

of three thousand dollars per annum to be paid quarterly to the treasurer of the state agricultural college and experiment station, on the first days of April, July, October and January of each year, upon the order of the state auditor, who is hereby directed to draw his order for the same for the use of the serum institute as herein provided for the purpose of paying the expenses incurred by said serum institute, subject to the control and regulation of the board of trustees of the state agricultural college.

§ 6. REPEAL.] All acts and parts of acts in conflict with this act are hereby repealed.

§ 7. EMERGENCY.] Whereas, there is no provision for the preparation and distribution of vaccines, sera, and other agents used in the control of transmissible diseases, and whereas, considerable preparation is necessary before their issue can be undertaken, therefore an emergency exists and this act shall take effect and be in force upon its passage and approval.

Approved March 20, 1909.

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## CORPORATIONS

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### CHAPTER 61.

[H. B. No. 211—Schull]

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#### STOCK OF CORPORATION.

AN ACT Relating to the Issuance of Stock by Corporations.

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

§ 1. KIND OF STOCK.] Every corporation shall have power to create two or more kinds of stock of such classes, with such designations, preferences and voting powers, or restriction or qualification thereof, as shall be stated and expressed in the articles of incorporation; and preferred stock may, if desired, be made subject to redemption at no less than par, at a fixed time and price, to be expressed in the certificate thereof; and the holders thereof shall be entitled to receive, and the corporation shall be bound to pay thereon a fixed yearly dividend, to be expressed in the certificate, payable quarterly, half yearly or yearly before any dividend shall be set apart or paid on the common stock, and such dividends may be made cumulative.

§ 2. REPEAL.] All acts or parts of acts in conflict with this act are hereby repealed.

§ 3. EMERGENCY.] Whereas, an emergency exists this act shall be in effect from and after its passage and approval.

Approved March 16, 1909.

## CHAPTER 62.

[S. B. No. 59—Koffel]

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## INCORPORATION OF CO-OPERATIVE ASSOCIATIONS.

AN ACT Authorizing and Regulating the Incorporation, Organization and Operation of Co-operative Associations, and Providing for the Regulation and Control of the Same.

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

§ 1. HOW FORMED. PURPOSES. TERM OF EXISTENCE.] A co-operative association may be formed for the purpose of engaging in any lawful mercantile, manufacturing, agricultural or other industrial pursuit upon complying with the provisions of this chapter, and the provisions of chapter 11 of the civil code of the state of North Dakota, 1905, shall be applied to and be observed by persons organizing under this chapter, except as herein otherwise provided, and except as to provisions thereof inconsistent with the provisions of this chapter. Its certificate of articles of incorporation shall be filed for record in the office of the secretary of state, for which the secretary of state shall be paid a filing fee of ten dollars, and thereupon it shall become a corporation and such association shall have the right and be subject to all the duties, restrictions and liabilities prescribed in chapter 11 of the civil code, so far as the same apply or relate to such association. A majority of the incorporators shall be residents of the county of its principal place of business, and the term of existence of any such association without renewal shall not exceed twenty years.

§ 2. PURPOSE MUST BE STATED. CANNOT LOAN TO STOCKHOLDERS. PENALTY.] The purpose for which any association shall be formed must be distinctly and definitely specified in the articles of incorporation, together with its principal place of business, and it must not appropriate its funds to any other purpose, nor must it loan any of its money to any stockholder therein, and if any such loan or misappropriation is made the officer who shall make it or who shall consent thereto shall be jointly and severally liable to the extent of such loan or misappropriation and interest and for all debts of the association contracted before the repayment of the sum so loaned or misappropriated.

§ 3. OFFICERS. MANAGEMENT.] Every such association shall have a president, a secretary and treasurer, and not less than three directors, who shall together constitute a board of managers and conduct its business. Such officers shall be chosen annually by the stockholders, and hold their offices until others have been chosen and qualified. The association shall make its own by-laws, not inconsis-

tent with law, and may therein provide for any other officers deemed necessary, and the mode of their selection. It may amend its certificate of incorporation at any general stockholders' meeting, or at any special meeting called for that purpose, upon ten days' notice to the stockholders.

§ 4. CAPITAL. LIMIT OF INTEREST. SHARES.] The amount of capital stock shall be fixed by the articles of incorporation, which amount and the number of shares may be increased or diminished at a stockholders' meeting specially called for that purpose; but the whole amount of stock shall never exceed fifty thousand dollars. Within thirty days after the adoption of an amendment increasing or diminishing its capital, it shall cause the vote so adopting it, together with a record of the minutes of said meeting, to be filed for record in the office of the secretary of state with its original certificate. No share shall be issued for less than its par value, and no member shall own shares of greater par value than one thousand dollars, or be entitled to more than one vote. It may commence business whenever thirty per cent of the stock has been subscribed for and paid in, but no certificate of shares shall be issued to any person until the full amount thereof has been paid in cash, and no person shall become a shareholder therein except by consent of the managers.

§ 5. LIABILITY OF OFFICERS. DISSOLUTION.] If such board of managers, or the directors or officers having control of such an association, for five consecutive years after its organization shall fail to declare a dividend upon its capital or shares, five or more stockholders, by petition setting forth such facts, may apply to the district court of the county of its principal place of business, for its dissolution. If, upon hearing, the allegations of the petition are found to be true, the court may adjudge a dissolution of the association.

§ 6. DISSOLUTION OF PROFITS.] The profits of the earnings of such association shall be distributed to those entitled thereto by its by-laws, and in the proportions and at the times therein prescribed, which shall be as often as once in twelve months.

§ 7. ANNUAL REPORT TO DAIRY COMMISSIONER.] Every creamery association, on or before January first in each year, in addition to the report provided for in chapter 11 of the civil code, shall make a report to the state dairy commissioner, or such officer as may at any time, by law, be given the supervision of dairy products. Such report shall contain the name of the corporation, its principal place of business, the location of its creamery, and the number of pounds of butter or other dairy products manufactured by it during the preceding year.

Approved March 11, 1909.

## CHAPTER 63.

[H. B. No. 383—Price]

## CORPORATION DIVIDENDS.

AN ACT to Amend Section 4210 of the Revised Codes of North Dakota for 1905, Relating to Dividends and Limitations of Indebtedness of Corporations.

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

§ 1. AMENDMENT.] Section 4210 of the revised codes of the state of North Dakota for 1905 be and the same is hereby amended so as to read as follows:

§ 4210. DIVIDENDS ONLY FROM PROFITS. LIMITATIONS OF INDEBTEDNESS. EXCEPTION.] The directors of corporations must not make dividends except from the surplus profits arising from the business thereof; nor must they divide, withdraw or pay to the stockholders, or any of them, any part of the capital stock, nor must they create debts beyond the subscribed capital stock, or reduce or increase the capital stock, except as specially provided by law; provided, however, that the above limitation as to the creation of debts shall not apply to the policy risks of insurance companies on which no loss has occurred, or the notes, bonds or debentures of any loan or trust company, organized under the provisions of this chapter when payment of such notes, bonds or debentures shall be secured by the actual transfer of real estate by trust deed or mortgage for the payment of such notes, bonds or debentures, which said real estate so transferred shall be of twice the value of the par value of such notes, bonds and debentures; provided, further, that such limitation shall not apply to any loan or trust company's guarantee of payment after transfer of any note, bond or debenture when the same is secured by trust deed or mortgage as above stated; provided, further, that the above limitation as to the creation of debts shall not apply to certificates and debentures issued by investment companies for the creation of an investment fund where the holder of such certificates or debentures shall, by the terms of same, participate in the earnings of such investment fund.

Approved March 12, 1909.

## CHAPTER 64.

[H. B. No. 97—Senour]

## ATHLETIC ASSOCIATIONS.

AN ACT to Amend Section 4177 of the Revised Codes of North Dakota for the Year 1905, for the Purpose of Encouraging the Formation of Athletic Associations and Bands of Musicians.

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

§ 1. AMENDMENT.] Section 4177 of the revised codes of the state of North Dakota for the year 1905 be amended to read as follows:

§ 4177. FEES FOR ARTICLES.] Every corporation for profit, except corporations organized for the purpose of irrigation, water users associations, building and loan associations, county mutual insurance companies, corporations for the manufacture of dairy products, agricultural fair corporations, corporations whose capital stock does not exceed five thousand dollars formed for the purchase and maintenance of male animals for the improvement of stock, corporations whose capital stock does not exceed two thousand dollars for the purchase of musical instruments, music and uniforms for bands of musicians and corporations whose capital stock does not exceed five thousand dollars for the purpose of purchasing or leasing grounds and erecting thereon the necessary fences, buildings and seats, and purchasing the necessary equipments for the use of base ball clubs, foot ball teams and other athletic associations when composed of non-salaried members or players, the sum of twenty-five dollars for the first twenty-five thousand dollars or fraction thereof of the capital stock of said corporation, and the sum of fifty dollars for twenty-five thousand dollars up to fifty thousand dollars of the capital stock of such corporation and the further sum of five dollars for every additional ten thousand dollars or fraction thereof of its capital stock.

Approved March 15, 1909.

## CHAPTER 65.

[S. B. No. 41—Pierce]

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## REAL ESTATE HOLDINGS LIMITED.

AN ACT to Amend Section 4171 of the Revised Codes of 1905 of the State of North Dakota, Relative to Religious and Charitable Corporations.

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

§ 1. AMENDMENT.] Section 4171 of the revised codes of North Dakota of 1905 is hereby amended to read as follows:

§ 4171. RELIGIOUS AND CHARITABLE LIMITED.] No corporation or association for religious or charitable purposes shall acquire or hold real estate in this state of greater value than two hundred thousand dollars.

Approved March 11, 1909.

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COUNTIES

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## CHAPTER 66.

[S. B. No. 325—Anderson]

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## TRANSCRIBING COUNTY RECORDS.

AN ACT to Amend Section 2335 of the Revised Codes of the State of North Dakota of 1905, Relating to the Transcribing of Records in Newly Organized Counties.

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

§ 1. AMENDMENT.] Section 2335 of the revised codes of the state of North Dakota of the year 1905, is hereby amended as follows:

§ 2335. RECORDS TO BE TRANSCRIBED.] When a new county is organized in whole or in part from an organized county or from territory attached to such organized county for judicial purposes, it shall be the duty of the commissioners of such new county to cause to be transcribed by copying or by photographing in the proper books all the records or deeds or other instruments relating to real estate and all other records, deeds, or instruments of every kind required by law to be kept on file or recorded in the respective