

defendant has no means, and is unable to employ counsel, the court shall appoint and assign counsel for his defense and allow and direct to be paid by the county in which such trial is had, a reasonable and just compensation to the attorney so assigned for such services as he may render; *provided*, however, that such attorney shall not be paid a sum to exceed fifteen dollars per day in any one case.

Approved, February 4, 1915.

BANKS AND BANKING

CHAPTER 52.

[H. B. No. 108—Ployhar.]

DRAWING OF A BANK CHECK, WITHOUT FUNDS, A MISDEMEANOR.
AN ACT Making the Drawing of a Bank Check without Funds in the Bank to Protect the Same, a Misdemeanor; Prescribing the Penalty Therefor.

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

§ 1. Every person, firm, company, co-partnership or corporation who makes or draws or utters or delivers to any person any check or draft upon a bank, banker or depository for the payment of money, and at the time of such making, drawing, uttering or delivery, has not sufficient funds in or credit with such bank, banker or depository to meet such check or draft in full upon its presentation, shall be deemed guilty of a misdemeanor and upon conviction thereof shall be punishable by a fine of not to exceed \$100 or by imprisonment in the county jail for not to exceed 30 days, or by both such fine and imprisonment.

§ 2. The word "credit" as used herein shall be construed to be an arrangement or understanding with the bank, banker or depository for the payment of such check or draft.

§ 3. EMERGENCY.] Whereas, an emergency exists in the fact that there is no adequate provision under the laws of North Dakota for protection against those who issue checks without having funds or without having a reasonable expectation of having funds in the bank when the checks shall be presented for payment, this Act shall take effect and be in force from and after its passage and approval.

Approved, February 10, 1915.

CHAPTER 53.

[H. B. No. 344—McClintock.]

RECEIVER OF INSOLVENT BANKS REPORT TO STATE EXAMINER.

AN ACT to Amend Section 5189 of the Compiled Laws of North Dakota for the Year 1913, Relating to Insolvency of Banks and the Liquidation of the Same by the State Examiner.

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

§ 1. AMENDMENT.] That Section 5189 of the Compiled Laws of North Dakota for the year 1913 is hereby amended to read as follows:

§ 5189. INSOLVENT. WHEN.] A bank shall be deemed insolvent: I, when the actual cash market value of its assets is insufficient to pay its liabilities; II, when it is unable to meet the demands of its creditors in the usual and customary manner; III, when it shall fail to make good its reserve as required by law; IV, when it shall fail to comply with any lawful order of the State Banking Board within any time specified therein; but its property shall not be subject to attachment or levy, nor shall a receiver be appointed during such reasonable time as the State Examiner may require for examination. After such examination if the State Examiner shall deem best he shall with the approval of the State Banking Board appoint a receiver who shall take possession, under the direction of the State Examiner, of books, records, and other property, collect the debts, sell or compound bad or doubtful ones, and sell all corporate property on such terms as the State Examiner shall direct, and when necessary pay corporate debts and enforce the individual liability of stockholders. He shall pay over all moneys received by him and make report of his doings to the Examiner at such times and in such manner as he may prescribe. Whenever, after report by such officers and before the appointment of a receiver, said Examiner shall find the bank in such condition that all creditors aside from stockholders can be paid in full from its assets, he may relinquish possession of its property to its proper officers; *provided*, however, that the bank shall pay into the State Treasury a fee of ten dollars per day and the hotel and traveling expenses of the State Examiner or Deputy State Examiner, who shall have been in charge of the bank during this period, and such bank may, with the consent of the State Examiner, resume business upon such conditions as may be approved by him. Upon taking possession of the property and business of such bank the State Examiner is authorized to collect moneys due to such bank and to do such other acts as are necessary to conserve its assets and business, and shall proceed to liquidate the affairs thereof.

Approved, March 10, 1915.

CHAPTER 54.

[H. B. No. 133—McClintock.]

TO PERMIT STATE BANKS TO JOIN FEDERAL RESERVE ASSOCIATION.

AN ACT to Amend and Re-enact Section 4672 of the Revised Code of 1905, being Section 5187 of the Compiled Laws of 1913.

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

§ 1. AMENDMENT.] That Section 4672 of the Revised Code of 1905, being Section 5187 of the Compiled Laws of 1913, be amended to read as follows:

§ 5187. ASSETS NOT TO BE USED IN OTHER BUSINESS.] No bank shall as principal employ its money or other of its assets, directly or indirectly, in trade or commerce, nor employ or invest any of its assets or funds in the stock of any corporation, bank, partnership, firm or association, nor shall it invest any of its assets in speculative margins of stocks, bonds, grain, provisions, produce or other commodities, except that it shall be lawful for banks to make advances for grain or other products in store or in transit to market; *provided*, nevertheless, that this Act shall not be construed as in any way preventing a bank from investing such part of its funds in stock of the Federal Reserve Bank of this district as may be necessary to become a member of the Federal Reserve Association and from carrying such stock among its assets.

§ 2. EMERGENCY.] Whereas, an emergency exists in that the present law denies the banks of this state the right to join such association, this Act shall take effect and be in force from and after its passage and approval.

Approved, February 10, 1915.

CHAPTER 55.

[H. B. No. 501—Lathrop Committee.]

FEES FOR EXAMINATION OF CORPORATIONS.

AN ACT to Amend Section 5179 of the Compiled Laws of North Dakota for the Year 1913 Relating to the Department of the State Examiner.

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

§ 1. AMENDMENT.] That Section 5179 of the Compiled Laws of North Dakota for the year 1913 is hereby amended to read as follows:

§ 5179. FEES FOR EXAMINATION.] Every corporation contemplated to be, by this Act, placed under the jurisdiction and control of the State Banking Board, and made subject to the examination of the State Examiner and his Deputy Examiners, shall if a new

corporation, prior to receiving its certificate of authority to commence business, and in all cases within ten days after each examination, pay into the state treasury the following fees, to-wit: A fee of ten dollars in addition to a charge of one and one-half hundredths of one per cent. of the gross amount of the assets of said bank on the day of examination.

Building and loan associations, mutual improvement corporations, mutual investment corporations, and other corporations of a mutual character, having no capital stock, or a nominal capital stock, shall pay a semi-annual fee of twenty-five dollars for the first one hundred thousand dollars of assets, and five dollars for each additional one hundred thousand dollars or major fraction thereof of assets.

The Treasurer shall report such payments to the Banking Board, and if any such corporation shall be delinquent more than twenty days in making such payments, the board may make an order suspending its functions until such payment is made, and such order shall be rescinded only upon payment of the amount due and a penalty of five dollars additional for the delay.

§ 2. EMERGENCY.] An emergency is hereby declared to exist and this Act shall take effect and be in force immediately after its passage and approval.

Approved, March 5, 1915.

CHAPTER 56.

[H. B. No. 221—Converse.]

INCREASING CAPITAL STOCK OF BANKS TO \$15,000.00 BEFORE ORGANIZATION.

AN ACT to Amend and Re-enact Section 5155 of the Compiled Laws of North Dakota, 1913, Relating to Capital Stock of State Banks.

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

§ 1. That Section 5155 of the Compiled Laws of North Dakota, 1913, is hereby amended to read as follows:

§ 5155. CAPITAL STOCK.] Hereafter no banking association shall be organized under this Chapter with a capital stock of less than fifteen thousand dollars, nor in towns or cities of over one thousand inhabitants with a capital stock of less than twenty thousand dollars; nor, in cities of over two thousand inhabitants, with a capital stock of less than thirty thousand dollars; nor, in cities of over three thousand inhabitants, with a capital stock of less than thirty-five thousand dollars; nor, in cities of over four thousand inhabitants, with a capital stock of less than forty thousand dollars; nor, in cities of over five thousand inhabitants, with a capital stock of less than fifty thousand dollars. All of the capital stock of every

such association shall be paid in before it shall be authorized to commence business, and evidence of such payment of capital stock either in actual money or a deposit in a previously approved correspondent bank must be furnished to the State Examiner or Deputy Examiner before the certificate of authority may be delivered. For the purposes of this Section, the population of the city may be determined by using the population shown by the most recent state or national census. No association having been organized to transact business in any city, and which may have sold or converted its business to a national bank, or other banking business which is continued at the same place, shall be allowed to remove its charter or its articles of incorporation to, and recommence business at another place; but where it can be clearly shown that a banking association which has not changed, sold or converted its business as hereinbefore recited, is located at a place where there is not sufficient business for the profitable conduct of a bank, such association may apply to the Banking Board for authority to remove its business to some other place within the state and to change its name if desired; and upon the approval of such application by the State Banking Board and the proper amendment of the articles of incorporation, the board may issue authority for such removal and change; *provided*, that no such association shall be allowed to remove its business to any city without having the full amount of capital stock required by this Chapter for a new organization in such city. The corporate existence of any bank or corporation heretofore organized with a capital of less than fifteen thousand dollars shall not be renewed unless such corporation seeking to renew its existence shall increase its capital to the amount required by this Act for the organization of a new banking corporation in the city where such bank is located at the time of such renewal. When any association whose capital is less than twenty thousand dollars, applies for a renewal of its corporate existence, it shall, before being permitted to continue its corporate existence, furnish satisfactory evidence through the State Banking Board that its articles of incorporation have been properly amended and the full amount of the increased capital has been actually paid in cash; *provided*, that such association in renewing its existence, may, with the consent and approval of the State Banking Board, convert its then accumulated surplus and undivided profits into capital, to be apportioned among the shareholders entitled thereto.

Approved, February 23, 1915.

CHAPTER 57.

[S. B. No. 9—Loftsgaard.]

PENALTY FOR FALSE STATEMENTS BY BANKS.

AN ACT Amending Section 5174 of the Compiled Laws of 1913 Prescribing Penalties for Making False Statements or Entries as to the Condition of Banking Associations.

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

§ 1. AMENDMENT.] Section 5174 of the Compiled Laws of 1913 is hereby amended to read as follows:

§ 5174. PENALTIES FOR FALSE STATEMENTS OR ENTRIES.] Every officer, agent or clerk of any association organized under this Chapter, who willfully and knowingly subscribes or makes any false statements or entries in the books of such association, or knowingly subscribes or exhibits any false paper with intent to deceive any person authorized to examine as to the condition of such association, or willfully subscribes or makes false reports, shall be punished by imprisonment in the state penitentiary not less than one nor exceeding ten years, or in the county jail not exceeding one year, or by a fine not exceeding ten thousand dollars, or by both such fine and imprisonment.

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

§ 3. EMERGENCY CLAUSE.] Whereas, doubt exists as to the meaning of the provision contained in said Section 5174 designating the penalty and therefore an emergency exists, for that reason this Act shall take effect and be in force from and after the date of its passage and approval.

Approved, January 20, 1915.

CHAPTER 58.

[H. B. No. 166--Burgett.]

REDUCING LEGAL RESERVE FUND OF BANKS.

AN ACT to Amend Section 5170 of the Compiled Laws of North Dakota for the Year 1913 (Section 4655 of the Revised Codes 1905), Relating to the Legal Reserve Fund of Banking Corporations.

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

§ 1. AMENDMENT.] That Section 5170 of the Compiled Laws of North Dakota for the year 1913, being Section 4655 of the Revised Codes of 1905, is hereby amended to read as follows:

§ 5170. RESERVE FUND.] Each association shall at all times have on hand in available funds an amount which after deducting therefrom the amount due to other banks, shall equal 20 per cent.

of its demand deposits and 10 per cent. of its time deposits; three-fifths of this amount may consist of balances due to the association from good solvent state or national banks or trust companies, which carry sufficient reserve to entitle them to act as such depositary banks, and are located in such commercial centers as will facilitate the purposes of banking exchanges, and which depositary bank shall have been first approved by the State Banking Board, and the remaining two-fifths of such reserve shall consist of actual cash on hand; cash items shall not be included in computing reserve, and no association shall carry as cash or cash items, any paper or other matter except legitimate bank exchange, which will be cleared on the same or next succeeding business day. Whenever the available funds, within the meaning of this Section, shall be below twenty per cent. of its demand deposits and ten per cent. of its time deposits, such association shall not increase its liabilities by making any new loans or discounts other than by discounting or purchasing bills of exchange, payable at sight, nor make any dividend of its profits, until the required proportion between the aggregate amount of the deposits and its lawful money reserve has been restored; and the State Banking Board must notify any association whose lawful money reserve shall be below the amount required to be kept on hand, to make good such reserve, and if such association shall fail to do so for a period of thirty days after such notice, the State Banking Board may impose a penalty of not less than one hundred dollars or more than five hundred dollars, which shall be collected in the same manner as other penalties prescribed in this Chapter.

§ 2. EMERGENCY.] Whereas, an emergency exists in that the legal reserve of banking corporations is now unnecessarily large, therefore this Act shall take effect and be in force from and after its passage and approval.

Approved, February 13, 1915.

CHAPTER 59.

[H. B. No. 106—Hoghaug.]

DEPOSITARIES FOR STATE SINKING FUNDS.

AN ACT to Amend Section 370 of the Compiled Laws of North Dakota for 1913, Relating to State Depositaries.

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

§ 1. AMENDMENT.] Section 370 of the Compiled Laws of North Dakota for 1913, relating to state depositaries, is hereby amended to read as follows:

§ 370. STATE DEPOSITARIES.] All funds of the state shall be deposited by the Treasurer in one or more designated state or national banks in the State of North Dakota on or before the first day

of each month in the name of this state. Such bank or banks shall be designated by the Board of Auditors in conjunction with the Governor after advertising in one or more newspapers published in this state for at least thirty days for proposals, and receiving proposals, stating what interest will be paid on monthly balances of such funds on condition that such funds with accrued interest shall be subject to draft and payment at all times on demand; *provided*, that the amount deposited in any bank shall not exceed fifty (50) per cent. of its paid up capital and surplus. Interest on the funds so deposited, shall not be less than two (2) nor more than three (3) per cent. per annum, payable on the average daily balance. Each bank, so designated, shall continue to be a depository unless revoked by the board until the Board of Auditors designate new depositaries which shall be done at a meeting to be held on the second Tuesday in January of every even numbered year, and until depositaries so designated shall have qualified. *Provided*, further, that whenever there shall be accumulated in the sinking fund, or any other state funds for the investment of which no provision is otherwise provided by law an amount of money exceeding five thousand (\$5,000) dollars, and for which there is no immediate use, the Board of Auditors in conjunction with the Governor are authorized, empowered and shall direct a time deposit of such funds for a period of one year, as they deem expedient, in one or more of the state depositories as created by law, provided that the rate of interest offered by banks making bids for sinking funds shall not be less than four (4) nor more than five (5) per cent. per annum. Thirty days before such deposit is to be made it shall be the duty of the State Treasurer to give to every bank in the state full written notice of the same, inviting proposals for all or a part of such deposit. The interest received from such time deposit shall belong to and become part of the fund thereunto entitled.

Approved, March 9, 1915.

BRANDS

CHAPTER 60.

[H. B. No. 260—Stinger.]

RELATING TO STOCK BRANDS.

AN ACT Requiring Owners of Stock Brands to Furnish the Commissioner of Agriculture and Labor with an Exact Reprint, Impression or Outline of Such Stock Brands and Giving Location of Brand on Animals.

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

§ 1. Each owner of a stock brand recorded as provided in Section 2595 of the Compiled Laws of North Dakota for 1913, shall,