

have painted on both sides of the body of such vehicle in a conspicuous place and manner, the name of said Department, Institution or Industry, and the name of the State indicated by proper words, initials or abbreviations.

§ 2. That any state official or employee of any State Department, Institution or Industry who operates or permits the operation of any motor vehicle owned by the Department, Institution or Industry without such sign painted thereon shall be guilty of a misdemeanor, and upon conviction thereof shall be fined not less than fifty dollars, nor more than one hundred dollars, or be confined in the county jail not to exceed thirty days, or both such fine and imprisonment in the discretion of the court.

§ 3. This act is hereby declared to be an emergency and shall be in full force and effect from and after April 1, 1925.

Approved March 7, 1925.

MUNICIPAL CORPORATIONS

CHAPTER 169

(S. B. No. 116—Storstad.)

FINANCING OF MUNICIPAL CORPORATIONS

An Act Relating to the Finances of Cities, Towns and Villages; Providing for the Time of Beginning and Ending of the Fiscal Year; Providing that the Council, Commission, Board or Manager of All Cities, Towns and Villages Shall Annually Prepare a Budget; Providing for Publicity of such Budget; Providing for Public Hearings in Regard to Proposed Expenditures; Providing for Tax Levies; and Providing that All Expenditures Must Conform to the Budget as Adopted.

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

§ 1. This Act shall be known and cited as the City Budget Law.

§ 2. DEFINITIONS.] The word "Council" as used in this act shall be construed to mean the City Council, Board of Trustees, Commission, Manager, or other governing body of any city, town or village in the state; and the word "Municipality" shall be construed to mean any city, town or village in the State.

§ 3. The council of each municipality shall make annually, between July first and July fifteenth of each year, on suitable blanks prescribed by the state tax commissioner, an itemized statement (to be known as the preliminary budget statement) of the amounts of money which, in the opinion of such council, shall be required for the proper maintenance, expansion or improvement of the municipality, during the current fiscal year.

§ 4. The fiscal year for all municipalities shall, beginning with the year 1925, commence on the first day of July and terminate on the thirtieth day of June of the next year.

§ 5. The preliminary budget statement provided for in section three hereof shall specifically set forth:

(1) The detailed expenses of the municipality for the last fiscal year.

(2) Estimated expenditures for the current fiscal year, which expenditures must be segregated and itemized under three groups as follows:

Group A. Maintenance and Operation. This group shall cover all wages and salaries, and other items which comprise the current expenses of the municipality, provided that although in the budget statement the whole amount paid for wages and salaries, may be stated in one sum, there must be on file with the council and open to public inspection a detailed statement showing the names of all persons receiving salaries or wages, and the annual amount paid to each such persons.

Group B. Capital and Betterment Expenditures. This group shall cover new construction, major repairs and all other items which go toward adding to the permanent improvement and value of the municipal property.

Group C. Debt Retirement. This group shall cover all amounts required to retire floating indebtedness, bond indebtedness, and to pay interest thereon during the current fiscal year; and also a statement showing the amounts and terms of bond issues, certificates of indebtedness, and warrants or other debts to be taken care of by the levies for debt retirement.

(3) The cash balance standing to the debit or credit of the municipality at the end of the last fiscal year.

(4) An estimate of the probable amounts that may be received during the current fiscal year from sources other than direct property taxes, and a statement of all uncollected taxes due to the municipality.

§ 6. That as soon as the council has prepared such preliminary budget statement, the clerk or auditor of the municipality shall publish in a newspaper having a general circulation in his municipality a notice that the preliminary budget statement is on file with him, and that a copy thereof may be had by anyone applying therefor; and that on the fourth Wednesday in July at 2 o'clock P. M. the council will hold a public session, at a place to be designated in said notice, at which any taxpayer may appear and discuss with the council any item of proposed expenditure, or object to any such item, or the amount thereof. And the clerk or auditor of the municipality shall also post in three conspicuous places in his municipality a copy of the aforesaid notice and of the preliminary budget statement; and said clerk or auditor shall also, not later than July twentieth, mail a copy of the preliminary budget statement to the auditor of the county in which his municipality lies, which copy shall remain on file in the office of the county auditor, available to public inspection.

§ 7. That the council shall meet at the time and place specified in said notice, and shall hear any and all protests or objections to the items or amounts set forth in the preliminary budget statement. That at such hearing the council shall make any changes it may deem advisable in the items or amounts shown on the preliminary budget estimate, and shall prepare the final budget, which shall consist of the preliminary budget, to which will be added further columns showing: (1) the final appropriations made on account of the various items of expenditure hereinbefore specified, which shall not as to any group total, exceed the amount specified in the preliminary budget estimate; (2) The amount of cash on hand; (3) The amount of uncollected taxes standing to the credit of the municipality; (4) The estimated income that may be received during the ensuing year from other sources than direct property taxes; (5) The net amount which it will be necessary to raise by taxation to meet said appropriations, which shall be found by deducting the total of items (2), (3), and (4) from item (1); (6) The amount of levy estimated to be necessary to provide such net amount of revenue during the fiscal year.

§ 8. Having completed the final budget, the board shall proceed to make the annual tax levy which shall not exceed the amounts estimated to be necessary under the completed final budget, and the clerk or secretary shall immediately thereafter send a certified copy thereof, together with a certified copy of the completed final budget, to the county auditor. As soon as the county auditor has available the data showing the total assessed valuation of said municipality, he shall proceed to calculate the necessary tax rates to produce the sums called for in said final budget; provided, however, that if the county auditor shall find that any amount or amounts called for in the levy cannot be produced by a tax rate which is within the limit

prescribed by Chapter 318, Laws of North Dakota for the year 1923, or acts amendatory thereof, said auditor shall reduce the amount so that it can be produced by a tax rate which is within legal limits; and said auditor shall at once notify the council of the reductions so made by him.

§ 9. No municipal expenditure shall be made or liability incurred, nor shall a bill be paid, for any purpose in excess of the appropriation made therefor in the final budget, except as provided for in sections 10 and 11 of this act. Expenditures made, liabilities incurred or warrants issued in excess of said appropriations shall be a joint and several liability of the members of the council who authorized the making, incurring or issuing thereof or who were present when they were authorized and did not vote against authorizing the same, and it is hereby made the duty of the state's attorney of the county in which the municipality lies, to bring suit, upon good and sufficient information laid before him by any taxpayer in the district or obtained from any other source, to recover from the members of the council, jointly and severally, the amount of expenditures, payments or warrants in excess of the amount shown in any group of the final budget.

§ 10. If the appropriation for any particular purpose is later found insufficient to meet the necessary expenditures for that purpose, the clerk or auditor of the municipality shall, by the order of the council, make a transfer of the required amount from any item of appropriation within the same group; that is to say, that a fund within group A can be transferred only to another fund within that group; and so as to groups B and C, except as otherwise provided in Section 11 of this act.

§ 11. Upon the happening of any emergency caused by the destruction or impairment of any municipal property necessary for the conduct of the affairs of the municipality, or by epidemic or threatened epidemic, or by the entering by a court of competent jurisdiction of judgment for damages against the municipality, the council may meet any such emergency in the following manner:

If there is a sufficient unexpended balance in any fund or funds embraced within groups A and B to provide for the emergency, the council may, by a resolution of two-thirds of the members present at any meeting, or, if the council consists of less than three members, then by a unanimous vote, take the amount necessary to meet the emergency from any such fund or funds, provided, however, that the resolution authorizing such expenditure so adopted by the council must recite the facts showing the existence of an emergency of the kind specified in this section.

§ 12. After July 1st and before the regular appropriations have been made by the Council of any municipality, such board

and other officials who are authorized to incur liabilities payable by the municipality may incur liability at a rate of expenditure not in excess of that authorized for the same purpose of the preceding year. Payments therefor may be made from any unappropriated balance in the treasury to be charged to the regular annual appropriation when made. No new or unusual expense shall be incurred or permanent contract made or salary increased until an appropriation therefor has been made by the council of the municipality.

§ 13. At the end of the fiscal year on June 30, the balance to the credit of each annual appropriation shall become a part of the general unappropriated balance in the municipal treasury, but no special appropriation shall lapse until the work for which it was made has been completed, the bills paid, and the accounts closed.

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

Approved March 6, 1925.

NEGOTIABLE INSTRUMENTS

CHAPTER 170

(S. B. No. 115—Page and Fleckten.)

COLLECTION OF NEGOTIABLE INSTRUMENTS

An Act Relating to the Collection of Checks, Drafts, Notes or Other Negotiable Instruments by Banks or Trust Companies.

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

§ 1. Any bank, banker or trust company, hereinafter called bank, organized under the laws of, or doing business in, this State, receiving for collection, or deposit, any check, draft, note or other negotiable instrument drawn upon or payable at any other bank located in another city or town whether within or without this State, may forward such instrument for collection directly to the bank on which it is drawn or at which it is made payable, and such method of forwarding direct to the payer shall be deemed due diligence, and the failure of such payer bank, because of its insolvency or other default, to account for the proceeds thereof, shall not render the forwarding bank liable therefor, provided, however, that such forwarding bank shall have used due diligence in other respects in connection with the collection of such instrument.