

## Bonds.

### CHAPTER 22.

#### INSANE HOSPITAL.

AN ACT Authorizing the Issue of Bonds to Construct a Hospital for the Insane, and to Provide for the Building of the same.

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

§ 1. APPROPRIATION.] That there be and hereby is appropriated out of the funds provided for in this act, by the negotiation of the bonds herein mentioned, the sum of forty thousand dollars, for the purpose of erecting a Hospital for the Insane.

§ 2. BONDS. DENOMINATION. WHERE PAYABLE AND INTEREST.] To provide such fund, bonds of this Territory shall be issued to the amount of forty thousand dollars, in denomination of five hundred dollars, bearing date the first day of May, 1881, with interest payable semi-annually at some place in New York City, to be specified in said bonds, on the first day of July and January each year, at the rate of six per cent. per annum, running twenty years, and payable at the option of the Territory at any time after five years from the date of the same.

§ 3. BY WHOM EXECUTED AND NEGOTIATED.] Such bonds shall be executed for the Territory and under the seal thereof by the Governor and Treasurer; shall be attested by the Secretary and shall be negotiated by the Treasurer of the Territory.

§ 4. MANNER OF SELLING BONDS.] It shall be the duty of the Treasurer to receive sealed proposals for the purchase of said bonds, after giving notice for thirty days in two newspapers of general circulation, one of which shall be published in the Territory and the other in the city of New York, and said bonds shall be sold to the highest bidder for cash.

§ 5. PROVISIONS FOR PAYMENT OF INTEREST AND PRINCIPAL.] For the purpose of the prompt payment of principal and interest of the bonds herein provided, there shall be levied by the territorial board of equalization, at the time the other taxes are levied, and collected in the same manner as other territorial

taxes are collected, such sums as shall be sufficient to pay such interest and the exchange thereon; and after ten years from the first day of May, 1881, in addition thereto, a sinking fund tax shall be annually levied, sufficient to retire and pay said bonds at their maturity. And it shall be the duty of the territorial Treasurer to pay promptly on the first days of July and January of each year such interest as shall then be due, and to purchase said bonds at their market value, and retire and cancel the same with the sinking fund tax as fast as the same shall be received. And no tax or fund provided for the payment of such bonds, either principal or interest, shall at any time be used for any other purpose.

§ 6. PROVISIONS FOR PROMPT PAYMENT OF INTEREST.] If for any reason the territorial Treasurer shall not have in his hands sufficient of the funds, herein provided, to pay either principal or interest upon such bonds when due, he shall pay such interest or principal out of any other unappropriated fund belonging to the Territory. And there is hereby appropriated and set apart out of the general funds belonging to the Territory, a sum sufficient to pay such interest on said bonds as may become due before the funds and tax herein provided can be made available, and it shall be the duty of said Treasurer to pay said interest promptly at the time it falls due out of said funds.

§ 7. REPLACING FUNDS.] All moneys belonging to the general territorial fund, applied by said treasurer in payment of either principal or interest of said bonds, shall be replaced from the special tax levied to pay the same.

§ 8. PROCEEDINGS FOR THE ERECTION OF NEW INSANE HOSPITAL.] The board of trustees and the superintendent of the Hospital for the Insane shall within forty days after the passage and approval of this act, prepare or cause to be prepared a plan and specifications for a building for a territorial Hospital for the Insane, and after the same shall have been adopted and approved by them and the governor of the Territory, said board of trustees shall cause said plan and specifications to be filed with the secretary thereof, and it shall be the duty of said board, within twenty days thereafter, to give at least thirty days notice in two newspapers published in the Territory, of general circulation therein, and in two newspapers

published in adjoining states, that on a day, specified in such notice, they will receive sealed proposals at the office of the superintendent of the hospital, near Yankton, for the building of a territorial Hospital for the Insane, according to the plans and specifications aforesaid, which shall be kept open for the inspection of bidders at some convenient place in the city of Yankton, to be mentioned in said notice.

§ 9. TOTAL COST. WHERE TO BE BUILT.] The total cost of said hospital, including the fixtures, furniture and improvement of grounds, shall not exceed forty thousand dollars, and shall be erected on the section of land now selected for that purpose, near Yankton, in Yankton county, Dakota.

§ 10. CONTRACT FOR BUILDING. BOND OF CONTRACTOR, ETC.] On the day advertised for the opening of said proposals for the erection of said hospital, it shall be the duty of the board of trustees to attend at the place and time so advertised and publicly open said bids, and then and there award the contract for erecting said building according to the plan so selected, to the lowest responsible bidder therefor. *Provided:* That the said contractor shall give bond with sufficient sureties to be approved by the said board of trustees, conditioned for the faithful performance of the contract, in the sum of \$25,000. *Provided:* That the board of trustees shall reserve the right to reject any and all bids, if in their judgment they are too high, and may again advertise for proposals.

§ 11. TIME OF COMPLETION, ETC.] The walls of said building shall be constructed of good brick or stone, and said building shall be made as nearly fire-proof as practicable. The material used in said building shall be examined by the board of trustees or a committee thereof, and they shall reject all material which they deem unsuitable, and the said building shall be all enclosed on or before the 1st day of November, 1881, and said building shall be all completed and ready for occupancy on or before the 1st day of January, 1882.

§ 12. PAYMENTS. HOW MADE.] The board of trustees, as the work progresses, shall on the application of the contractor, certify to the territorial auditor the value of the work done on the building at the time, and on such certified statement the auditor shall issue a warrant on the territorial treasurer for a sum not exceeding eighty-five per cent. of the value of

the work so certified to have been done on said building at the time of making such application, including amount of all warrants previously issued, in part payment of such work; *Provided*: That no part of the funds herein appropriated for the construction of said hospital shall be paid or value of work certified by the trustees until at least one-fourth of the work has been completed by the contractor.

§ 13. CONTRACT. WHAT TO STIPULATE.] The contract aforesaid shall stipulate that all material shall be of good quality and that the work shall be performed in a good workman-like manner.

§ 14. FINAL PAYMENT.] The balance due the contractor under the contract shall be paid on the completion of the building and its acceptance and approval by the board of trustees.

§ 15. LIABILITY UPON DIVISION OF TERRITORY.] That part of the Territory of Dakota in which said Hospital for the Insane is situated, shall, on the division of the Territory, assume all debts incurred and then existing on account of the construction of said hospital.

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

Approved, February 21st, 1881.

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## CHAPTER 23.

### PENITENTIARY.

AN ACT to Provide Funds for the Purpose of Building a Penitentiary for Dakota Territory, at Sioux Falls, D. T., and for other Purposes.

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

§ 1. MANNER OF PROVIDING FUNDS FOR BUILDING PENITENTIARY.] That for the purpose of providing funds to pay the cost of constructing and furnishing of a territorial Penitentiary and the land upon which the same is [to be] erected, and for use

herewith, the territorial treasurer is hereby authorized and empowered, and it is made his duty to prepare for issue fifty thousand dollars of territorial bonds, running for a term or period of twenty years, and payable at the option of the Territory after a term of five years, and bearing interest at the rate of six per cent. per annum, with coupons attached made payable semi-annually on the first day of July and January in each year, in denominations of not less than one hundred dollars each. Such bonds shall be executed for the Territory and under the seal thereof by the governor and treasurer, shall be attested by the secretary and shall be negotiated by the treasurer of the Territory.

§ 2. BONDS KNOWN AND KEPT.] Said bonds to be known and designated as the "Dakota Penitentiary Loan" and to be kept as a separate fund on the books of the treasurer, and to be issued and sold in the following manner, viz: Whenever the directors of the Penitentiary shall certify to the treasurer that contracts with good and sufficient securities have been executed with responsible persons for furnishing the land, buildings and fixtures ready for use of a Penitentiary, in accordance with this act, which shall accommodate at least one hundred and twenty-five territorial prisoners, it shall be the duty of the treasurer to issue and offer for sale by public advertisement in one or more newspapers, to the person paying par or the highest premium above par, the whole fifty thousand dollars of bonds or any part thereof, as may be necessary, as hereinafter provided.

§ 3. TREASURER AUTHORIZED TO RECEIVE GOVERNMENT APPROPRIATION.] The territorial treasurer is hereby authorized to receive from the United States treasurer any sum of money appropriated by congress for the building and equipment of [a] suitable Penitentiary for this Territory, and to place the same to the credit of the penitentiary fund.

§ 4. GOVERNMENT APPROPRIATION. HOW EXPENDED.] Said appropriation by the United States Congress, to be expended under the same restrictions and to take the place of an equal amount of the fifty thousand dollars of the bonds provided for in this act, and no larger amount of bonds shall be issued under this act than will create a penitentiary fund of fifty

thousand dollars, including all sums appropriated by Congress.

§ 5. BONDS NOT REQUIRED TO BE USED, TO BE CANCELLED.] All bonds not required to be issued by reason of appropriations for a Penitentiary by Congress, shall be retired and cancelled by the governor and territorial treasurer; and no part of the appropriation received from the United States, nor from the proceeds of the sale of the penitentiary bonds shall be issued and expended until contracts for the completion of the Penitentiary provided for in this act shall have been duly executed.

§ 6. PAYMENT OF FUNDS BY TERRITORIAL TREASURER.] After the execution of proper contracts the Penitentiary fund containing the fifty thousand dollars may be paid out by the treasurer upon the approval of the proper accounting officer, during the progress of the building of the Penitentiary; and upon the completion and acceptance of the work, the reserved amount shall be paid; *Provided, however:* That the amounts reserved upon each contract shall not be paid until the directors and the governor shall file certificates with the treasurer that the contracts have been fully executed and the prison accepted.

§ 7. APPROPRIATION FOR SALARIES, ETC.] There is hereby appropriated out of the territorial treasury for the salary of the warden of the territorial prison the sum of three thousand dollars; for assistant warden and other employes, the sum of three thousand dollars; for office, furniture of office, stoves, fuel, lights, incidental expenses of the prison, including pay of directors, including necessary traveling expenses while in the actual discharge of their duties as such directors, the sum of seven thousand dollars, or as much thereof as may be necessary.

§ 8. FOR SUBSISTENCE, CLOTHING, ETC.] There is also appropriated for subsistence, clothing and incidental expenses of the prisoners, for two years, the sum of five thousand dollars or so much thereof as may be necessary for such purpose.

§ 9. PAYMENT OF BONDS IN CASE OF DIVISION OF TERRITORY.] That in case of any division of the Territory of Dakota before the bonds hereby provided for shall be paid, that part of said Territory in which the Penitentiary is, or may be located

after such division, shall assume and pay all debts, bonds and liabilities of the whole Territory existing on the date of said division by reason of this act.

§ 10. All acts and parts of acts in conflict with this act are hereby repealed.

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

Approved, February 17th, 1881.

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## CHAPTER 24.

### SCHOOL DISTRICTS.

AN ACT to empower School Districts to issue Bonds for building School Houses.

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

§ 1. WHEN BONDS MAY BE LAWFULLY ISSUED.] Whenever a duly constituted school district in any organized county of this Territory, at a regular school district meeting, or at a special meeting lawfully held for the purpose, shall determine by a majority vote of all the qualified electors of said district present and voting at such meeting, to issue school district bonds for the purpose of building and furnishing a school house and purchasing grounds on which to locate the same, the school board may lawfully issue such bonds in accordance with the provisions hereinafter contained.

§ 2. PROCEEDINGS FOR ELECTION. BALLOTS, PETITION, ETC.] Before the question of issuing bonds shall be submitted to a vote of the district, notices shall be posted in at least three public and conspicuous places in said district, stating the time and place of meeting, the amount of bonds that will be required to be issued and the time in which they shall be made payable, at least twenty days before the time of meeting; and the voting shall be done by means of written or printed ballots, and all ballots deposited in favor of issuing bonds shall

have thereon the words, "For issuing bonds," and those opposed thereto shall have thereon the words, "Against issuing bonds;" and if a majority of all the votes cast shall be in favor of issuing bonds the school board or other proper officers shall forthwith proceed to issue bonds in accordance with the vote, but if a majority of all the votes cast are opposed to issuing bonds then no further action can be had and the question shall not be again submitted to vote for one year thereafter: *Provided, however,* That the question of issuing bonds shall not be submitted to a vote of the district, and no meeting shall be called for that purpose until the district school board shall have been so petitioned in writing by a majority of the resident electors of said school district.

§ 3. DENOMINATION AND INTEREST. LIMIT.] The denomination of the bonds which may be issued under the provisions of this act shall be fifty dollars or some multiple of fifty not exceeding five hundred dollars, and shall bear interest at a rate not exceeding eight per cent. per annum, payable annually in accordance with interest coupons which shall be attached to said bonds; and no greater amount than fifteen hundred dollars can be issued by any district, except in towns and cities of more than one thousand inhabitants; and in such districts the amount shall not exceed five per cent. of its assessed valuation, and may be made payable in not less than ten nor more than twenty years from their date.

§ 4. FORM OF BONDS.] Whenever any bonds are issued under the provisions of this act they shall be lithographed or printed on good bond paper, and shall state upon their face the date of their issue, the amount of the bond, to whom and for what purpose issued; also the time and place of payment and the rate of interest to be paid. They shall have printed upon the margin the words, "Authorized by act of Legislative Assembly, A. D. 1881," and upon the back of the bonds a certificate signed by the district clerk in substantially the following form: "I certify that the within bond is issued in accordance with a vote of school district No.—, at a regular (or special, as the case may be) meeting on the — day of —, A. D. 188—, to issue bonds to the amount of — dollars." They shall be signed by the director and clerk of the school district or by the president and secretary of the

school board in case of an independent district, and shall be numbered and registered in a book to be kept by the secretary in which shall be entered the number, date and name of the person to whom issued, with the date when the same shall become due.

§ 5. PROVISION FOR PAYMENT OF PRINCIPAL AND INTEREST.] In addition to the amount that may already be assessed under existing law there shall be levied upon the taxable property of all districts so issuing bonds and collected as other taxes are collected, a sum sufficient, not exceeding five mills on the dollar of the assessed valuation of said districts, to pay the interest upon such bonded indebtedness; and after five years in like manner a further tax of two mills upon the dollar for a sinking fund, to be used in payment of such bonds when they become due, and for no other purpose, except that whenever there may be sufficient funds on hand belonging to such sinking fund, the school board may, in their discretion, purchase any of its outstanding bonds at their market value and pay for the same out of the sinking fund, and in no case shall such district or districts levy any part of the one per cent. allowed by law to be assessed for building school houses.

§ 6. WHO MAY SELL BONDS, AND AT WHAT PRICE.] Whenever any bonds shall be issued under the provisions of this act the school board shall have authority to negotiate and sell such bonds for not less than ninety per cent. of their par value, and the proceeds of such sale shall be paid to the school district treasurer or the treasurer of the school board, and shall be used for the purpose only of building and furnishing a school house, and in payment for a site for the same.

§ 7. PAYMENT AND CANCELLATION OF BONDS.] Whenever the bonds of any school district shall have been purchased by the school board they shall be cancelled by writing or printing in red ink the words. "Cancelled and paid," across each bond and coupon, and the date of payment and amount paid shall be entered in the clerk's or secretary's register against the proper number of the bond, and the bonds so cancelled shall be filed in the office of the district treasurer until all the outstanding bonds are paid, when they shall be destroyed in the presence of the full board.

§ 8. ADVERTISING FOR PROPOSALS FOR BUILDING SCHOOL HOUSE.] Whenever any school house is built with funds provided in the manner hereby authorized, the school board shall advertise at least thirty days in some newspaper printed in the county or by posting notices as provided for calling school district meetings, if no newspaper is printed in such county, for sealed proposals for building and furnishing such school house in accordance with plans and specifications which shall be furnished by the school board, reserving the right to reject any and all bids; and if any of the proposals shall be reasonable and satisfactory, said board shall award the contract to the lowest responsible bidder, and shall require of such contractor a bond in double the amount of the contract, conditioned that he will properly account for all money and property of the district that may come into his hands, and that he will perform the conditions of his contract in a faithful manner and in accordance with its provisions; and in case all the proposals shall be rejected, said board shall advertise anew in the same manner as before and until a reasonable bid shall be submitted.

§ 9. THIS ACT APPLIES TO DISTRICTS THAT HAVE HERETOFORE CONSTRUCTED BUILDINGS.] The provisions of this act shall be applicable to and authorize the issue of bonds by such school districts as have already built school houses and issued orders or warrants therefor, and any such district may vote to bond the indebtedness incurred by reason of building and furnishing a school house and purchasing site for the same, and bonds may be issued in the same manner as herein provided for building and furnishing school houses.

§ [10.] 11. PENALTY FOR VIOLATING PROVISIONS OF THIS LAW.] Any violation of the provisions of this act shall be deemed a misdemeanor and punishable by a fine not exceeding one hundred dollars, and any conversion or misappropriation of the bonds or money that may be issued or obtained under the provisions of this act shall be deemed a felony and be punished by a fine not exceeding five hundred dollars or by imprisonment in the territorial prison not exceeding two years, or by both such fine and imprisonment, in the discretion of the court before [which] any person is convicted.

Approved, March 3, 1881.