgments, decrees or mortgages obtained or made for such debts.

All such property specified in Subdivisions two, three and four of this Section which shall not be necessary for its accommodation in the convenient transaction of its business, shall be sold and disposed of within two years after the company shall have acquired title to the same, or within two years after same shall have ceased to be necessary for the accommodation of its business; and it shall not hold such property for a longer period unless it shall procure a certificate from the Commissioner of Insurance that its interests will suffer materially by the forced sale thereof, in which event the time for sale may be extended to such time as the Commissioner shall direct in such certificate.

§ 3. EMERGENCY.] This Act is hereby declared an emergency

measure and shall be in full force and effect from and after its passage and approval.

Approved March 6, 1933.

CHAPTER 133

S. B. No. 321—(McDonald.)

INSURANCE POLICIES AND SURETY BONDS BY RESIDENT AGENTS ONLY

An Act to amend and re-enact Section 4926 of the Compiled Laws of 1913, providing that Insurance and Surety Companies shall do business only through authorized agents within the state.

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

§ 1. AMENDMENT.] That Section 4926 of the Compiled Laws of 1913 be amended so as to read as follows:

§ 4926. INSURANCE AND SURETY BONDS BY RESIDENT AGENTS ONLY.] No insurance or surety company shall do business in this state except through its authorized agents who must be residents of and have their office or place of business in this state. All policies of insurance issued in this state shall be countersigned by such agents who shall be paid the full commission payable by such companies. All policies or surety bonds not written in accordance with the foregoing provisions shall be deemed a violation of this Article.

§ 2. REPEAL.] All Acts or parts of Acts in conflict with the provisions of this Act are hereby repealed.

§ 3. EMERGENCY.] An emergency is declared to exist herein, therefore, this Act shall take effect and be in force immediately upon its passage and approval.

Approved March 7, 1933.

CHAPTER 134

S. B. No. 120—(Magnuson.)

VALUATION SECURITIES INSURANCE COMPANIES

An Act to amend and re-enact Section 4848a of the 1925 Supplement to the Compiled Laws of North Dakota for the year 1913, authorizing the valuation of bonds and other securities held by Fire, Life and Casualty Insurance Companies, Assessment Associations and Fraternal Beneficiary Associations by the amortization method.

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

§ 1. AMENDMENT.] That Section 4848a of the 1925 Supplement to the Compiled Laws of North Dakota for the year 1913 be amended and re-enacted as follows:

§ 4848a. VALUATION OF SECURITIES.] All bonds or other evidences of debt having a fixed term and rate held by any fire, life or casualty insurance company, assessment association or fraternal beneficiary association authorized to do business in this state may, if amply secured and not in default as to principal or interest, be valued as follows: If purchased at par, at the par value; if purchased above or below par, on the basis of the purchase price adjusted so as to bring the value to par at maturity and so as to yield in the meantime the effective rate of interest at which the purchase was made; provided that the purchase price shall in no case be taken at a higher figure than the actual market value at the time of purchase; and, provided further, that the Commissioner of Insurance shall have full discretion in determining the method of calculating values according to the foregoing rule.

Approved March 3, 1933.

CHAPTER 135

H. B. No. 123—(Swett.)

INSURANCE PUBLIC BUILDINGS

An Act to amend and re-enact Sections 189c1, 189c2, 189c3, 189c5, 189c6, and 189c7 of the 1925 Supplement to the 1913 Compiled Laws of North Dakota, as amended by Chapter 173 of the 1927 Session Laws and Chapter 162 of the 1931 Session Laws of the State of North Dakota, relating to Fire and Tornado Insurance on public buildings, and fixing rates of premiums to be charged.

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

§ 1. AMENDMENT.] That Section 189c1 of the 1925 Supplement to the 1913 Compiled Laws of North Dakota be and the same is hereby amended and re-enacted to read as follows:

§ 189c1. STATE BUILDINGS INSURED.] On and after August 1st, 1933, no officer or agent of this state and no person or persons having charge of any public buildings or property of the state shall pay out any public moneys or funds on account of any insurance against loss by fire or tornado or shall in any manner contract for or incur any indebtedness against the state on account of any such insurance upon any of the public buildings, furniture or fixtures or property of any kind whatever belonging to the state except in the manner hereinafter provided.

§ 2. AMENDMENT. That Section 189c2 of the 1925 Supplement to the 1913 Compiled Laws of North Dakota be and the same is hereby amended and re-enacted to read as follows:

§ 189c2. REPORT ON STATE BUILDINGS.] On August 1st of each odd numbered year, each officer, board of administration or agents of the state of any kind having in charge any public build-

ings or property of any kind whatsoever belonging to the state, shall report to the Commissioner of Insurance of the state the sound, depreciated value of each building or risk and contents therein, and such other information as may be required by the Commissioner of Insurance on forms provided by him.

§ 3. AMENDMENT.] That Section 189c3 of the 1925 Supplement to the 1913 Compiled Laws of North Dakota as amended by Chapter 173 of the Session Laws for the year 1927, and Chapter 162 of the Session Laws for the year 1931, be and the same is hereby amended and re-enacted to read as follows:

§ 189c3. INSURANCE PROVIDED. RATE OF PREMIUM.] On or between July 1st and August 1st, 1933, and each odd numbered year thereafter, the Commissioner shall provide for the insurance in the State Fire and Tornado Fund, and in some reliable Fire and Tornado Insurance Company or Companies doing business in the State of North Dakota, as hereinafter provided, on all state property subject to destruction by fire or tornado, for an amount not to exceed ninety per cent (90%) of the actual value of the property, as such value is determined by the Commissioner and the officer or board having control of such property, and for such purpose the Commissioner of Insurance is hereby designated and constituted the custodian of said property. Upon special written request by the officer or board, the Commissioner of Insurance may provide for insurance against loss by hail, in the same manner and form and on such property as is insured against loss by tornado, as provided herein. The Commissioner shall first determine the insurable value of each article of property and then fix the rate of premiums to be paid by the insured at 60% of the rates promulgated by the General Inspection Bureau.

§ 4. AMENDMENT. That Section 189c5 of the 1925 Supplement to the 1913 Compiled Laws of North Dakota be and the same is hereby amended and re-enacted to read as follows:

§ 189c5. REPORT ON OTHER BUILDINGS.] On August 1st of each odd numbered year, each county auditor, city auditor, township, village and school district clerk, as the case may be, shall report to the Commissioner of Insurance the sound, depreciated or insurable value of each building or risk and contents therein, and such other information as may be required by the Commissioner of Insurance, on forms provided by him.

§ 5. AMENDMENT.] That Section 189c6 of the 1925 Supplement to the 1913 Compiled Laws of North Dakota be and the same is hereby amended and re-enacted to read as follows:

§ 189c6. INSURANCE PROVIDED. PREMIUM.] From and after August 1st, 1933, the insurance on all property of any such county, city, township, village or school district, shall be provided for by

the Commissioner in the manner provided for the insurance of property of the state, except that the amount of insurance and the premiums thereon shall be certified by the Commissioner to the clerk or auditor of the township, village, city, county or school district. Upon receipt of such certification, the amount of premium so certified shall, on or before sixty days from the date of such certification, be remitted by the proper officer to the Commissioner of Insurance to be by him deposited with the State Treasurer to the credit of the State Fire and Tornado Fund and which shall be used only for the purposes provided for in this Act. In case of failure to pay the same within sixty days from the date of such certification, the township, village, city, county or school district official or officials responsible therefor, shall become jointly and severally, as the case may be, personally liable for the same in an amount equal to double the premium due from such township, village, city, county or school district, and in case of such default it shall be the duty of the State Insurance Commissioner to notify the Attorney General, who shall bring an action in the courts of this state, or shall direct the State's Attorney of the county in which such delinquency occurs to bring such action, to recover the amount hereinbefore provided for.

§ 6. AMENDMENT.] That Section 189c7 of the 1925 Supplement to the 1913 Compiled Laws of North Dakota be and the same is hereby amended and re-enacted to read as follows:

§ 189c7. REPLACEMENT OF POLICIES.] No policies of insurance in force on the first day of August, 1933, and covering risks not heretofore required by law to be insured with the State Fire and Tornado Fund shall be cancelled by the Commissioner; but all such risks as and when the policies covering the same shall lapse, expire or be otherwise cancelled, shall be insured with the State Fire and Tornado Fund as herein provided, and the amount of such insurance in said State Fire and Tornado Fund shall be from time to time increased so as to maintain at all times on the property covered thereby the amount of insurance required by the provisions of this Act.

Approved March 9th, 1933.

CHAPTER 136

S. B. No. 102—(Magnuson.)

**FIRE OR TORNADO INSURANCE SCHOOL AND TOWNSHIP
PROPERTY**

An Act authorizing the school board of any civil township in the state whose property is not required by law to be insured against loss by fire or tornado by the State Fire and Tornado Fund to insure the property of such district and such township against loss in Mutual Fire Insurance Companies, State Fire and Tornado Fund or in Old Line Fire Insurance Companies.

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

§ 1. AMENDMENT.] That Section 1 of Chapter 167, Session Laws of 1927, be amended and re-enacted to read as follows:

§ 1. The property of any school district or of any civil township in the state which is not required to be insured against loss by fire or tornado by the State Fire and Tornado Fund may at the discretion of the school board of such district, or the township board of such township, be insured against such loss in Mutual Fire Insurance Companies, State Fire and Tornado Fund or in Old Line Fire Insurance Companies; provided that no such insurance may be so placed by any school board or township board except in companies duly authorized under the laws of the state to do business in the state of North Dakota.

Approved March 9, 1933.

CHAPTER 137

S. B. No. 143—(Matthaei.)

STATE HAIL INSURANCE

An Act to amend and re-enact Sections 189b3 and 189b17, of the Supplement to the 1913 Compiled Laws of North Dakota, and to amend and re-enact Sections 189b5, 189b7, 189b8, 189b9, 189b10, 189b11, 189b13, 189b15, 189b20, 189b21, 189b22, 189b25, 189b29, and 189b30 of the 1925 Supplement to the 1913 Compiled Laws of North Dakota, as amended by Sections 1, 2, 3, 4, 6, 9, 11, 12, 13, 14, 15, 17, 18 and 19 respectively by the 1931 Session Laws of the State of North Dakota; and to repeal Sections 5, 7, and 8 of Chapter 170 of the Session Laws of North Dakota for 1931, and all other Acts and parts of Acts in conflict herewith; relating to State Hail Insurance, providing for collection of hail indemnity insurance, and giving notice of priority of hail indemnity tax liens; providing for writing hail protection, defining duty of assessors; providing for collection of taxes, fixing amount, and providing for adjustment of claims of indemnity; and abatement of hail indemnity tax and correction of records, and declaring an emergency.

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

§ 1. AMENDMENT.] That Section 189b3 of the 1925 Supplement to the Compiled Laws of 1913, be and is hereby amended and re-enacted to read as follows:

§ 189b3. EMPLOYEES, SALARIES AND OPERATING EXPENSE.] The Commissioner of Insurance with the approval of the Governor shall appoint a manager who shall be in direct charge of the Department and whose salary shall be set by the Commissioner of Insurance. With the approval of the Commissioner of Insurance, the manager shall employ all the assistants necessary to operate the Department and may employ legal counsel.

The salaries of all employees together with all other expenditures for the operation and maintenance of the Department shall remain within the appropriation and surplus available in each year for such purposes and shall not exceed the sum of one hundred and fifty thousand dollars per annum, except as provided for by Sections 16 and 17 of this Act. The Commissioner of Insurance shall pay all salaries and expenses of the Department by vouchers issued by him and approved by the State Auditing Board, except payment for writing applications as provided for in Section 9 of this Act.

§ 2. AMENDMENT.] That Section 189b5 of the 1925 Supplement to the Compiled Laws of 1913, as amended by Section 1 of Chapter 170 of the Session Laws of the State of North Dakota for 1931, be and is hereby amended and re-enacted to read as follows:

§ 189b5. CROPS INSURED.] The crops insured under this Act shall consist of crops grown on cultivated lands, listed as actually cropped subject to the payment of the taxes specified in this Act. The following crops may be insured: rye, wheat, speltz, barley, oats; flax, corn, buckwheat, millet, sweet clover, alfalfa, and cane. The insurance herein provided shall in no event become effective on winter rye and winter (wheat) before 12 o'clock noon, Central Standard Time, of June 1st and shall not become effective on any other crops before 12 o'clock noon, Central Standard Time, of June 10th of any year, subject to the provisions of Section 9, 11, and 25 of this Act. Provided that no indemnity shall be allowed for loss to winter rye and winter wheat which occurs later than 12 o'clock noon, Central Standard Time, of August 25th of each year, and flax and corn shall be considered insured up to 12 o'clock noon, Central Standard Time, September 15th of each year; on all other crops the protection shall cease 12 o'clock noon, Central Standard Time, of September 10th of each year. The insurance provided for in this Act shall not be effective on crops struck by hail before an application is filed with the Hail Insurance Department.

§ 3. AMENDMENT.] That Section 189b7 of the 1925 Supplement to the Compiled Laws of 1913, as amended by Section 2 of Chapter 170 of the Session Laws of North Dakota for 1931, be and is hereby amended and re-enacted to read as follows:

§ 189b7. INDEMNITY TAX.] The Commissioner of Insurance shall, on or before the 15th day of October of each year, ascertain the amount which is required for the total payment of all loss

caused by hail to crops insured by the Department and a sum sufficient to pay interest on certificates of indebtedness, or for interest at the rate of 5% per annum on all indemnity warrants from date of registration until called for payment by the State Treasurer if such warrants are not payable in cash when issued, and for any anticipated refunds or abatements of taxes, plus a sufficient sum to maintain and operate the Department for the succeeding year, and for the purpose of securing and paying of same, there is hereby levied by this Act pursuant to Section 177 of the Constitution and Article 24 of the Amendments of the Constitution of the State of North Dakota each and every year an indemnity acreage tax sufficient to cover said amounts on all insured lands as specified in this Act, but in no event shall the total of such levy exceed ten per cent of the total risk for the State carried by the Department for such year. The Commissioner of Insurance shall determine the rate of the levy for the hail indemnity tax and certify the same to the several County Auditors, and in preparing the tax lists for each year the County Auditors of the several counties shall enter in such list opposite the description of each tract, parcel or subdivision of land insured with the State Hail Department, the hail indemnity tax charged against said land, using as the basis for computation of such tax the rate certified by the Commissioner of Insurance. Provided that when \$8.00 per acre insurance is carried the indemnity tax shall be as much greater than the tax for \$5.00 per acre protection as 8 is greater than 5.

Such hail indemnity tax shall be a general tax against the whole of said tract, parcel, or subdivision of land in like manner and to the same effect as general state and county taxes. It shall be of the same order and the lien therefor shall share rateably with other general tax liens in all tax proceedings and tax sales, and it shall be subject to all the provisions of law relating to general taxes except as hereinafter provided. The lien of the tax herein provided for shall be prior and superior to all mortgages, liens and judgments executed subsequent to the approval of this Act. Such tax shall become due and payable at the same time as other general taxes and delinquent at the same time as the first installment of other general taxes except that said tax shall be paid as a whole and not in installments.

Provided, further, that this Act shall be legal notice that the hail indemnity taxes levied during any year after the passage and approval of this Act are prior and superior to mortgages, contracts for sale of realty, liens and judgments executed or otherwise coming into existence after the approval of this Act.

For the purpose of levying the acreage indemnity tax the State is hereby divided into five districts, the composition of which is to be determined by the Commissioner of Insurance and the Manager of the Hail Insurance Department at the time levy for hail indemnity tax is determined. The basis for districting shall be the actual

cost of the protection in each county for the then current year as determined by the amount of indemnity allowed and the acreage insured within each county. District No. 1 shall be comprised of all such counties showing for each year an actual cost of not more than 1% of the risk carried; District No. 2 an actual cost of over 1% but not more than 3%; District No. 3 an actual cost of over 3% but not more than 5%; District No. 4 an actual cost of over 5% but not more than 7%; District No. 5 an actual cost of over 7%. When such levy for hail indemnity tax is made, each of the five districts shall be considered a unit; however, the rate and actual per acre cost of such indemnity tax levied shall be based on the following proportions or ratios between the districts: First District, 3; Second District, 5; Third District, 6; Fourth District, 7; Fifth District, 8. Provided that if the total amount necessary for indemnity tax for any one year equals more than 10 per cent of the risk carried by the Department for such year, in order that losses may be paid in full, the Commissioner of Insurance may use any moneys in the surplus of the Hail Insurance Fund to pay such difference between the moneys actually obtained by the levy for hail indemnity tax and the amount actually needed to pay all such legal indemnities for each year, and the Commissioner of Insurance shall in the following or any succeeding year or years, when the indemnity for hail losses as above provided is not in excess of an average of 10 per cent of the risk carried by the Department, include in the levy for hail indemnity tax such sum, or sums, as may be necessary to reimburse the surplus fund for such moneys borrowed from such fund. All moneys collected under the provisions of this Section shall be paid into the State Hail Insurance Fund.

§ 4. AMENDMENT.] That Section 189b8 of the 1925 Supplement to the Compiled Laws of 1913, as amended by Section 3 of Chapter 170 of the Session Laws of the State of North Dakota for 1931, be and is hereby amended and re-enacted to read as follows:

§ 189b8. NOTICE TO COUNTY AUDITORS AND TREASURERS.] After the Commissioner of Insurance has determined the indemnity tax acreage rates and made the necessary deductions from indemnities as required under this Act, he shall forthwith forward to the County Auditor of each county an abstract of records as provided for in Section 13 of this Act and the County Auditor shall spread such indemnity tax on the tax rolls in separate columns, for the purpose as provided in Section 7 of this Act. Such indemnity tax shall be collected by the Treasurer of said county and shall be kept in a separate fund to be known as the State Hail Insurance Fund.

§ 5. AMENDMENT.] That Section 189b9 of the 1925 Supplement to the Compiled Laws of 1913, as amended by Section 4 of Chapter 170 of the Session Laws of North Dakota for 1931, be and is hereby amended and re-enacted to read as follows:

§ 189b9. DUTY OF ASSESSORS: WRITING THE PROTECTION.]

It shall be and is hereby made the duty of each and every assessor in the State, each within his respective district, or county, each and every year at the time of the listing of property for assessment, to inquire of the person whose property is assessed, or the legal occupant, whether or not he has any crops growing or to be grown during such year, and if he has any such crops, whether or not he desires to have such crops or any part thereof insured against loss by hail under the provisions of this Act for the year in which said assessment is made. Such assessor shall at that time explain fully to said person the provisions of this Act relative to amount of insurance per acre, the time within which notice of loss must be given, and the time and manner of paying hail taxes and indemnities. If such person desires to insure any or all of his crops the assessor shall then and there take his application, in triplicate, on forms of application furnished by the Commissioner of Insurance. Such application may be taken by the assessor at any time before crops are struck by hail and not later than the fifteenth day of July of the year for which said insurance is desired. Provided, however, that in no case shall insurance take effect before such application is actually received in the office of the Hail Insurance Department. Immediately after the fifteenth day in July the assessor shall forward to the County Auditor of his county the balance of his hail insurance listing supplies. All applications shall be made in triplicate and shall carefully describe each piece of land to be insured, describing particularly the quarter section or subdivision thereof, the number of the section, the township and range with acreage, description of and location of the different kinds of crops to be insured. Each application shall also show the interest of applicant in such crop. Provided, however, that the occupant, if same be a tenant, may make application as owner's agent if he has written authority and files such written authority with his application. The information contained in such application shall be furnished by the applicant and shall be binding on him. Provided, however, that such applicant may amend such application as to kind of crop and location thereof at any time before July 6, and before loss, by notifying the Hail Insurance Department thereof by registered mail.

At the time of taking the application herein provided for, the assessor shall endorse on each copy thereof the date and hour of same and shall forward by mail within twenty-four hours the triplicate copy to the County Auditor of his county and the original and duplicate copies to the Hail Insurance Department at Bismarck; all such applications shall be subject to the approval of the Commissioner of insurance. Immediately upon receipt and checking of such original and duplicate copies in the office of the Hail Insurance Department the Commissioner of Insurance shall, if he approves the same, cause to be stamped and endorsed thereon the day and hour when insurance is effective, his receipt and approval of same, and

shall return the duplicate copy to the applicant which duplicate copy thus endorsed shall constitute the policy of insurance under the provisions of this Act and shall entitle the applicant to the protection thereof. The application shall be the basis of computing the hail indemnity tax which shall be charged against the land on which such crops are grown, except as further provided in this Act.

If, for any reason, any person having crops growing or to be grown, fails to make application with the assessor for hail insurance, as herein provided, he may at any time after the first day in June and before 12 o'clock noon on the 15th day of July make application for such insurance with the County Auditor or directly with the Hail Insurance Department. In case the fifteenth day in July falls on Sunday, the applicant may file his application at any time before twelve o'clock noon the following day. Upon taking such application the County Auditor shall retain the triplicate copy in his office and shall mail immediately the original and duplicate thereof to the Hail Insurance Department. The provisions of this Section which apply to the assessor in taking applications shall also, as far as applicable, apply to the County Auditor.

The assessors and County Auditors in addition to other compensation allowed them according to law, shall be entitled to compensation for their services at the rate of one cent per acre on approved applications listed and reported by them in accordance with the provisions of this Act. Such compensation shall be paid out of the Hail Insurance Fund Operating Account and the Commissioner of Insurance shall certify to the State Auditor a list of the assessors and County Auditors and the amounts due them and thereupon the State Auditor shall draw warrants on the State Treasurer for payment of same out of the State Hail Insurance Fund Operating account.

§ 6. REPEAL.] That Section 5 of Chapter 170 of the Session Laws of the State of North Dakota for the year 1931, be and is hereby repealed.

§ 7. AMENDMENT.] That Section 189b10 of the 1925 Supplement to the Compiled Laws of 1913, as amended by Section 6 of Chapter 170 of the Session Laws of North Dakota for 1931, be and is hereby amended and re-enacted to read as follows:

§ 189b10. COLLECTION OF TAXES.] The hail indemnity taxes provided for in this Act shall be collected by the County Treasurers of the various counties in the State as other taxes are collected, and all sums arising from penalty and interest on account of non-payment of such taxes shall accrue to and become a part of the State Hail Insurance Fund. Provided that premiums for special policies issued shall be collected by the State Hail Insurance Department direct.

It is further provided that it shall be the duty of the County Treasurer of each and every county in the State to remit to the

State Treasurer all moneys collected under the provisions of this Act each month, on or before the 15th day of the following month, and the State Treasurer shall, upon the first day of each month, report to the Commissioner of Insurance the condition of the State Hail Insurance Fund. Before paying any indemnity arising under this Act, the Commissioner of Insurance shall deduct from such payment, the hail indemnity tax due the Hail Insurance Fund by the insured on the land covered by the policy, not only for the current year's protection, but also such as may have accrued and is unpaid from previous years, as certified to the State Hail Insurance Department by the various County Auditors, and the Commissioner of Insurance may deduct any other indemnity tax for which the insured is liable. After making such deduction from the indemnities the Commissioner of Insurance shall certify the same to the County Auditors, and the County Auditors and the County Treasurers shall use such deductions so listed as authority for striking part or all of such current or delinquent taxes from the tax rolls.

Hail indemnity taxes may be paid separately without payment of other general taxes so as to allow owners or croppers to secure State Hail Insurance protection on crops grown on lands on which hail indemnity taxes are unpaid at the time protection is applied for. When any land is advertised and sold for non-payment of taxes, the hail indemnity taxes, which constitute a prior lien as provided for in this Act, shall be advertised and sold together with the general taxes and all laws relating to the collecting of penalty and interest and sale of realty for non-payment of taxes shall apply to such hail indemnity taxes. Provided, that hail indemnity taxes not constituting prior liens shall not be advertised or sold but such hail indemnity taxes shall remain on the county records as a lien against the land until paid or until cancelled as provided for in Section 29 of this Act. Provided further that in case the lien prior to the lien of the hail indemnity tax is extinguished or satisfied by any process other than the foreclosure of the lien prior to the hail indemnity tax lien, such hail indemnity tax shall be sold at the next real estate tax sale and all laws relating to sale of realty for non-payment of taxes shall apply to such hail indemnity taxes.

§ 8. REPEAL.] That Section 7 of Chapter 170 of the Session Laws of North Dakota for the year 1931, be and is hereby repealed.

§ 9. REPEAL.] That Section 8 of Chapter 170 of the Session Laws of North Dakota for the year 1931, be and is hereby repealed.

§ 10. AMENDMENT.] That Section 189b11 of the 1925 Supplement to the Compiled Laws of 1913, as amended by Section 9 of Chapter 170 of the Session Laws of North Dakota for 1931, be and is hereby amended and re-enacted to read as follows:

§ 189b11. CROP AFFIDAVIT, INSURABILITY AND LIENS.] In making application for State Hail Insurance as provided by Section

189b9 of this Act, the owner, tenant, or cropper, shall furnish the complete information required in the application blank, and he shall be bound by such information. If lands are bought on contract, the contract owner shall be deemed the party responsible for the payment of the hail indemnity taxes and the record or title owner, in such case, shall not in any way determine as to whether or not such insurance should be carried. Where the cropper is a tenant, he shall, in making application for State Hail Insurance, secure the owner's consent in writing to such application but such consent may be filed on separate forms or letter to be made a part of the application. Provided, that an owner may make regular application for insurance on his proportionate share of crop. It is further provided that every lease, oral or written, on land subject to hail indemnity tax, hereafter made, shall be deemed to include, as a covenant and agreement on the part of the lessee or cropper, an undertaking to pay his share of hail indemnity taxes properly chargeable against the land, and the landlord shall have a first lien upon all the crops grown upon the land, belonging to any such tenant or share cropper as security for the payment of tenant's share of the said hail indemnity taxes, unless the contrary shall be clearly expressed in writing and made a part of the lease. Every vendee or mortgagee of crops grown on rented land shall be charged with notice of such lien. Such lien may be enforced in the same manner as a seed, labor, or thresher's lien and with like effect or the amount thereof may be subjected to other provisions of the contract relative to the division of the crop. It is further provided that contracts for sale of lands and mortgages executed prior to the approval of this Act must be recorded within ninety days of the effective date of this Act in order to preserve their status as a prior lien to the hail indemnity taxes levied hereunder. No regular application for hail insurance shall be approved by the Commissioner of Insurance where the records of the County Auditor show any unpaid hail indemnity taxes except as hereinafter provided. Provided that applications for hail insurance may be approved where the records of the County Auditor show unpaid hail indemnity taxes for one year of the last preceding three years. Provided, however, that an application may be approved when an owner makes proof that he is not liable for payment of indemnity taxes levied against the land and remaining unpaid on account of foreclosure of a superior lien.

On May 15th of every year the Sheriff of each and every county in the State shall furnish the Hail Insurance Commissioner a list of sheriff's certificates in his county, issued on foreclosure of mortgages, and on which the period of redemption extends through part or all of the then current cropping year. Provided that listings for insurance on such premises shall in no event be approved by the Commissioner of Insurance. Special policies may, however, be issued for insurance in all cases not insurable on regular applications

if proper applications in accordance with provisions of Section 25 of this Act be filed with the Hail Insurance Department direct.

§ 11. AMENDMENT.] That Section 189b13 of the 1925 Supplement to the Compiled Laws of 1913, as amended by Section 11 of Chapter 170 of the Session Laws of North Dakota for 1931, be and is hereby amended and re-enacted to read as follows:

§ 189b13. ADDITIONAL DUTIES OF COUNTY OFFICIALS, ABSTRACTS OF RECORDS.] As soon as possible after the hail indemnity tax rates have been ascertained, the Commissioner of Insurance, through the Hail Insurance Department, shall file with the County Auditor of each county, a complete list of descriptions of lands within such county upon which the State Hail Insurance Department has carried the protection for the then current season, such based on the regular applications for hail insurance on file in his office, the cancellation thereof or changes made therein. The County Auditor shall use such list as the basis for spreading the hail indemnity tax on the records. Provided, it shall be the duty of the County Auditors and County Treasurers to make proper corrections on their records, and to cause deductions of hail taxes to be made from time to time upon receipt of certification from the office of the Hail Insurance Department. It shall be the duty of the County Auditors, upon the filing of application for insurance, to ascertain from his records and the records of the County Treasurer the amount or amounts of unpaid hail taxes due and delinquent on lands covered by such application, and forward a statement of the same immediately to the Commissioner of Insurance. Such delinquent tax notification, as well as other reports in connection with the Hail Insurance work, shall be made by the various officials on forms prepared by the Commissioner of Insurance and it is hereby provided that it shall be a part of the official duties of any county official to furnish to the State Hail Insurance Department information necessary or convenient in accomplishing the purposes of this Act.

It shall be the duty of the Register of Deeds in each county not later than November 10th of each year, to check the land descriptions in the abstract of records provided for herein and in Section 8 of this Act as to priority of the hail indemnity tax liens for each year and certify to the County Auditor the description of lands whereon the hail indemnity tax is not a prior lien.

§ 12. AMENDMENT.] That Section 189b15 of the 1925 Supplement to the Compiled Laws of 1913, as amended by Section 12 of Chapter 170 of the Session Laws of North Dakota for 1931, be and is hereby amended and re-enacted to read as follows:

§ 189b15. AMOUNT OF INDEMNITY.] The maximum amount of indemnity for total loss shall be either \$5.00 per acre or \$8.00 per acre, as the application for insurance may specify. Provided,

however, that if the original application calls for \$5.00 per acre insurance, the insured may before loss and before July 15th make application to the Hail Insurance Department for an additional \$3.00 per acre protection. Such application shall be made out in duplicate upon forms prepared and furnished by the Commissioner of Insurance and mailed directly to the Department at Bismarck, and if approved by the Commissioner of Insurance, the duplicate of such application shall be returned to the maker and considered his policy of insurance. Such application shall contain the legal description of the land, the kind of crops and the acreage of same on which additional insurance is desired. The location of such crops shall also be given upon a diagram on the application blank, and such application shall contain a statement to the effect that such crops have not been damaged or destroyed by hail. Provided further, that such application shall be signed by the applicant and shall be acknowledged by the assessor or sworn to before someone authorized to administer oaths. If the applicant is a tenant, the signed consent of the person liable for the taxes authorized by this Act must appear upon such application, and if the owner makes such application, the written consent of the tenant must appear thereon. If either owner or tenant, in filing such application, acts as agent one for the other, a written authorization shall be attached to the application. Such applications are subject to the approval of the Commissioner of Insurance.

In no event shall such additional insurance become effective before application is on file in the office of the Hail Insurance Department. Provided, that no indemnity shall be allowed to any claimant for loss of less than ten per cent, and a loss of 85 per cent or over shall be deemed a total loss. There shall be no claim allowed for any loss or damage to crops except such as is directly traceable to hail. Provided that no indemnity shall be allowed or paid for damage to any crop after it is cut, nor on any abandoned crop.

§ 13. AMENDMENT.] That Section 189b17 of the 1925 Supplement to the Compiled Laws of 1913, be and is hereby amended and re-enacted to read as follows:

§ 189b17. ADJUSTMENT OF CLAIMS.] In making adjustment of claims it shall be the duty of the adjuster to inspect the crops on which damage is claimed and he shall have the authority to administer oaths and, if deemed necessary, to call witnesses to testify as to the condition of the crop before and after loss, and he shall establish the fact that hail fell from other evidence than that found in the field by examining witnesses living adjacent to or near the land on which loss is claimed. It shall be the duty of the adjuster, whenever possible, to secure the written concurrence of the claimant, or his legal representative, in the award made by the adjuster of the claim, and to immediately forward same to the Commissioner of Insurance. In case the claimant does not concur in the findings and

award of the adjuster, the adjuster shall immediately notify the Commissioner of Insurance of such fact, and upon the request of the claimant duly made within three days upon blanks furnished by the Department for that purpose, or by notice in writing, the Hail Insurance Department, through its authorized deputy inspector, shall reinspect the crops claimed to have been damaged, and if, upon such reinspection, the insured still refuses to concur in the adjustment as found by the inspector, then the deputy inspector shall immediately submit the case to arbitration. The claimant shall then within a period of six hours deposit with the deputy inspector not less than Twenty-Five Dollars nor more than Fifty Dollars in certified check, bank draft, or postal money order drawn to the order of the State Hail Insurance Department as security for the payment of the fees and expenses of the members of the Board of Arbitration and deputy inspector in case the findings of such Board be in amount not greater than that offered by the deputy inspector. Provided, that if claimant shall refuse or neglect to make such deposit with the deputy inspector within the six hours provided for, the claim shall be considered settled and the findings of the deputy inspector shall govern in paying indemnity for such loss. If arbitration is resorted to it is provided that within a period of twelve hours (not including the time between 7 P. M. and 7 A. M.) after the deposit is made the deputy inspector shall appoint and produce on the premises one disinterested person and the claimant shall appoint and produce on the premises one disinterested person and these two shall appoint a third person and the findings of the majority of the three so appointed shall be final and binding upon the State Hail Insurance Department and the claimant. Provided, if the first two arbitrators fail to agree on a third party within two hours the deputy inspector in charge shall discharge them and notify the Manager of the Hail Insurance Department immediately. The Manager shall thereupon notify the chief inspector to appraise the hail damage to the crops in question and indemnity for such loss shall be paid in accordance with the findings of the chief inspector. Provided, when settlements are made by a Board of Arbitration, should the findings be more than the amount allowed by the deputy inspector, the expenses of such adjustment shall be paid by the Hail Insurance Department, as other expenses of this Department are paid. Otherwise, the expenses of such arbitration, including witness fees, if any, shall be borne by the claimant. Provided further, that the deputy inspector shall immediately following the arbitration forward the deposit received from the claimant to the Hail Insurance Department together with vouchers drawn by the members of the Board of Arbitration and certified by him and the Hail Insurance Department shall deposit such moneys to the credit of the State Hail Insurance Fund and warrants shall be drawn in payment to the members of the Board of Arbitration and the balance of such deposit returned to the claimant. Provided further, that such deposits shall be considered

separate from and above the allowance made for operating and maintenance expense under Section 3 of this Act. The fee to be paid witnesses and arbitrators, under this Section, shall be the same as those allowed witnesses in civil actions. Provided, that all adjustments as made shall be subject to the approval of the Commissioner of Insurance. Provided further, that if any loss is found to be less than 10% the Commissioner of Insurance may charge the cost of such inspection to the claimant and such expense shall be certified to the County Auditor as a lien against the land and such lien shall have the same standing as the hail indemnity tax for that year.

§ 14. AMENDMENT.] That Section 189b20 of the 1925 Supplement to the Compiled Laws of 1913, as amended by Section 13 of Chapter 170 of the Session Laws of North Dakota for 1931, be and is hereby amended and re-enacted to read as follows:

§ 189b20. DIVERSE INTEREST IN CROP.] In case of diverse ownership of interest in any crop upon which indemnities are allowed, proof of the percentage of interest in the award shall be made to the Commissioner of Insurance by affidavit or other showing under such rules and regulations as the Commissioner may provide, and the award shall be disbursed to the owner of the land, tenant or to the different claimants as their interest may appear, or by joint warrant. Provided that interest in indemnity shall follow the direct interest in the crop. If land is bought on crop payment plan under which the title owner is to receive a certain part of the crop each year, indemnity shall be distributed to him in the same proportion as his interest in the crop or by joint warrant, if proper showing has been made to the Department during the then current year and before the adjustment has been approved for issuance of warrant. Provided that ownership on account of liens and mortgages, garnishment, levy, execution, and any other legal process shall not be considered a direct interest. Neither shall the mere retaining of title in the crop constitute an absolute or direct interest as interpreted by this Act.

§ 15. AMENDMENT.] That Section 189b21 of the 1925 Supplement to the Compiled Laws of 1913, as amended by Section 14 of Chapter 170 of the Session Laws of North Dakota for 1931, be and is hereby amended and re-enacted to read as follows:

§ 189b21. ISSUANCE OF WARRANTS.] Warrants in payment of approved adjustments shall be drawn within fifteen days after such adjustments are approved. Prior to the writing of such warrants the Commissioner of Insurance shall first deduct the current hail indemnity taxes if ascertained at that time, and then unpaid hail taxes for prior years, as certified by the County Auditor. If such hail indemnity taxes for the then current year are not determined when payment of indemnity is made, the Commissioner shall deduct from the indemnity a sum by him considered sufficient

to cover that year's hail tax, but in no event more than fifteen per cent of the total risk covered by the policy. Any amount deducted in excess of actual premium and in excess of other legal deductions by the Department shall be repaid to the claimant within a reasonable time after the hail indemnity tax rate has been determined. Provided that any net indemnity of less than one dollar shall be paid the claimant direct by postage stamps and a record shall be kept of such payments. The Commissioner of Insurance, through the Manager of the Hail Insurance Department, shall draw warrants upon the State Treasurer payable out of the State Hail Insurance Fund, for such amounts and in favor of such persons or parties entitled thereto; which amounts shall be charged to the State Hail Insurance Fund; such warrants to be mailed by the State Hail Insurance Department to the persons interested, or in case of joint warrant to one of such persons. The warrants become due and payable immediately upon issue and shall draw no interest unless in case of necessity arising for the registry of such warrants for lack of funds, in which event warrants shall draw interest at the rate of five per cent per annum from date of registration.

§ 16. AMENDMENT.] That Section 189b22 of the 1925 Supplement to the Compiled Laws of 1913, as amended by Section 15 of Chapter 170 of the Session Laws of North Dakota for 1931, be and is hereby amended and re-enacted to read as follows:

§ 189b22. INDEMNITY EXEMPT FROM GARNISHMENT.] The indemnity provided for herein shall be exempt from garnishment, levy, execution, attachment, liens and mortgages, and any other legal process whatsoever, but may be assigned in such manner and form as the Commissioner of Insurance may determine.

§ 17. AMENDMENT.] That Section 189b25 of the 1925 Supplement to the Compiled Laws of 1913, as amended by Section 17 of Chapter 170 of the Session Laws of North Dakota for 1931, be and is hereby amended and re-enacted to read as follows:

§ 189b25. INSURANCE OF HOMESTEAD AND INDIAN LANDS: ISSUANCE OF OTHER SPECIAL POLICIES.] The Hail Insurance Department may insure crops grown upon homestead lands on which patent has not been issued and also on lands within the boundaries of Indian Reservations, also on lands not otherwise subject to taxation, or which are not insured in the regular manner according to the provisions of this Act. In any case where crops are not covered by an approved application in accordance with provisions of Sections 9 and 11 of this Act, any party having a direct interest in such crops may apply for insurance on his proportionate share of such crops according to the provisions of this Section. The applications covering such special insurance shall be made upon blanks furnished by the Commissioner of Insurance under such rules and regulations as he may direct, and shall be accompanied by a certified check or draft in payment of the

premium at the rate of 10 cents per each one dollar of insurance applied for. Provided, however, the Commissioner of Insurance shall, when crops are insured under the provisions of this Section, refund after the actual per acre levy has been ascertained, such amounts to such applicants as will make the cost per acre the same for crops insured under the provisions of this Section as the cost per acre within the same county to those who carry the insurance in the regular manner, and premium for which is determined in accordance with Section 7 of this Act, and the Commissioner of Insurance, through the manager of the Hail Insurance Department, shall draw warrants on the State Treasurer, payable out of the State Hail Insurance Fund, to the persons to whom such refunds are due. Such warrants shall be mailed by the Hail Insurance Department to the parties who, according to the records, are entitled thereto.

§ 18. AMENDMENT.] That Section 189b29 of the 1925 Supplement to the Compiled Laws of 1913, as amended by Section 18 of Chapter 170 of the Session Laws of North Dakota for 1931, be and is hereby amended and re-enacted to read as follows:

§ 189b29. ABATEMENT OF HAIL INDEMNITY TAX AND CORRECTION OF RECORDS.] The Commissioner of Insurance may make proper correction of the hail insurance tax records on applications submitted to him in the manner and form he shall determine. In cases of erroneous listings of lands for hail insurance purposes, before the Commissioner may approve the corrections, proofs satisfactory to him shall first be submitted. Provided, that such applications, in order to be considered, must be filed before the levy for hail indemnity tax be determined for that year, and before adjustment of loss, if any, for such year is made. Provided, further, that in all such cases where holders of the superior liens have on proper showing paid general taxes without the inclusions of the hail indemnity tax, and where such taxes still remain of record, when three years have elapsed after passing of title on foreclosure of such superior liens without the premises reverting to the original owner, such hail indemnity taxes shall be cancelled from the records of the counties and the Hail Insurance Department. Provided further, that as far as pertains to hail taxes for any year prior to 1932, the county commissioners, with the approval of the Commissioner of Insurance, may in case of error abate any hail insurance tax wrongfully levied and refund any tax wrongfully collected under the provisions of this Act upon presentation to them of a written application. The Commissioner of Insurance is hereby invested with authority to make compromise settlements, including cancellation and satisfaction of records, of Hail Indemnity taxes not constituting prior liens in cases where the Hail Indemnity Tax lien is subject to extinction by mortgage foreclosure; however, in case the ownership of the land reverts to the original mortgagor, the balance of the taxes shall again become a lien against the land.

§ 19. AMENDMENT.] That Section 189b30 of the 1925 Supplement to the Compiled Laws of 1913, as amended by Section 19 of Chapter 170 of the Session Laws of North Dakota for 1931, be and is hereby amended and re-enacted to read as follows:

§ 189b30. LIMITING TIME OF ACTION.] The Commissioner of Insurance is hereby vested with discretionary powers to extend for a reasonable period the time for reporting hail loss to the Department upon proper showing being made, but in no event shall adjustment be made on loss notices received in the office of the Hail Insurance Department after the 25th day of September of the year in which the loss occurred. Provided, that no action upon any claim for loss by hail shall be brought after one year from the time the loss occurred and no action for refund or abatement of hail taxes shall be brought after three years from the 31st of December of the year for which such tax was levied. Provided, further, that any warrant in payment of hail indemnity that is unpaid on the books of the Hail Insurance Department and the State Auditor six years after date of issue shall be cancelled. Provided, that thirty days before such cancellation, the Commissioner of Insurance shall cause to be published at least once in the official paper of the county in which the damaged crops were located, a list of such warrants that are to be cancelled. Upon cancellation of such warrants, proper credits shall be shown on the records of the Hail Insurance Department. Provided, that the manager of the Hail Insurance Department may destroy records more than six years old, except in such cases where according to the records of the Hail Insurance Department and the State Auditor warrants in payment of indemnity have not been presented for payment, the adjustment shall be kept in the files of the Department indefinitely.

§ 20. CONFLICTING PROVISIONS REPEALED, INCLUDING CERTAIN PROVISIONS NOT AFFECTING WHOLE OF ACT.] If any provisions of this Act shall be held invalid, the other provisions therein shall not be affected, and the law now in force relating to the same subject shall continue in full force and effect. Provided, that any act or parts of acts in conflict with any of the provisions of this Act are hereby expressly repealed.

§ 21. EMERGENCY.] This Act is hereby declared to be an emergency measure and shall take effect and be in full force from and after its passage and approval.

Approved March 7, 1933.

CHAPTER 138

H. B. No. 212—(C. T. Olson.)

HAIL TAX REFUND

An Act to amend and re-enact Sections 1, 2, 5, 6, and repeal Sections 3, 4, 7, and 8 of Chapter 171 of the Session Laws of North Dakota for the year 1931, which amended Chapter 147 of the Session Laws of North Dakota for the year 1929, which amended Chapter 172 of the Session Laws of North Dakota for the year 1927.

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

§ 1. AMENDMENT.] Section 1 of Chapter 171 of the Session Laws of North Dakota for the year 1931 is hereby amended and re-enacted to read as follows:

§ 1. Whenever any lands have been sold for hail taxes to purchasers other than the counties, and it develops that they were subject to a paramount lien and such lien was foreclosed and the purchaser's rights under his tax certificate cut out, such purchaser, or his assigns, shall be refunded the amount of the sale, with interest at the rate of five per cent per annum, by the Hail Insurance Department as hereinafter provided.

§ 2. AMENDMENT.] Section 2 of Chapter 171 of the Session Laws of North Dakota for the year 1931 is hereby amended and re-enacted to read as follows:

§ 2. The holder of the certificate must make application for the refund to the Commissioner of Insurance, tendering his certificate and an assignment thereof to the Hail Insurance Department, and making proof satisfactory to the Commissioner of Insurance that the title of the land has been lost under a paramount lien and that he has not been compensated in any way for the money paid for the certificate. Upon being so satisfied, the Commissioner of Insurance shall refund to the holder, such amount with interest. Upon making any such refund, the Commissioner shall take an assignment of the certificate in trust for the benefit of the Hail Insurance Department, and in case the tax debtor ever becomes the owner of the land affected, the hail indemnity tax represented by such certificate shall again attach as a lien upon his interest.

§ 3. AMENDMENT.] Section 5 of Chapter 171 of the Session Laws of North Dakota for the year 1931 is hereby amended and re-enacted to read as follows:

§ 5. The Commissioner of Insurance shall beginning with the levy for hail indemnity tax for the year 1933 and each year thereafter include in such levy an amount sufficient to reimburse such tax certificate holders whose applications for refunds have been approved, prior to the time of making the levy for the then current year.

§ 4. AMENDMENT.] Section 6 of Chapter 171 of the Session Laws of North Dakota for the year 1931 is hereby amended and re-enacted to read as follows:

§ 6. No claim for refund by a tax certificate holder shall be allowed unless presented within one year after the lien of such tax certificate has been lost except where holders of sheriff's deed did not redeem the taxes within one year after such deed was due to issue in which case the tax certificate holder shall be allowed sixty days after such tax redemption to apply for refund. Provided further, that where general taxes have been redeemed prior to the expiration of six years from the tax sale by a lien holder and the tax sale certificate holder continued or continues to hold the same for the "hail indemnity tax" without having applied for deed thereon, even though more than six years have elapsed, since the sale upon which said certificate was issued, the provisions of Section 2 hereof shall apply and same shall be refunded.

§ 5. REPEAL.] Sections 3, 4, 7 and 8 of Chapter 171 of the Session Laws of North Dakota for the year 1931 are hereby repealed.

Approved March 9, 1933.

INTEREST

CHAPTER 139

H. B. No. 83—(Gilbertson.)

RATE OF INTEREST ON JUDGMENTS

An Act to amend and re-enact Section 6077 of the Compiled Laws of the State of North Dakota, 1913.

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

§ 1. AMENDMENT.] That Section 6077 of the Compiled Laws of the State of North Dakota for 1913 be and the same is hereby amended and re-enacted to read as follows:

§ 2. JUDGMENTS TO BEAR SIX PER CENT.] Interest is payable on judgments recovered in the courts of this state at the rate of six per cent per annum, and no greater rate, but such interest must not be compounded in any manner or form.

§ 3. EMERGENCY.] This Act is hereby declared to be an emergency measure and shall be in full force and effect from and after its passage and approval.

Approved March 1, 1933.