
CORPORATIONS

CHAPTER 109

(H. B. No. 65—Carr.)

DIVIDENDS—INDEBTEDNESS—CAPITAL STOCK AND BONDS OF CORPORATIONS

An Act To Amend and Re-enact Section 4543 of the Compiled Laws of North Dakota for the Year 1913 Relating to the Declaration of Dividends and the Creation of Indebtedness by Directors of Corporations, and Increasing or Diminishing of the Capital Stock of Corporations, and the Issuing of Bonds by Corporations and Declaring an Emergency.

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

§ I. AMENDMENT.] That Section 4543 of the Compiled Laws of North Dakota for the year 1913 is hereby amended and re-enacted to read as follows:

§ 4543. DIVIDENDS ONLY FROM PROFITS. LIMITATIONS OF INDEBTEDNESS. EXCEPTIONS.] 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, or public utility, company or corporation, 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 the limitation as to the value of property conveyed by trust, deed or mortgage shall not apply to the bonds or debentures of public utility corporations; 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 the same, participate in the earnings of such investment fund.

§ 2. The provisions of this Act shall apply to corporations heretofore and hereafter organized.

§ 3. This Act is hereby declared to be an Emergency Measure and to be in full force and effect immediately after its passage and approval.

Approved February 24, 1925.

CHAPTER 110

(H. B. No. 145—Starke.)

LIMITING PROPERTY, RELIGIOUS AND CHARITABLE INSTITUTIONS

An Act To Amend and Re-enact Section 4503 of the Compiled Laws of North Dakota for the Year 1913; Limiting the Value of Property to be Held by Religious and Charitable Corporations and Associations.

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

§ I. AMENDMENT.] Section 4503 of the Compiled Laws of North Dakota for the year 1913 is hereby Amended and Re-enacted to read as follows:

§ 4503. 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 five hundred thousand dollars.

Approved March 4, 1925.

CHAPTER 111

(S. B. No. 103—Ward.)

POWER OF STOCKHOLDERS AND MANAGEMENT—CO-OP. ENTERPRISES

An Act Relating to the Powers of Stockholders and Management of Co-operative Corporations and Associations.

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

§ I. That the stockholders of any co-operative corporation or association shall have the power at their annual meeting to amend,

modify, change or make new by-laws for the management and conduct of such corporations or associations, any provision in the by-laws contrary to the provisions of this act notwithstanding; provided, that a quorum at such stockholders' meeting shall consist of at least a majority of the stockholders who shall be present either in person or by proxy.

§ 2. All acts or parts of acts in conflict with any of the provisions of this act are hereby repealed.

§ 3. EMERGENCY.] This Act is hereby declared an emergency measure and shall become and be in effect and in force immediately upon its passage and approval by the Governor.

Approved February 13, 1925.

CHAPTER 112

(H. B. No. 109—Twichell.)

NUMBER AND POWER—DIRECTORS CORPORATIONS

An Act To Amend and Re-enact Section 4541, Compiled Laws of North Dakota for the Year 1913, Relating to Number and Power of Directors of Corporations.

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

§ 1. AMENDMENT.] Section 4541 of the Compiled Laws of North Dakota for the year 1913 is hereby amended and re-enacted to read as follows:

§ 4541. NUMBER AND POWER OF DIRECTORS.] Unless otherwise expressly provided, the corporate powers, business and property of all corporations formed under this chapter must be exercised, conducted and controlled by a board of not less than three nor more than fifteen directors, to be elected from among the holders of stock; or when there is no capital stock, then, from the members of such corporation, and at least one of such directors must be a resident of this state and the removal of such resident director from the state shall create a vacancy in his office. Directors of corporations for profit must be holders of stock therein in an amount to be fixed by the by-laws of the corporation. Directors of all other corporations must be members thereof. Unless a quorum is present and acting, no business performed, or act done, is valid, as against the corporation. Whenever a vacancy occurs in the office of a director, unless the by-laws of the corporation otherwise provide, such vacancy must be filled by an appointee of the board; pro-

vided, that the trustees or directors of any private corporation created for religious education, or benevolent purposes, may number not less than three nor more than twenty-one, and may be elected at such times, and for such periods, and in such manner, and their qualifications be such as may be provided by the articles of incorporation or by-laws of such corporation.

Approved February 24, 1925.

CHAPTER 113

(S. B. No. 160—Ward.)

By Request

RENEWAL CORPORATE EXISTENCE OF CORPORATIONS

An Act Authorizing the Renewal of the Period of Corporate Existence of Certain Corporations Whose Period of Duration Has Expired Without the Renewal Thereof, and Legalizing Acts and Contracts of Such Corporation Made or Done and Performed Subsequent to the Expiration of the Original Period of Existence of Such Corporation.

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

§ 1. RENEWAL OF CORPORATE EXISTENCE.] Any corporation heretofore organized under the laws of this state, whose period of duration has expired and the same has not been renewed and such corporation has continued to transact its business, may renew its corporate existence from the date of the expiration of its period of duration for an additional period not exceeding twenty (20) years from and after the time of its expired period of duration, with the same force and effect as if renewed prior to the expiration of its term of existence, by taking the same proceedings and by paying into the state treasury twenty-five dollars in addition to the fees as now provided by law for the renewal of the corporate existence of such corporations in cases where such renewal is made before the end of its period of duration.

§ 2. TWO YEAR LIMITATION.] Such proceedings to obtain such extension shall be taken within two (2) years after the taking effect of this act.

§ 3. ORIGINAL ACTS DECLARED VALID.] When such steps are taken within such period, such proceedings shall relate back to the date of the expiration of said original corporate period, and when said period is extended as provided by this act, any and all corporate acts and contracts done, performed, made and entered into after the expiration of said original period, shall be and each is hereby declared to be legal and valid.

§ 4. APPLICATION.] This act shall not apply to any corporation the charter of which has been declared forfeited by the final judgment of any court of competent jurisdiction in this state, nor to any corporation as to which there is any action or proceeding pending in any of the courts in this state for the forfeiture of its charter, nor to any corporation whose directors have acted as trustees under the provisions of Section 4567, Compiled Laws of 1913.

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

Approved March 4, 1925.

COUNTIES

CHAPTER 114

(S. B. No. 274—Benson.)

ACCOUNTS AND EMPLOYMENT OF COUNTY AGENT

An Act Providing for the Auditing of Expenditures of funds for County Agent work by County Boards of Commissioners; the Supervision of the work and the Employment and Dismissal of the Agent.

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

§ 1. AUDITING ACCOUNTS.] An accurate itemized account of all expenditures incurred by the County Agent in the regular conduct of his duties shall be submitted monthly by him to the Extension Division of the Agricultural College for examination and audit and such account shall be transmitted for audit and recommended for payment to the Board of County Commissioners, who shall have authority to approve or disallow the expense items.

When the Board of County Commissioners is authorized by a majority vote of the people of any county of this state to make a levy for the employment of a County Agent or Agents, it shall be the duty of the Board of County Commissioners to provide a budget which shall stipulate the salary of the Agent, field and office expenses and allowance for clerical hire. After mutually agreeing upon a budget and after deducting the amount of funds contributed from federal funds the commissioners shall proceed to make such levy as will cover the county's share of said budget. Each year thereafter, until discontinued, as hereinafter provided, a similar budget shall be agreed upon and such levy made by the Board of County Commissioners as will meet the County's share of such County Agent