

NORTH DAKOTA BONDS

CHAPTER 182

(S. B. No. 79—Sperry.)

NORTH DAKOTA REAL ESTATE BONDS PAYMENT

An Act to amend and re-enact Sections 2290c7, 2290c9, 2290c12 and 2290c13 of the Supplement to the Compiled Laws of 1913, relating to the bonds of North Dakota real estate series.

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

§ I. AMENDMENT.] That Section 2290c7, of the Supplement to the Compiled Laws of 1913, is hereby amended and re-enacted to read as follows:

§ 2290c7. After such assignment of any mortgage, and the obligation thereby secured, all payments accrued thereon shall be made to the state treasurer. He shall hold and use said mortgage, obligations and moneys paid thereon in trust; first, for the security and payment of bonds to be issued as herein provided; and second, for re-delivery to The Bank of North Dakota of such remaining part or balance thereof as may come within the provisions hereinafter stated. He shall segregate such moneys into separate funds designated as follows: First, "Real Estate Bond Sinking Fund," and in this fund he shall place all sums collected for the purpose of retiring the principal of said bonds at the maturity of the same; second, "Real Estate Bond Interest Payment Fund," and into this fund he shall place all moneys collected for the purpose of paying interest on said bonds, except the administration fee of one-half of one per cent to be paid to The Bank of North Dakota as provided in this act. All principal payments made on notes and the mortgages securing the same shall be placed in the Real Estate Bond Sinking Fund, and all interest payments made on notes and mortgages securing the same shall be placed in the Real Estate Bond Interest Payment Fund. Such funds shall not be intermingled and no payment shall be made out of either of such funds except for the purpose for which they are created, except as provided by this act. Such funds shall be kept apart from all funds in his possession. He shall also keep in said funds as a part thereof for the same purpose, in the same manner and under the same limitations, and conditions, all moneys received by him whether from the proceeds of taxes or from payments made by the industrial commission or from legislative appropriations or otherwise, which shall be by law or by other authoritative designation made applicable to the payment

of the principal of said bonds or to the interest thereon. The state treasurer shall, with the approval of the industrial commission of the State of North Dakota, invest the funds before designated as Real Estate Bond Sinking Funds; in approved United States Government, state bonds, or certificates of indebtedness of the State of North Dakota, or municipal bonds, provided; that at the request of the industrial commission, the state treasurer shall redeem and take up out of said real estate bond sinking funds any of the Series "A", "B", or "C" Real Estate Bonds outstanding which may be called by the industrial commission; and the industrial commission shall notify the state treasurer of such call one year in advance thereof. No other disposition, appropriation, or otherwise, shall ever be made of the money in said funds until said bonds shall be fully paid; or until the time limit provided by law for the payment thereof shall have expired; provided, however, that if any of said bonds issued and delivered to the industrial commission as hereinbefore provided shall be returned to the state treasurer, not sold, then such returned bonds shall not be deemed a part of the bond issue secured by such fund.

§ 2. AMENDMENT.] That Section 2290c9 of the Supplement to the Compiled Laws of 1913, is hereby amended and re-enacted to read as follows:

§ 2290c9. If the obligation secured by any such mortgage so held by the state treasurer shall not be performed by the mortgagor, according to its terms, or if any condition expressed in any such mortgage shall not be performed and kept according to its terms, the state treasurer shall certify the facts to the manager of the Bank of North Dakota, who shall proceed as agent of the state treasurer as trustee for the State of North Dakota, by foreclosure or otherwise, to make collection of the obligation secured, and it is hereby made the duty of The Bank of North Dakota to make collection of principal and interest on all mortgages taken hereunder, and it shall be the duty of the state treasurer, from time to time, to certify to the Bank of North Dakota a list of such obligations and mortgages delivered to him, showing payment made and amounts remaining unpaid, to the end that a duplicate record may at all times be kept up to date in The Bank of North Dakota. The Bank of North Dakota shall turn over to the state treasurer and take receipt for all moneys collected by it with an itemized statement showing on which obligations such payments and collections have been made and are to be credited, together with the date of payment, such statement and remittance shall be made within twenty days after receipt of such payments by it. The mortgagor may make payment direct to the state treasurer, and he shall daily as such payments are made, make an itemized statement and report

thereof to The Bank of North Dakota. In case default shall occur in the payments or conditions of any mortgage, heretofore or hereafter taken, which default shall continue for a period of one year, then, and in that case, it shall be the duty of The Bank of North Dakota to foreclose upon such mortgage or to otherwise make collection of the obligation thereby secured. The Bank of North Dakota may, in its discretion, in order to make collection thereof, negotiate a sale of any such mortgage which may be in default, and upon payment of the full amount of the mortgage, the state treasurer shall execute and deliver a proper assignment and indorse without recourse and deliver the note secured thereby. The Bank of North Dakota may also, in its discretion, instead of foreclosing, take a conveyance from the owner to the state treasurer as trustee for the State of North Dakota in payment of the mortgage covering the land conveyed; provided, however, in case of foreclosure no power of attorney or attorney's affidavit as to fees shall be required, but there shall be included in the item of costs of such foreclosure all legal costs and disbursements incurred, including all taxes paid by said bank and interest thereon from date of such payment at six per cent per annum, which shall belong to The Bank of North Dakota and be credited to the department therein handling such collection and foreclosure proceedings. If at such foreclosure sale no bid is made equal to the amount due at the date of sale, including costs, taxes paid, disbursements and statutory attorney's fees, the property shall be bid in, in the name of the state treasurer as trustee for the State of North Dakota. After deducting the costs, taxes paid, disbursements and expenses of foreclosure, including any interest paid to effect redemption from such sale, the net proceeds of such sale or the net proceeds of a redemption from such sale in case redemption is made, shall be paid over to the state treasurer and shall by him be used to purchase, at the then current market price, as nearly as may be possible, an equivalent amount in bonds issued in accordance with this act, or he may require The Bank of North Dakota to substitute new mortgages therefor as provided in Section 10 of this act. The bonds so purchased by the state treasurer shall be cancelled by a board consisting of the governor, state treasurer and secretary of state. An appropriate record thereof shall be made and kept by the state treasurer. In case no redemption is made from such foreclosure sale in a manner provided by law, a sheriff's deed shall be issued to the "State Treasurer as Trustee for the State of North Dakota." Any taxes then remaining unpaid thereon shall be cancelled and abated by the board of county commissioners of the county wherein such land is situated. Any land, title to which is acquired through foreclosure, or otherwise, may be sold by the state treasurer, as such trustee, through the Bank of North Dakota, acting as his agent, for the best price and terms ob-

tainable; all net proceeds of such sales, exclusive of taxes paid and costs and disbursements incurred by The Bank of North Dakota, shall accrue, in proper proportions, to the real estate bond sinking fund and the real estate bond interest payment fund. Any such sale must be approved in writing by the industrial commission, and any deed or contract for deed shall be executed by the treasurer of the State of North Dakota as Trustee.

§ 3. - AMENDMENT.] That Section 2290c12 of the Supplement to the Compiled Laws of 1913, be amended and re-enacted to read as follows:

§ 2290c12. The industrial commission shall annually prepare a statement in July of each year showing the condition of the real estate bond sinking fund and the real estate bond interest payment fund. Such statement shall be approved by the state treasurer and shall be presented to the state board of equalization at its annual meeting of the same year, together with the recommendation of the industrial commission. If an actual deficit exists in either or both of said funds, on July 1, 1929, or annually thereafter, it shall be mandatory upon the said board to make an annual levy of taxes sufficient to make good the deficit in such fund, including a levy to restore said fund to solvency as hereinafter defined, on account of depletion of said fund or funds prior to the adoption of this act. If at the time said statement is made, an actual deficit does not exist, but by reason of adverse crop conditions, or for any other reason, the industrial commission shall anticipate a deficit in either or both of said funds during the ensuing year, it shall recommend tax levies to meet such anticipated deficits, and it shall be mandatory upon the board of equalization to make such levies in accordance with such recommendation. It being the intent and purpose of this act that at all times both of said funds shall have sufficient moneys on hand to meet all payments of principal and interest when the same become due, and to make it mandatory upon the industrial commission to recommend and the state board of equalization to make annual levies when necessary in order that both of such funds shall be kept in such condition that the interest payments on North Dakota Bonds, Real Estate Series, shall be promptly paid out of funds collected or levied for interest payments only and that each year the sinking fund created for the purpose of retiring such bonds shall be proportionately increased so that this fund shall at all times during the life of said bonds be solvent and have in it the proper amount, taking into consideration the number of years before the due date of said bonds, to retire the principal of such bonds at maturity. Provided, however, if there are not sufficient funds in the real estate bond interest payment fund to meet the payment of interest due on real estate series bonds on any interest payment date,

the state treasurer is authorized to borrow sufficient funds by the issuance of certificates of indebtedness of the State of North Dakota, to make such payment. Such certificates shall be issued in anticipation of taxes to be levied, shall be signed by the governor and the state treasurer, shall mature not more than thirty months from date of issuance, and shall bear interest at a rate not to exceed six per cent per annum. Such certificates of indebtedness shall be in the form as prescribed by the state treasurer. When such money is borrowed by the state, the fund is to be reimbursed annually as hereinbefore provided.

§ 4. AMENDMENT.] That Section 2290c13 of the Supplement to the Compiled Laws of 1913, is hereby amended and re-enacted to read as follows:

§ 2290c13. The powers herein granted may be repeatedly exercised and the duties following thereupon shall be likewise repeatedly performed, from time to time as the occasion may arise under the terms of this act; provided, however, that at no time shall the amount of bonds issued and outstanding pursuant to the terms of this act, exceed the amount of thirty million dollars. The state treasurer shall pay to The Bank of North Dakota, quarterly, on the first day of January, April, July and October in each year, the administration charge included in the interest rate upon all mortgages deposited with him.

Approved March 6, 1929.

OATHS

CHAPTER 183

(H. B. No. 57—Pfenning.)

ADMINISTRATION OF OATHS

An Act to amend and re-enact Section 833 of the Compiled Laws of North Dakota for 1913 pertaining to the administration of oaths.

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

§ 1. AMENDMENT.] That Section 833 of the Compiled Laws of North Dakota for the year 1913 be amended and re-enacted to read as follows:

§ 833. OFFICERS AUTHORIZED TO ADMINISTER OATHS.] The following officers are authorized to administer oaths: Each judge