

Corporations.

CHAPTER 8.

AN ACT to amend Section Five Hundred and Sixty-five of the Civil Code.

Be it enacted by the Legislative Assembly of the Territory of Dakota:

§ 1. ORGANIZATION OF AGRICULTURAL FAIR SOCIETIES.] That section 565 of the Civil Code of this Territory be amended as follows. After the last word in said section add the following: “*Provided*, That agricultural fair corporations may also be organized by three or more persons, as in the case of other corporations, with all the rights, privileges and liabilities appertaining to such corporations under the corporation laws of this Territory, including such rights and privileges as are specified in this and the two preceding sections.”

§ 2. This act shall take effect and be in force from and after its passage and approval.

Approved, February 22, 1879.

CHAPTER 9.

AN ACT to amend Section Four Hundred and Thirteen of the Civil Code.

Be it enacted by the Legislative Assembly of the Territory of Dakota:

§ 1. LIABILITY OF STOCKHOLDERS. DUTY OF COURT IN CASE OF SUIT. STOCKHOLDER DEFINED.] That section four hundred and thirteen of the Civil Code, be and the same is hereby amended so as to read as follows: “§ 413. Each stockholder of a corporation is individually and personally liable for the debts of the corporation to the extent of the amount that is unpaid upon the stock held by him. Any creditor of the corporation

may institute joint or several actions against any of its stockholders that have not wholly paid the capital stock held by him, and in such action the court must ascertain the amount that is unpaid upon the stock held by each stockholder and for which he is liable, and several judgment must be rendered against each in conformity therewith. The liability of each stockholder is determined by the amount unpaid upon the stock or shares owned by him at the time such action is commenced, and such liability is not released by any subsequent transfer of stock. And in no other case shall the stockholders be individually and personally liable for the debts of the corporation. The term "stockholder" as used in this section shall apply not only to such persons as appear by the books of the corporation to be such, but also to every equitable owner of stock, although the same appear on the books in the name of another; and also to every person who has advanced the installments or purchase money of stock in the name of a minor, so long as the latter remains a minor; and also to every guardian or other trustee who voluntarily invests any trust funds in the stock. Trust funds in the hands of a guardian or trustee shall not be liable under the provisions of this section by reason of any such investment, nor shall the person for whose benefit the investment is made be responsible in respect to the stock until he becomes competent and able to control the same; but the responsibility of the guardian or trustee making the investment shall continue until that period. Stock held as collateral security, or by a trustee, or in any other representative capacity, does not make the holder thereof a stockholder within the meaning of this section, except in the cases above mentioned, so as to charge him with the debts or liabilities of the corporation; but the pledgor, or person, or estate represented is to be deemed the stockholder as respects such liability."

Approved, February 22, 1879.

CHAPTER 10.

AN ACT to amend Chapter three (3) of Title two (2), Part three (3) of the Civil Code of this Territory, in relation to Corporations.

Be it enacted by the Legislative Assembly of the Territory of Dakota:

§ 1. INTEREST OF DELINQUENT MEMBER OF INCORPORATED COMPANY MAY BE SOLD.] Whenever any member of an incorporated company, organized under articles 10, 12 and 13 of chapter 3, title 2, part 3 of the Civil Code, duly organized under the laws of this Territory, where the same is not a stock company, shall refuse, fail or neglect to pay any assessment levied by the company of which he is a member, in accordance with law, after having been notified of such assessment as provided in said chapter, his share, interest or membership in such company may be sold in the same manner and like proceedings had as in the sale of the stock of incorporated companies, under said chapter, and the title to such share, interest or membership when so sold shall vest absolutely in the purchaser thereof.

§ 2. PURCHASER OF INTEREST IN INCORPORATED COMPANY BECOMES A MEMBER THEREOF. INTEREST MAY BE SOLD, WHEN.] Any member of an incorporated company, not being a stock company, may, by deed, transfer his interest, share or membership therein, whereupon the purchaser thereof shall become a member of such company; and if any assessment or amount of money shall at the time be due and unpaid thereon, such share, interest or membership may be sold as in other cases, if such assessment or amount remains unpaid, after said purchaser has due notice of such delinquency.

§ 3. TIME EXTENDED FOR COMPLETION OF WORKS.] Every incorporated company transacting business within this Territory shall be allowed twice the length of time now allowed under said chapter three (3) for the completion of its works, without working any forfeiture whatever until the expiration of such extended time, and then only upon failure to complete such works.

§ 4. CERTAIN ASSOCIATIONS TO BE HELD STRICTLY TO THE LAW.] Any person or persons, or association of persons now en-

gaged in or that may hereafter engage in the construction of any street railway, toll road, ditch for conveying water, or any other works or improvements specified in said chapter three (3), shall be required to comply strictly with all the provisions of said chapter in the same manner as therein provided for incorporated companies, so far as the same can be done; and upon failure of any such person or persons, or association of persons, to comply as aforesaid, the same shall work a forfeiture of any and all rights he or they may have acquired in accordance with law.

§ 5. COUNTY COMMISSIONERS SHALL NOT FIX RATES.] No board of county commissioners shall hereafter have power to fix the rates or tolls at which water is to be furnished by the owners of any ditch or flume constructed for the purpose of conveying water.

§ 6. All acts or parts of acts inconsistent with this act are hereby repealed.

§ 7. This act shall take effect and be in force from and after its passage.

JOHN R. JACKSON,

Speaker of the House.

GEO. H. WALSH,

President of the Council.

COUNCIL CHAMBER, February 19, 1879.

I certify that this act, known in the records of the Council as Council bill No. 15, has passed both Houses of the Legislative Assembly of Dakota Territory, at the 13th session thereof, the objections of his excellency the Governor to the contrary notwithstanding, by the necessary majority of two-thirds.

ALBERT A. HUBBARD,

Chief Clerk of the Council.

Note by the Secretary.

The foregoing act, together with the certificate of the chief clerk of the Council attached, was deposited in the office of the Secretary of the Territory on the 20th day of February, and afterwards and on the 22d day of February, 1879, at 7 o'clock P. M. of said day, the following certificate relating to said act was deposited in the Secretary's office by the committee on enrollment from the Council:

COUNCIL CHAMBER, YANKTON, D. T.. }
SATURDAY, February 22, 1879. }

I hereby certify that in the Council of the 13th session of the Legislative Assembly of the Territory of Dakota, begun and held at Yankton, D. T., on

the 14th day of January, A. D. 1879, there was introduced by W. L. Kuykendall, member of the Council from the 13th Council and Representative District, a bill known in the records of the Council as Council bill No. 15, and entitled "A bill for an act to amend chapter three of title two, part three of the Civil Code of this Territory, in relation to corporations;" which said bill was introduced in the Council on the 20th day of January, 1879, had its three several readings and was passed by the Council on the 24th day of the same month and as I verily believe, and as the records of the Council show, was passed by the House of Representatives and returned to the Council on the 10th day of February, 1879, with certain amendments which were concurred in by the Council on the same day, and the bill was presented to his excellency the Governor for his approval at 12 o'clock, noon, on the 13th day of February; was returned to the Council by him without his approval and with his objections thereto, which were entered at large on the journal of the Council; and on the 18th day of February the objections of the Governor having been duly considered, and the question being, "Shall the bill pass, his objections to the contrary notwithstanding?" the bill was so passed by the necessary two-thirds vote; and on the 19th day of February the said bill was passed by the House of Representatives over the veto of the Governor by a two-thirds vote, and was deposited with the secretary of the territory at 10 o'clock A. M., February 20, 1879; and this I know, as far as the transactions in the Council are concerned, of my own knowledge, and as far as the transactions in the House of Representatives are concerned, to the best of my belief.

Attest:

ALBERT O. HUBBARD,
Chief Clerk.

GEO. H. WALSH,
President of the Council.

I hereby certify that I have read the above statement, and know of my own knowledge that the statements therein made, as far as they refer to the House of Representatives, are true and correct, and as far as they refer to the Council, are true and correct to the best of my belief.

Attest:

T. A. KINGSBURY,
Chief Clerk.

JOHN R. JACKSON,
Speaker of the House.