

## CONSTITUTIONAL AMENDMENTS

(S. B. No. 41—Session Laws of 1927)

### CONCURRENT RESOLUTION

§ 45. Each member of the legislative assembly shall receive as compensation for his services \$600 for each regular session and ten cents for every mile of necessary travel in going to and returning from the place of the meeting of the legislative assembly on the most usual route; which compensation and mileage shall be in full for all services, expenses and allowances for each two year period.

Disapproved March 20, 1928. 66904 to 41446.

(H. B. No. 341—Session Laws of 1927)

### ARTICLE 44

#### JOINT RESOLUTION

§ 179. All taxable property except as hereinafter in this section provided, shall be assessed in the county, city, township, village or district in which it is situated, in the manner prescribed by law. The property, including franchises of all railroads operated in this state, and of all express companies, freight line companies, dining car companies, sleeping car companies, car equipment companies, or private car line companies, telegraph or telephone companies, the property of any person, firm or corporation used for the purpose of furnishing electric light, heat or power, or in distributing the same for public use, and the property of any other corporation, firm or individual now or hereafter operating in this state, and used directly or indirectly in the carrying of persons, property or messages, shall be assessed by the State Board of Equalization in a manner prescribed by such state board or commission as may be provided by law. But should any railroad allow any portion of its railway to be used for any purpose other than the operation of a railroad thereon, such portion of its railway, while so used shall be assessed in a manner provided for the assessment of other real property.

Approved March 20, 1928. 63568 to 37284.

(Initiated Constitutional Amendment)

PROHIBITION

That Section 217, Article 20, of the Constitution of the State of North Dakota, be and the same is hereby repealed.

Dissapproved June 27, 1928. 103696 to 96837.

(Initiated Constitutional Amendment)

GUARANTEE OF BANK DEPOSITS

§ 1. By this Constitution the people of North Dakota do ordain and establish: The State of North Dakota has long assumed and exercised control of the business of banking within the state by regulating, restraining, and governing it, and in the year 1917 in pursuance of such general policy the state caused to be enacted a law providing for the establishment of a Depositors' Guaranty Fund, the purpose of which was to guarantee the payment of general deposits in state banks. Such fund has at all times been administered and controlled by the state, acting through its public officers designated by it for such purpose. By the enactment of such law and its administration by the state through its public officers, the people were led to believe, and did commonly understand and believe, that the credit of the state was pledged to secure the payment of all deposits in state banks; and relying upon such belief and understanding large numbers of the citizens of the state entrusted their savings and other money to such banks in the form of general deposits. Since the enactment of said Depositors' Guaranty Fund Act and up to and including the 15th day of May, 1928, more than three hundred (300) state banks have become insolvent and have closed, which insolvent banks have general depositors numbering more than eighty thousand (80,000) people of the state, whose deposits aggregate approximately \$25,000,000.00 over and above the ability of such banks to liquidate. It has become apparent that such deposits cannot be paid by the insolvent banks nor by the Depositors' Guaranty Fund, nor by the combined resources of said banks and said fund, and because thereof the depositors aforesaid will lose their earnings and savings and many thereof be reduced to poverty and want unless the state shall assume the burden of reimbursing such depositors. By reason of its general policy of regulating and controlling the banking business, and particularly by its enactment of said Depositors' Guaranty Fund Act and its administration thereof through public officers, the state is morally obligated to such de-

positors, and its failure to fulfill its moral duty to pay such claims will adversely affect its credit and will engender in the minds of its citizens distrust and lack of confidence in the Government. We therefore declare it essential to the general welfare of the state and the prosperity and tranquillity of the inhabitants thereof that the State of North Dakota should discharge its moral obligation and pay the claims of such depositors, and that the payment thereof is in the furtherance of a public purpose to which money raised by general taxation may be properly devoted.

§ 2. The State of North Dakota shall pay, without interest, any balance that may remain due on all claims based on general deposits in state banking associations which have become insolvent and closed between January 1, 1919, and May 15, 1928, after crediting thereon payments that have been made or may hereafter be made by dividends in the course of liquidation of such insolvent associations.

§ 3. Immediately upon the taking effect hereof the Governor and State Treasurer shall prepare and issue under their hands, attested by the Secretary of State, and the great seal of the State, bonds of the State of North Dakota in an amount not to exceed \$25,000,000, in denominations of from \$100.00 to \$5,000.00, bearing interest at a rate not exceeding five per cent (5%) per annum. Such bonds shall be issued in series payable 10, 15, 20, 25, and 30 years after the date of issue, the amount of each series to be determined by the Governor and the State Treasurer. Such bonds shall be sold from time to time as in the judgment of the Liquidating Board, hereinafter provided for, the proceeds shall be needed for the purposes herein specified, but they shall not be sold for less than par.

§ 4. From and after the taking effect hereof the Depositors' Guaranty Fund is abolished, and the Depositors' Guaranty Fund Commission shall account to the Liquidating Board herein provided for for all funds and assets in its possession for the benefit of the state, and no law shall be enacted providing for the guarantee of bank deposits.

§ 5. The Governor, State Treasurer, and Secretary of State are hereby constituted a board to be known as the Liquidating Board, which is charged with the administration of all matters connected with the allowance and payment of claims of depositors herein provided for. In the event any question arises whether a claim is based upon a deposit or as to the amount of such claim, it shall be the duty of the Liquidating Board to pass upon such question, and if it shall decide adversely to the claimant he shall have a right within sixty (60) days after written notice of such decision to

bring an action against the Liquidating Board in the District Court of Burleigh County to establish the deposit or the amount due thereon, which action shall be triable to the court.

The Liquidating Board may employ and fix the salary of an Executive Secretary, and delegate to him such part of its duties as it shall see fit, his acts, however, to be always subject to the approval of such board. The Executive Secretary shall take the constitutional oath of office and devote his entire time to the duties of his office. Such board may also employ and fix the salaries and duties of other assistants and clerks as it shall deem necessary to the prompt discharge of its duties hereunder.

§ 6. Upon the payment of any deposit the state shall be subrogated to all rights of the depositor against the Receiver of the bank of deposit, which right shall be enforced by the Liquidating Board; and the proceeds thereof, together with any assets received from the Depositors' Guaranty Fund Commission, shall be used in furtherance of the purposes of this amendment, in such manner as shall be provided by the legislature.

§ 7. It is the purpose and intent hereof that money due depositors in excess of the amount that will be paid in course of liquidation the Liquidating Board is empowered to make rules and regulations for determining the validity of depositors' claims and the amounts thereof in advance of the final liquidation of such banks; and it may pay in advance of such liquidations such part of any deposits as it may determine to be just and expedient.

§ 8. This article shall be construed as a separate, distinct, and additional article to the Constitution as it now exists, and it shall not affect the right of the state to incur indebtedness for other purposes as now provided by the Constitution, and when any bonds issued hereunder have been paid they shall not be reissued or other indebtedness incurred in their place.

§ 9. In the month of August, 1929, and each of the four succeeding years, the State Board of Equalization shall levy and certify to the various county officers a tax of one mill on the dollar of the assessed value of all taxable property in the State of North Dakota, which tax as collected shall be set aside as a fund for the payment of interest and principal of the bonds herein provided for. At the regular session of 1933 the legislature shall by law provide for the levy of a tax upon all taxable property in the state, sufficient to meet the interest upon and pay the bonds issued hereunder when due, which tax shall be in addition to all other taxes authorized by the Constitution. In case of the failure of the legislature to make such

provisions at such session, the Board of Equalization shall continue to levy the said tax of one mill annually until such legislation has been provided.

§ 10. The provisions of this amendment are hereby declared to be self-executing, and shall be immediately carried out, but the legislature shall pass laws to facilitate its operation and shall appropriate the necessary funds to meet the expenses thereof. Until such appropriation shall have been made the Liquidating Board may meet its expenses out of any funds accounted for by the Depositors' Guaranty Fund Commission.

§ 11. Speculation in depositors' claims shall be unlawful and any purchase of such claims for speculative purposes shall be void.

§ 12. In the event any Court should declare any provision or part of this Constitutional Amendment invalid for any reason, or should declare the same invalid as applied to any class of deposits, such adjudication shall not affect the validity of the remaining provisions or parts of this amendment or its applicability to other classes of deposits.

Dissapproved November 6, 1928. 218270 to 24755.