

§ 2. All acts and parts of acts in conflict herewith are hereby expressly repealed.

Approved March 11, 1931.

## STATE INSTITUTIONS

### CHAPTER 265

(H. B. No. 301—Traynor.)

#### BOARD OF ADMINISTRATION

An Act amending Section 283b1 of the Supplement to the Compiled Laws of 1913, relating to Board of Administration for the general supervision and administration of all state penal, charitable and educational institutions, and the general supervision of the public schools of the state, defining its powers and duties, making an appropriation, and repealing all acts and parts of acts in conflict herewith.

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

§ 1. AMENDMENT.] Section 283b1 of the Supplement to the Compiled Laws of 1913 is hereby amended and re-enacted to read as follows:

§ 283b1. CREATION OF BOARD.] There is hereby created the "Board of Administration" for the general supervision and administration of all State Penal, Charitable and Educational Institutions of the state. For the exercise of these duties of general supervision the presidents or heads of the several state institutions shall be responsible to the Board. Said Board shall consist of five members, the State Superintendent of Public Instruction, and the Commissioner of Agriculture and Labor who shall be ex-officio members of said Board; and three other members who shall be appointed by the Governor within ten days after this act takes effect. The members so appointed shall hold their office as follows: One until July 1, 1921, one until July 1, 1923, and one until July 1, 1925, as designated by the Governor; and thereafter the appointment of the members of said Board shall be for a term of six years and until their successors are appointed and qualified; provided however, that from and after January 1st, 1932, the Commissioner of Agriculture and Labor and the Superintendent of Public Instruction shall cease to be members of the said Board of Administration, and such Board shall be composed of the three appointive members only; provided, further that the Governor may remove any appointive member of said Board for cause.

§ 2. REPEAL.] All acts or parts of acts in conflict herewith are hereby repealed.

Approved March 11, 1931.

## CHAPTER 266

(S. B. No. 247—Delayed Bills Committee.)

**PAYMENT KNUTE BAKKEN JUDGMENT BY N. D. MILL AND ELEVATOR ASSOCIATION**

An Act to authorize the North Dakota Mill and Elevator Association to pay that certain judgment entered in the District Court of Burleigh County, North Dakota, in the case of Knute Bakken vs. State of North Dakota, doing business as the North Dakota Mill and Elevator Association.

*Whereas*, a judgment was recovered in the District Court of Burleigh County, North Dakota, in the case of Knute Bakken vs. State of North Dakota, doing business as the North Dakota Mill and Elevator Association in the sum of \$12,000 damages and costs on account of personal injuries sustained by the said Knute Bakken on December 22, 1920, during the operation of the Drake Mill by the State of North Dakota; and

*Whereas*, such judgment was during the month of January, 1931, affirmed by the Supreme Court of North Dakota, and as finally entered, amounts to the sum of \$13,132.40, including damages, interests and costs; and

*Whereas*, the North Dakota Mill and Elevator Association is now confined by law to the operation of the State Mill and Elevator at Grand Forks, North Dakota, and it is doubtful whether the assets of such Association as now organized may be applied to the payment of any judgment resulting from the past operations of the Drake Mill without specific authorization by the Legislature; therefore

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

§ 1. That the North Dakota Mill and Elevator Association is hereby authorized to pay out of the reserve funds of said Association that certain judgment described in the preamble of this act in the amount of \$13,132.40.

Approved March 11, 1931.

## CHAPTER 267

(H. B. No. 286—Committee on Delayed Bills.)

**PROHIBITING SALE, ETC., DAIRY PRODUCTS AND USE OF OLEOMARGARINE AND SEPARATED MILK AT STATE INSTITUTIONS**

An Act Regulating the sale and exchange, and the advertising of dairy products produced at any state institution; prohibiting the use of oleomargarine and regulating the use of separated milk in any such institution; and providing penalties.

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

§ 1. SALES OF DAIRY PRODUCTS.] It is hereby declared unlawful for any officer, agent or employee of any State Institution,

other than the Agricultural College to offer for sale, or sell or exchange, to or with any private consumer thereof, in competition with any private producer of such product, any dairy product produced at any such State Institution.

§ 2. ADVERTISING INSTITUTIONAL DAIRY PRODUCTS PROHIBITED.] It is hereby declared unlawful for any person, firm or corporation, to advertise any dairy product marketed by such person, firm or corporation, as the product of any state institution or of any state owned herd.

§ 3. SERVING OLEOMARGARINE OR SEPARATED MILK PROHIBITED.] It shall hereafter be unlawful for any officer, agent or employee of any State Institution, to serve to any inmate thereof, any oleomargarine or substitute for butter; or to serve as a beverage, to any inmate thereof under the age of sixteen years, any separated milk, except upon the order or prescription of a physician.

§ 4. PENALTY.] Any officer, agent or employee of any State Institution, who shall wilfully or knowingly violate any of the provisions of Section 1 or Section 3 hereof, shall be guilty of a misdemeanor, and shall be punished by imprisonment in the county jail for not to exceed thirty days or by a fine of not to exceed one hundred dollars, or by both such fine and imprisonment, and shall forthwith be discharged or removed from office by the Board of Administration. Any person, firm or corporation; and any agent, employee or member of a co-partnership; and any agent, employee or officer of a corporation, who shall violate the provisions of Section 2 hereof, shall be guilty of a misdemeanor, and shall be punished by imprisonment in the county jail not to exceed thirty days, or by a fine of not to exceed one hundred dollars, or by both such fine and imprisonment.

Approved March 11, 1931.

#### CHAPTER 268

(S. B. No. 88—Atkins and Sperry.)

#### RE-ESTABLISHMENT NORTH DAKOTA MILL AND ELEVATOR ASSOCIATION

An Act re-establishing the North Dakota Mill and Elevator Association, defining its powers and duties, providing for the establishment of a North Dakota Mill and Elevator Commission, defining its powers and duties in respect to the management, operation and control of the state owned mill and elevator located at Grand Forks, North Dakota, and the conduct of all business relating thereto, and repealing Chapter 163 of the Session Laws of North Dakota for 1925, and all other acts in conflict herewith.

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

§ 1. RE-ESTABLISHING NORTH DAKOTA MILL AND ELEVATOR ASSOCIATION.] For the purpose of encouraging and promoting agri-

culture, the State of North Dakota shall engage in the business of handling grain, and in the manufacture and sale of flour and its by-products, and for that purpose shall operate and conduct the state owned mill and elevator located at Grand Forks, North Dakota, and heretofore created by law, under the name of "North Dakota Mill and Elevator Association," hereinafter called the "Association."

§ 2. CONTRACTS RECOGNIZED.] All valid contracts entered into by the North Dakota Mill and Elevator Association, as provided for in Chapter 152 of the Session Laws of North Dakota for the year 1919, Chapter 295 of the Session Laws of North Dakota for the year 1923, and Chapter 163 of the Session Laws of North Dakota for 1925, known as the North Dakota Mill and Elevator Association Act, are hereby expressly recognized, and any rights or liabilities accrued in favor of, or against, said North Dakota Mill and Elevator Association, as provided for in Chapter 152, of the Laws of 1919, Chapter 295 of the Laws of 1923, and Chapter 163 of the Session Laws of North Dakota for 1925, aforesaid, shall be deemed the acts of the North Dakota Mill and Elevator Association, as created by this act, and the title to all property acquired in the name of the State of North Dakota, doing business as the North Dakota Mill and Elevator Association as provided for in Chapter 162 of the Laws of 1919, Chapter 295 of the Laws of 1923, and Chapter 163 of the Session Laws of North Dakota for 1925, aforesaid, shall remain vested in the State of North Dakota, doing business as the North Dakota Mill and Elevator Association under this act.

§ 3. POWERS AND DUTIES.]

(1) Except as otherwise provided by law, the Association acting by and through its officers and agents hereinafter provided, shall have the power to make contracts, to sue and to be sued, to purchase, sell and convey real and personal property as may be necessary to carry out the purposes of this act; to locate and maintain the places of business of the Association; and to make and enforce orders, rules and regulations and by-laws, for the transaction of its business. The business of the Association, in addition to other matters herein specified, may include anything that any private individual or corporation may lawfully do in conducting a similar business, except as herein restricted.

(2) The Association may by purchase or lease acquire all the necessary property and property rights, and may purchase, lease or repair all necessary buildings or other structures and may purchase, lease, construct or otherwise acquire offices, machinery, equipment and all things necessary, convenient or incidental to the manufacture of flour and its by-products, and for the storage, sale and disposal of grains, flour and its by-products, and may dispose of the same; provided, that, until otherwise provided by law, the Association shall not lease, sell or convey to any person or persons the mill and elevator now located near the City of Grand Forks, North Dakota.

(3) The Association shall have power to purchase grain and to resell such part thereof as may not be needed in the operation of the mill, and to act as agent for any party who buys or sells grain or farm products; provided, it shall purchase grain from outside the state only when such grain can be purchased, milled and marketed at a cost less than grain of like quality available within the state may be purchased, milled and marketed; and provided, further, that the Association shall not import grain from any foreign country, in bond for milling purposes, or any grain from any foreign country for the purpose of milling and exporting the products thereof under the drawback provision of the United States tariff act, except when necessary, in the opinion of the General Manager to insure the efficient operation of its mill.

(4) All grain, flour, feed, millstuffs and produce belonging to the Association, or for which the Association is responsible to the owners, and all buildings, and machinery belonging to the Association, shall be fully insured, against loss by fire in the Fire and Tornado Fund of the State of North Dakota, or in fire insurance companies authorized to do business in this state.

(5) Except as hereinafter provided, the business of the Association shall be limited to the operation and management of the mill and elevator now owned by said Association and located at the City of Grand Forks, North Dakota, but it shall have power to establish and maintain purchasing and selling agencies in this and other states, and in Canada and in foreign countries.

§ 4. MANNER OF CONDUCTING BUSINESS.] All business of the Association shall be conducted under the name of the North Dakota Mill and Elevator Association. Title to property pertaining to the operation of the Association shall be obtained and conveyed in the name of the State of North Dakota, doing business as the North Dakota Mill and Elevator Association. Deeds and other instruments conveying or affecting real property shall be executed under the authority of the Industrial Commission and shall be signed by two members of the Industrial Commission, of whom the Governor shall be one, and the seal of the Association shall be affixed thereto.

§ 5. ESTABLISHING NORTH DAKOTA MILL AND ELEVATOR COMMISSION.] There is hereby created a North Dakota Mill and Elevator Commission, which shall, in behalf of the State of North Dakota, manage, operate and direct the business affairs of said Association, and shall hereafter be called the "Commission." Such Commission shall consist of three persons who shall be appointed by the Governor. The members of the first Commission shall be appointed for the following terms: One member thereof, whose term shall expire July 1st, 1932, one member thereof, whose term shall expire July 1st, 1933, and one member thereof, whose term shall expire July 1st, 1934, and thereafter each member shall be

appointed for a term of three years, or until his successor is appointed and qualified.

Each member of such Commission shall, before entering upon the duties of his office, make and file the oath required of state officers and shall be bonded in the State Bonding Fund in the penal sum of \$10,000, conditioned upon the faithful performance of his duties as such Commissioner.

Each member of said Commission shall be entitled to receive the sum of \$10.00 per day as compensation for his services, together with his actual and necessary expenses incurred while engaged in the performance of his duties, provided that no member shall be entitled to receive more than \$3,000 per annum for his services as a Commissioner.

No member of the Commission shall be eligible to hold any elective or appointive county or state office, and if any member becomes a candidate for county or state office, or accepts an appointment thereto, a vacancy shall automatically exist in such position, which shall be filled immediately by the Governor.

Any member of the Commission shall be subject to removal by the Governor for neglect of duty, or for nonfeasance or malfeasance in office.

§ 6. ORGANIZATION OF COMMISSION, PLACE AND FREQUENCY OF MEETINGS.] The members of said Commission shall meet at the general offices of the Association at Grand Forks upon the call of the Governor within forty days after this act takes effect, shall elect one of its members as Chairman, and shall adopt a seal and rules to govern its procedure. A majority of the Commission shall be a quorum for the transaction of business. The Commission shall hold regular meetings at the Association headquarters not less than once each month, and such special meetings as may be called by the Chairman, or a majority of the Commission. It may hold sessions at other places within the state when in its judgment the business of the Association requires it.

§ 7. TRANSFER OF PROPERTY AND CONTROL.] From and after the first meeting of said Commission, the Governor shall be dispossessed of all power and authority to manage and control the Mill and Elevator Association under the provisions of Chapter 163 of the Session Laws of North Dakota for 1925, and such authority heretofore possessed by the Governor is hereby transferred and vested in this Commission subject to the limitations and restrictions herein contained.

§ 8. POWERS AND DUTIES OF COMMISSION.]

(1) The Commission shall be vested with the sole power and authority to manage, operate and conduct all the business of the Association, and for that purpose it shall be deemed to have the

powers and duties usually vested in a Board of Directors of a business corporation subject to the limitations and exceptions herein set forth.

(2) The Commission shall have authority to make and enforce orders, rules and regulations for the transaction of the business of the Association; to employ a general manager for the Association, define his powers and duties, and fix his compensation; to employ the managing heads of each department of the Association; define their authority and duties and fix their compensation; to discharge or dismiss, with or without cause, any person or officers employed or appointed by it, and to generally determine and control the business policies of the Association.

(3) The Commission may, in its discretion, authorize any member thereof to perform special services for the Association, provided that no member shall be employed as general manager, or as a manager of any department, nor shall he receive for his services any sum in excess of the total compensation allowed by Section 5 of this act.

(4) The Commission shall at its regular monthly meeting and at such other times as it may deem expedient, require the general manager, and each of the departmental heads, to furnish a full and complete report of the condition and progress of the business of the Association and of each department thereof, and it shall have free access to all the records and files of the Association for that purpose.

§ 9. POWERS AND DUTIES OF GENERAL MANAGER.] The general manager shall have authority and it shall be his duty to employ, subject to the control and supervision of the Commission, all assistants, clerks, agents, attorneys and other employees as may be required for the proper transaction of the business of the Association, fix their titles, determine their duties and compensation, and discharge them in his discretion. It shall also be his duty to enforce the orders and regulations of the Commission and generally to manage and conduct the business of the Association under the supervision of the Commission.

§ 10. LOANS FROM THE BANK OF NORTH DAKOTA.] The Industrial Commission shall have the authority and it is hereby made its duty to direct the Bank of North Dakota to loan to the Association from time to time upon the request of the Association, money sufficient for the efficient conduct of its business upon the security of warehouse receipts, bills of lading and other usual forms of security, but the total amount of such money so loaned the Association shall at no time exceed the sum of \$500,000.

§ 11. AUDITOR AND SECRETARY OF COMMISSION.] It shall be the duty of the Industrial Commission to employ an Auditor for the Association, who shall at all times keep himself possessed of knowledge pertaining to the financial condition of the Association, and shall be ready to give to the Industrial Commission or the North

Dakota Mill and Elevator Commission any data pertaining to the affairs of the Association, or an audit of the financial condition thereof when called upon by either of such Commissions; and he shall, without demand, furnish the North Dakota Mill and Elevator Commission a monthly summary of the financial condition of the Association. For the purpose of enabling such auditor to perform his duties, he shall have free access to the records and files of the Association, and shall be paid by the Association a salary of \$3,600 per year, payable monthly. In the performance of his duties the Association shall furnish him such supplies, clerical and other assistance as his work may require. In addition to his duties as herein defined, he may also, with the consent of the Industrial Commission, perform such other services as the North Dakota Mill and Elevator Commission, or the general manager may authorize him to perform, provided that such additional work shall not be permitted to interfere with the efficient performance of his duties as auditor. Such auditor shall have no authority with reference to the conduct and management of the affairs of the Association, except to the extent that he may be specifically granted authority by the North Dakota Mill and Elevator Commission or the general manager.

Such auditor shall also serve as secretary of the North Dakota Mill and Elevator Commission, and shall keep a detailed record of all business transacted by it, and shall have the custody of the files and records of such Commission.

§ 12. BONDS OF GENERAL MANAGER AND OTHER OFFICERS AND EMPLOYEES.] All officers and employees of the Association charged with the performance of any duties in connection with its financial affairs, shall, before entering upon the performance of their duties, each respectively, furnish a sufficient bond payable to the North Dakota Mill and Elevator Association, in such amount and upon such conditions as the Commission may require and approve, which bond shall be approved as to form by the Attorney General, and when so approved, shall be filed with the Secretary of State; provided that the bond of the general manager shall be not less than the sum of \$50,000 in amount.

§ 13. BOOKS, RECORDS AND FINANCIAL STATEMENTS.] The general manager shall, under the direction and supervision of the Commission, cause a complete record to be kept of the affairs and transactions of the Association, and such records shall show at all times all the liabilities and assets of such Association, and the current value of all lands and other property owned by it. It shall include as a part of the liabilities of the Association, all accrued and accruing interest upon the Mill and Elevator Construction Bonds and Milling Bonds heretofore issued by the State of North Dakota and outstanding, including interest and principal installments heretofore paid on such bonds by the state and not repaid by the Association, together with a reasonable amount for depreciation on the plant and equipment. It shall also show all purchases made for the Association

account, money received from the sale of plant equipment and property, of disbursements, and all expenses for the purchase of supplies of every kind, and all receipts from sales. The fiscal year of business shall be from July first to June thirtieth following. The inventory showing current costs and values shall be taken as at the close of business June 30 of each year, and at such other times as shall be required by the Commission, a statement shall be prepared under the direction of the Commission and filed with the Industrial Commission, showing in a detailed and itemized manner, the condition of the business and the results of operation during the preceding annual period. Such report and statement shall be filed with the Industrial Commission not later than the first day of the following October, which report shall be printed and copies thereof delivered to the State Board of Auditors and all members of the Legislature.

§ 14. ACTIONS MAY BE BROUGHT.] Civil actions may be brought against the State of North Dakota, on account of any cause of action claimed to have arisen out of transactions connected with the operation of the Association, upon condition that the provisions of this section are complied with. In such actions, the State shall be designated as "The State of North Dakota doing business as North Dakota Mill and Elevator Association" and the service of process therein shall be made upon the general manager, or two members of the Commission. Such actions may be brought in the same manner and shall be subject to the same provisions of law as other civil actions brought pursuant to the Code of Civil Procedure. Such actions shall be brought, however, in the county where the Association shall have its principal place of business, except as provided in Sections 7415, 7416 and 7417, Compiled Laws of North Dakota for 1913. The provisions of Sections 375 and 657, of the Compiled Laws of 1913 shall not apply to claims against the state affected by the provisions of this act.

§ 15. REPEAL.] Chapter 163 of the Session Laws of North Dakota for the year 1925, and all other acts and parts of acts in conflict herewith, are hereby repealed.

Approved March 9, 1931.

#### CHAPTER 269

(H. B. No. 219—Ostrem.)

#### REPEAL STATE PRISON REVOLVING FUND

An Act to repeal Sections 11256, 11257, 11258, 11259 and 11260 of the Compiled Laws of North Dakota for the year 1913, establishing and creating a State Prison Revolving Fund and providing for the use and disposal thereof.

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

§ 1. REPEAL.] Sections 11256, 11257, 11258, 11259 and 11260 of the Compiled Laws of North Dakota for the year 1913, be and the same are hereby repealed.

Approved March 11, 1931.

## CHAPTER 270

(H. B. No. 221—Hamilton and Helbling.)

## REPEAL STATE TROLLEY LINE

An Act to Repeal Sections 1804 and 1806 of the Compiled Laws of North Dakota for 1913, relating to the State Trolley Line.

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

§ 1. REPEAL.] Sections 1804 and 1806 of the Compiled Laws of North Dakota for 1913 are hereby repealed.

Approved March 11, 1931.

## CHAPTER 271

(H. B. No. 162—Mau.)

## SALE STATE MILL AND ELEVATOR AT DRAKE

An Act providing for the sale of the State Mill and Elevator at Drake by the State Industrial Commission, and repealing Section 4, Chapter 163 of the Session Laws of 1925.

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

§ 1. SALE OF STATE MILL AND ELEVATOR AT DRAKE.] It shall be the duty of the State Industrial Commission to take steps as soon as possible after the taking of effect of this act, to obtain sealed bids in response to sixty days public notice of intention to sell the Drake Mill and Elevator, and to accept the highest responsible sealed bid therefor and to sell and convey such property. Power is hereby expressly granted to the Industrial Commission to execute and deliver any conveyances necessary to carry out the purposes of this act; such conveyances shall be made in the name of the North Dakota Mill and Elevator Commission by the Industrial Commission. All funds derived from such sale shall be paid forthwith to the State Treasurer to be credited by him to the Sinking Fund for the payment of interest upon the retirement of outstanding bonds of the North Dakota Mill and Elevator Series.

§ 2. REPEAL.] Section 4, Chapter 163, Session Laws of 1925, is hereby repealed.

Approved March 10, 1931.

CHAPTER 272  
(S. B. No. 66—Whitman.)

TRANSFER LICENSE UNIVERSITY RADIO STATION KFJM

An Act authorizing the Board of Administration with the approval and consent of the Governor to transfer the license of radio station located at the State University of North Dakota at Grand Forks, North Dakota.

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

§ 1. TRANSFER OF LICENSE.] The Board of Administration with the approval and consent of the Governor is hereby authorized to transfer the license of radio station KFJM located at the University of North Dakota at Grand Forks, North Dakota, to private parties on condition that they continue to operate such radio station at the University with the power station located on the University campus and that perpetual rights be retained for the use of the station for observation for the students taking courses in radio communication at the University of North Dakota; provided that no discrimination shall be shown as between individuals, corporations, copartnerships, or associations, societies or political parties by the parties owning or operating this station following this transfer of license. Any violation of this provision shall be sufficient grounds for cancellation of the transfer of this license.

Approved March 10, 1931.

STATE SECURITIES COMMISSION

CHAPTER 273  
(H. B. No. 140—Committee on State Affairs.)

RE-ESTABLISHMENT SECURITIES COMMISSION RECORDS

An Act to require licensed investment companies and dealers, to furnish to the Securities Commission certain exhibits, records and data for the purpose of re-establishing the records and files of the Commission; and providing for re-issuance of such licenses.

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

§ 1. Any person, co-partnership, association or corporation, licensed as an investment company or dealer by the State Securities Commission prior to December 28, 1930, is hereby required to forward to the Securities Commission copies of all applications and all exhibits heretofore filed with the Commission pursuant to Section 5235a3, and acts amendatory thereto, of the Supplement to the Compiled Laws of North Dakota for 1913, if an investment company; or pursuant to Section 5235a12, and acts amendatory thereto, of the Supplement to the Compiled Laws of North Dakota for 1913, if a dealer; together with any other documents that, subsequent to