

BONDS

CHAPTER 106

H. B. No. 1—(Fitzharris and Coghlan)

VALIDATING CERTAIN COUNTY BOND ISSUE PROCEEDINGS

An Act to validate certain proceedings heretofore taken to fund or refund county indebtedness and bonds issued thereunder, and declaring an emergency.

Whereas, certain counties have outstanding warrant indebtedness incurred after January 1, 1939, which could not be paid out of current tax levies because of tax delinquency; and

Whereas, due to the present low interest rates upon municipal bonds it is possible for said counties to fund or refund the existing indebtedness and effect a considerable interest saving; and

Whereas, the boards of county commissioners of said counties have initiated proceedings to fund and refund the county indebtedness subject to the passage of authorizing or validating legislation; and

Whereas, it is necessary that said bonds be issued at once because of the possibility of higher interest rates in the near future;

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

§ 1. All proceedings heretofore taken in connection with the issuance and sale of bonds by counties to fund or refund outstanding indebtedness which purport to have been taken pursuant to Chapter 195, Session Laws of North Dakota for 1935, as amended, and where the bonds are sold to bear interest at three and one-half per cent per annum or less, the total indebtedness of the county does not exceed the constitutional limitation of county indebtedness, and all constitutional requirements have been met, are hereby validated. Said bonds when issued and delivered upon receipt by the county auditor of the purchase price shall constitute valid and binding obligations of the county, notwithstanding any defect or want of authority in their issue, or any defect or want of authority in the issuance of the warrants so funded.

§ 2. This Act is hereby declared to be an emergency measure and shall be in full force and effect from and after its passage and approval.

Approved March 7, 1941.

CHAPTER 107**H. B. No. 140—(Fitch and Myers)****BONDING OF DEPUTY COUNTY OFFICIALS****An Act Providing for the Bonding of Deputy County Officials and Declaring an Emergency.***Be It Enacted by the Legislative Assembly of the State of North Dakota:*

§ 1. BONDING OF DEPUTY COUNTY OFFICIALS.] Any County Official may require his deputy or deputies to be bonded for the faithful performance of his duties, in an amount to be fixed by the Board of County Commissioners.

§ 2. EMERGENCY.] This Act is hereby declared to be an emergency measure and shall be in full force and effect from and after the date of its passage and approval.

Approved March 7, 1941.

CHAPTER 108**H. B. No. 206—(Joint Committee on Refinancing State Indebtedness)****ISSUANCE OF NORTH DAKOTA BONDS, MILL AND ELEVATOR REFUNDING SERIES****An Act Authorizing the Issuance of Bonds of North Dakota, Mill and Elevator Refunding Series, for the Purpose of Refunding Outstanding Bonds of North Dakota, Mill and Elevator Series; Prescribing the Terms and Conditions thereof; Providing a Tax Levy for the Payment Thereof; Providing for the Extension of Maturing Bonds, and Making an Appropriation to Carry Out the Provisions of this Act, and Declaring an Emergency.***Be It Enacted by the Legislative Assembly of the State of North Dakota:*

§ 1. It is hereby found and declared that:

(a) The State of North Dakota has presently outstanding bonds of North Dakota, Mill and Elevator Series, in the aggregate principal amount of \$2,500,000.00, of which \$500,000.00 bear interest at 5½% per annum and mature January 1, 1942; \$700,000.00 bear interest at 6% per annum and mature January 1, 1942; \$700,000.00 bear interest at 6% per annum and mature January 1, 1947, and \$600,000.00 bear interest at 5½% per annum and mature January 1, 1947.

(b) All of said bonds were issued pursuant to Section 182 of the Constitution of North Dakota and Chapter 153 of the Session

Laws of North Dakota for the year 1919, and said bonds constitute general obligations of the State payable from unlimited ad valorem taxes and for the payment of the principal and interest of which the State of North Dakota has pledged its full faith and credit; and said bonds are further secured by a first mortgage lien on the properties of the North Dakota Mill and Elevator Association, made, delivered and recorded in accordance with said Chapter 153, Laws of 1919.

(c) There will not be moneys in the Mill and Elevator Bond Payment Fund on January 1, 1942, sufficient to pay the \$1,200,000.00 principal amount of bonds maturing on that date and the interest then payable.

(d) It is necessary that provision be made by law for the refunding of that portion of the bonds maturing January 1, 1942, for which funds will be insufficient, or that other arrangements be made so that the credit of the State will not be impaired by reason of non-payment thereof.

(e) The State of North Dakota also has outstanding bonds of North Dakota, Real Estate Series, in the aggregate principal amount of \$19,143,000.00, bearing interest at various rates from 4% per annum to 6% per annum, and maturing in varying amounts during the years 1941 to 1960, all of which bonds are likewise general obligations of the State payable from unlimited ad valorem taxes and for the payment of the principal and interest of which the full faith and credit of the State of North Dakota has been pledged.

(f) Some amounts of money may become available for the payment of principal and interest on said bonds of North Dakota, Mill and Elevator Series, from earnings derived from the operation of the North Dakota Mill and Elevator Association, but such earnings will be inadequate with the moneys otherwise available and to become available for the payment of the principal and interest on such bonds without the levy and collection of substantial amounts of ad valorem taxes, and, similarly, it will become necessary that substantial levies and collections of general taxes be made or funds otherwise produced in order to meet the State's obligations respecting such bonds of the North Dakota Real Estate Series.

(g) It is necessary, advisable and expedient that the State refund as much of said bonds of North Dakota, Mill and Elevator Series, maturing January 1, 1942, as shall be in excess of moneys then on hand available to be used in the Mill and Elevator Bond Payment Fund, and it is necessary, advisable and expedient that arrangements be made, if possible, so that the \$1,300,000.00 of such bonds maturing January 1, 1947, be refunded prior to said maturity date to the end that the maturity dates of all such bonds of North Dakota, Mill and Elevator Series, be re-arranged so that the tax burdens necessary for the payment of the various bonds above de-

scribed shall be equalized as between different tax years and shall be kept as low as possible in the aggregate.

§ 2. The issuance of bonds of the State of North Dakota to be known as "Bonds of North Dakota, Mill and Elevator Refunding Series" is hereby authorized and directed under the conditions and in the manner and for the purposes hereinafter set forth.

§ 3. (A) The Industrial Commission shall, by resolution adopted and approved in the manner provided by law, take such action conformably with this Act as shall be necessary to provide for the payment or refunding of the \$1,200,000.00 bonds of North Dakota, Mill and Elevator Series, maturing January 1, 1942, or otherwise arrange in accordance with this Act so that the credit of the State will not be impaired by the nonpayment thereof. The Industrial Commission is hereby authorized, by similar resolution or resolutions from time to time adopted, to take such action as may be found expedient and advisable in conformity with this Act for the refunding of all or any part of the \$1,300,000.00 of said bonds of North Dakota, Mill and Elevator Series, which mature January 1, 1947. In carrying out the foregoing powers and duties the Industrial Commission may authorize and direct the issuance of refunding bonds which shall constitute general obligations of the State for the payment of the principal and interest of which the full faith and credit and unlimited taxing powers of the State shall be pledged. Refunding bonds so issued shall bear interest at a rate or rates as prescribed by the Industrial Commission, but none of such bonds shall bear interest at a rate exceeding three per cent per annum payable semi-annually. Such refunding bonds shall mature as determined by the aforesaid resolutions, and may all mature at one time or may be made to mature serially in various amounts during various years as the Industrial Commission shall find most expedient, taking into consideration the amounts and dates of payment of principal and interest on the existing bonded debt of the State and the possible refunding of all or various portions of such presently existing bonded debt, but in no event shall any of such bonds of North Dakota, Mill and Elevator Refunding Series, be made to mature later than January 1, 1971. Refunding bonds may be made to mature at specified dates without option of prior payment or may be made redeemable prior to the stated maturities with or without payment of a premium upon such redemption, as determined by such resolutions. The aggregate principal amount of such refunding bonds at any time issued plus the principal amount of any bonds of North Dakota, Mill and Elevator Series, then outstanding plus the principal amount of any bonds of the North Dakota, Mill and Elevator Refunding Series, theretofore issued and then outstanding shall never exceed the value of all the state-owned Mill and Elevator properties, real and personal, comprising the utility, enterprise or industry known as the North Dakota Mill and Elevator Association on account of

which the presently outstanding bonds of North Dakota, Mill and Elevator series, were issued, which value shall be determined by the Industrial Commission and stated in the resolution or resolutions authorizing and directing the issuance of the refunding bonds. The principal and interest on the refunding bonds shall be payable at a place or places specified in such resolutions, and may be at the office of the State Treasurer in Bismarck or at The Bank of North Dakota or at any suitable bank or trust company in Minneapolis, St. Paul, Chicago or New York, or at the option of the holder of the refunding bond, at any one of two or more of such places. Refunding bonds shall bear such dates of issue and be of such denominations, serial numbers and forms as shall be prescribed by such resolutions conformably with this Act.

(b) Refunding bonds issued hereunder may be made to mature at dates later than the respective bonds refunded thereby and may bear interest at the rate borne by the bonds refunded to the date of maturity of the bond refunded and at a lower interest rate thereafter.

(C) Refunding bonds issued hereunder may also be issued in a principal amount exceeding the principal amount of the bonds refunded thereby and maturing at dates later than the bonds refunded thereby, but bearing an annual interest rate, payable semi-annually, throughout the term of the refunding bonds lower than the rate borne by the bonds refunded. The aggregate market value of refunding bonds of the type described in this paragraph (c) issued for the purpose of refunding outstanding bonds prior to their maturity shall not exceed the aggregate market value of the bonds refunded thereby, except that bonds may be issued in excess of such limit to the extent necessary to pay the actual expenses of such refunding, including bond printing, attorneys' fees, fiscal agents' fees, exchange agency charges and similar items. "Market Value," as used herein, shall be determined as of the date or dates of actual issuance of such refunding bonds, and according to standard tables of bond values used by insurance companies, banks and other institutional investors and recognized as standard in the United States of America.

(d) Refunding bonds may also be issued according to any plan respecting maturities, amounts and rates of interest which conforms with the provisions of this Act but involves bonds of a type different from either of the two types mentioned in paragraphs (b) and (c) of this Section. The bonds of North Dakota, Mill and Elevator Refunding Series, issued pursuant hereto may be issued as part of a plan for a consolidated refunding plan for all bonded indebtedness of the State, but only if there shall then be laws in force and effect, additional to this Act, authorizing such consolidated refunding. It is the intention of the Legislature to confer upon the Industrial Commission the power, subject to the limitations of this Act, to adopt such refunding plan, method or procedure as shall

serve the best interests of the State, with particular reference to the element of the ultimate cost to the State and the equalization of the burden of tax levies required for all State bonded debt services.

§ 4. A certified copy of any resolution adopted by the Industrial Commission pursuant to Section 3 of this Act shall be delivered to the State Treasurer, and it shall be the duty of the State Treasurer, immediately upon receipt of each such certified copy to prepare for issue negotiable bonds in the form and amount prescribed by such resolution. Said bonds shall be signed in behalf of the State of North Dakota by the Governor and the State Treasurer and shall be attested by the Secretary of State under the Great Seal of the State. The Auditor and Secretary of State shall endorse and sign on each such bond when issued a certificate showing that it has been issued pursuant to law and is within the debt limit. The provisions of Sections 151 and 152, Compiled Laws of 1913 and of Chapter 103, Session Laws of 1927 are hereby declared to be applicable to any refunding bonds issued pursuant to this Act. Such bonds may have coupons attached representing the interest to accrue thereon to the respective maturity dates, which coupons may be executed with the printed, engraved or lithographed facsimile signatures of the Governor and State Treasurer. Every bond and coupon issued pursuant to this Act must be presented for payment at the office of the State Treasurer or other place of payment specified in said bond within six years from the date of its maturity, and no such bond or coupon shall bear interest after maturity unless payment thereof shall not be made upon due presentation for payment.

§ 5. (a) It is hereby made the duty of the Governor and the State Treasurer, after the issue, execution, sealing and attestation of such bonds to deliver them to the Industrial Commission at such times and in such amount as may be required by the Commission within the limitations herein stated. The Industrial Commission is empowered, authorized and directed, in connection with and in addition to its other powers and duties, to act as the agent of the State for the negotiation, sale or exchange and delivery of said bonds. If any of said bonds are sold the Commission shall sell them for cash at not less than par value, in such manner and at such times as in its sound discretion it shall deem most advantageous to the interests of the State. The Commission is hereby authorized to receive all moneys paid by buyers of said bonds upon the sale thereof, and upon receipt of the purchase price to deliver to each purchaser the bonds by him purchased.

(b) The Commission is empowered and authorized to exchange refunding bonds issued pursuant to this Act for outstanding bonds of North Dakota, Mill and Elevator Series, authorized or directed to be refunded by a resolution or resolutions adopted pursuant to Section 3 hereof. If the refunding bonds are of the type described in paragraph (b) of Section 3, the par value of the refunding bonds

shall not exceed the par value of the bonds of North Dakota, Mill and Elevator Series, refunded thereby and for which the refunding bonds are exchanged. If the refunding bonds are of the type described in paragraph (c) of Section 3, the market value of the refunding bonds exchanged for any bonds of North Dakota, Mill and Elevator Series, shall not exceed the market value of the bonds for which they are exchanged, and for the purpose of any such exchange, market values shall be determined in accordance with standard tables of bond values used by insurance companies, banks and other institutional investors and recognized as standard in the United States of America. If the refunding bonds are of a type other than either those described in paragraph (b) or paragraph (c) of Section 3 and exchanges are made pursuant to the resolution of the Industrial Commission, then and in those cases such exchanges may be made on any basis which the Industrial Commission shall determine to be most advantageous to the State.

(c) In event exchanges of refunding bonds be made for bonds of North Dakota, Mill and Elevator Series, prior to the maturity date of the latter, the Industrial Commission may direct the State Treasurer to transfer moneys on hand or thereafter accruing in the Mill and Elevator Bond Payment Fund to the Mill and Elevator Refunding Bond Payment Fund pro rata to the extent of such exchanges.

(d) Upon delivery of refunding bonds, either pursuant to such sale for cash or upon such exchange, the faith and credit of the State of North Dakota is pledged for the payment thereof, both principal and interest, to the lawful holder and owner thereof upon presentation for payment according to law. Money derived and received from a sale of said bonds shall be placed by the Industrial Commission in the fund from which the bonds to be refunded are payable, and shall be used for no other purpose than to pay such bonds, except that any premium above par received upon such sale may be used to the extent needed to pay the expenses of such refunding.

(e) Refunding bonds issued pursuant to this Act may be purchased by The Bank of North Dakota or any other State board, department or agency. The Bank of North Dakota and each other State board, department and agency owning or holding any bonds of North Dakota, Mill and Elevator Series, authorized to be refunded may exchange the same for any refunding bonds issued pursuant to this Act; provided that upon any such exchange there shall be no profit, commission of fees of any kind to any party or parties other than the State and its boards, departments and agencies.

(f) No refunding bonds shall be issued pursuant to this Act more than one year after the date of issue stated therein. The Industrial Commission shall cause to be cancelled any bonds and appurtenant coupons prepared (prepared) for issue and not actually issued within one year of the date of issue stated therein.

§ 6. (a) A direct annual ad valorem tax is hereby levied upon all the taxable property of the State in an aggregate amount sufficient to pay the full principal and interest on all refunding bonds issued pursuant to this Act, to be included with the State levies for the years and in the respective amounts to be determined as herein prescribed. Each resolution of the Industrial Commission adopted pursuant to Section 3 hereof which authorizes or directs the issuance of refunding bonds shall set forth in tabulated form the dates and amounts of payments of principal and interest to fall due on the refunding bonds thereby authorized or directed to be issued, which dates and amounts shall conform with the limitations thereon prescribed by this Act. Such resolution shall also show the amounts of any moneys actually on hand available for payment of principal and interest on such bonds. A certified copy of such resolution shall be delivered to the secretary of the State Board of Equalization immediately after its adoption, and in any event prior to the actual issuance of any of the refunding bonds therein authorized or directed to be issued. The secretary shall forthwith call a meeting of the State Board of Equalization to be held at the first convenient date. At such meeting, the State Board of Equalization shall determine from the information contained in such resolution of the Industrial Commission the years and amounts in which the taxes will be included in order to produce in the Mill and Elevator Refunding Bond Payment Fund moneys adequate to pay such principal and interest as the same become due, and shall adopt an irrevocable resolution fixing the years and amounts in which such taxes are to be included in the state levies, which resolution shall be made a permanent record of the State Board of Equalization. A certified copy of such resolution of the State Board of Equalization shall be delivered by the secretary to the Industrial Commission prior to the actual issuance of any refunding bonds for the payment of which such taxes are so provided. Thereafter, at each annual meeting of the State Board of Equalization it shall be its duty to include in the aggregate of the State tax levy for such year the amounts so previously determined to be included, except as provided below with respect to reductions thereof. The proceeds of such taxes are hereby irrevocably appropriated for the payment of the principal and interest of such bonds. During each annual meeting of the State Board of Equalization thereafter held the Industrial Commission shall certify to it the amount and maturities of any such bonds which have not theretofore been actually issued and which the Industrial Commission has determined are not to be actually issued, if there be any such. The Industrial Commission shall in like manner annually certify the amount of money then on hand in the Mill and Elevator Refunding Bond Payment Fund applicable to the payment of the principal and interest for which such levies have theretofore been fixed and the sources from which such moneys have been derived. Upon receipt of a certificate of the Industrial Commission showing

that all or any portion of an authorized issue of refunding bonds have been determined not to be issued the State Board of Equalization shall cancel or reduce that portion of the levies fixed by its prior resolution which equals the portion of the authorized issue which are determined not to be issued. If it appears from such certificates that there is money on hand or included in previous levies then in process of collection, which money on hand and the proceeds of which taxes in process of collection will be available to pay the installments of principal and interest for which that year's levy would otherwise be used, the State Board of Equalization shall reduce the amount of the levy for that year by a sum equal to the sum of such available money on hand and in process of collection. The provisions made by this section and by proceedings pursuant hereto prior to the actual issuance and delivery of any refunding bonds shall constitute an irrepealable portion of the contract represented by the refunding bonds so issued, and any bondholder or any taxpayer may compel the performance of such obligation by proceedings in mandamus.

(b) In addition to the foregoing levies, the State Board of Equalization shall include in each annual levy an additional amount, stated separately from the levy made pursuant to paragraph (a) hereof, in such sum as the State Board of Equalization deems necessary to offset any anticipated delinquencies in the collection of the amounts of such levies; and in estimating the amount of such delinquencies the Board of Equalization shall take into consideration the percentage of tax collections and tax delinquencies during each of the three preceding years.

(c) If the refunding bonds for the payment of which such levies are made shall have been issued under a plan which provides for the creation and utilization of a reserve in the refunding bond sinking fund, levies may be made, either separately from the levies above mentioned or as a part thereof for the purpose of creating and maintaining such reserve in the appropriate amounts.

(d) The foregoing provisions shall not be construed to limit the power or duty of the state to levy taxes in such amounts as may be found necessary to pay the full principal and interest on refunding bonds issued pursuant to this Act.

§ 7. (a) To identify and distinguish the funds provided and available for the payment of bonds issued pursuant to this Act there is hereby created and established, as a part of the moneys of the State received and kept by the State Treasurer, a fund to be designated as the "Mill and Elevator Refunding Bond Payment Fund." All moneys received by the State Treasurer, 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 said bonds or interest thereon, shall be by him kept in such fund

distinct from all other moneys and shall be disbursed by him only for the particular purpose or purposes for which such moneys shall be delivered to him, and no other appropriations shall ever be made of the moneys in said fund until said bonds shall be fully paid. But this Act shall not be construed as preventing the State Treasurer from depositing said funds in The Bank of North Dakota.

(b) The State Treasurer shall cause to be paid and disbursed out of said Mill and Elevator Refunding Bond Payment Fund the principal and interest on refunding bonds issued pursuant to this Act as such principal and interest respectively become due, all such payments being made without auditor's warrant. All moneys in said fund, or as much thereof as may be necessary, are hereby appropriated for the payment of the interest and principal of refunding bonds issued pursuant to this Act, and this appropriation shall not be repealed, and no provision made in this Act for the payment of said bonds and interest shall be discontinued until the debt evidenced by said bonds, both principal and interest, shall have been paid.

§ 8. There is hereby appropriated all of the moneys provided in Section 6 above to be raised by taxes and all moneys paid to the State Treasurer by the Industrial Commission as specified in paragraph (a) of Section 7, or so much thereof as may be from time to time necessary to pay the interest and principal upon refunding bonds issued pursuant hereto as payments thereon shall become due.

§ 9. (a) The mortgage referred to in paragraph (b) of Section 1 hereof and any other mortgages now in force which secure presently outstanding bonds of North Dakota, Mill and Elevator Series, are hereby continued and extended to the extent that they shall constitute security for any refunding bonds issued pursuant to this Act, pro rata with any bonds of North Dakota, Mill and Elevator Series, remaining outstanding. In the event the Industrial Commission shall acquire any of the presently outstanding bonds of North Dakota, Mill and Elevator Series, in exchange for refunding bonds issued pursuant to this Act, the bonds so acquired shall not be cancelled or deemed to have been paid and discharged, but in lieu thereof shall be endorsed with a statement showing the same to have been refunded. The refunded bonds and the refunding bonds shall constitute evidence of a single indebtedness of which the refunding bond represents the terms of payment and the refunded bond represents the mortgage security therefor. Such refunded bonds shall be held in the Mill and Elevator Refunding Bond Payment Fund as security for payment of the refunding bonds for which they were exchanged, and any realization upon the mortgages or other security originally given for the bonds of North Dakota, Mill and Elevator Series, so acquired, shall inure to and constitute security for the bonds of North Dakota, Mill and Elevator Refunding Series, for which they were exchanged.

(b) Each such mortgage is hereby extended as to its due date

to the extent that the debt originally secured thereby shall be extended by the issuance of any such refunding bonds. The mortgages above referred to are hereby declared to include all mortgages covering any property, real or personal, owned or acquired for the State of North Dakota, doing business as the North Dakota Mill and Elevator Association, and dedicated to or acquired for the use thereof by the Industrial Commission, including specifically the mortgage heretofore made and executed to secure Milling Bonds of the State of North Dakota issued pursuant to the Laws of 1923, Chapter 291.

§ 10. All bonds issued pursuant to this Act and interest paid thereon shall be exempt from state, county and municipal taxes of any and all kinds.

§ 11. In case any bonds of North Dakota, Mill and Elevator Series, are not paid or refunded on or before the maturity thereof, The Bank of North Dakota may, when directed by the Industrial Commission, purchase and acquire such matured bonds and unpaid attached interest coupons, if any, and any such bonds so purchased and acquired by The Bank of North Dakota shall continue as an obligation of the State until paid or exchanged in the manner provided by law. Any bonds so purchased and acquired by The Bank of North Dakota, together with the attached interest coupons, if any, shall draw interest at the rate of two per cent per annum from the date of maturity until paid, and may be called for payment by the Industrial Commission at any time. Bonds and attached interest coupons purchased and acquired by The Bank of North Dakota pursuant to this provision, may be transferred to any State board, department or agency authorized to invest its funds or funds under its control in State bonds. Any such bonds and attached interest coupons, if any, shall be eligible for the investment of any funds belonging to or under the control of any such State board, department or agency.

§ 12. The Industrial Commission is hereby authorized to expend so much of the funds of the North Dakota Mill and Elevator Association, not otherwise appropriated, as may be necessary to carry out the provisions of this Act.

§ 13. If any provision of this Act is declared unconstitutional it is, nevertheless, the intention of the Legislature that the other provisions of the Act shall remain in full force and effect and as to other provisions and duties shall be carried out.

§ 14. No refunding bonds authorized by the provisions of this Act shall be issued, sold or exchanged after December 31, 1942, without further legislative authority.

§ 15. This Act is hereby declared to be an Emergency Measure, and shall be in full force and effect from and after its passage and approval.

Approved March 21, 1941.

CHAPTER 109

H. B. No. 46—(Anderson and Beede)

**REQUIRING POLITICAL SUBDIVISIONS TO ADVISE CERTAIN
STATE AGENCIES OF SALE OF BONDS**

An Act Requiring all counties, townships, school districts, cities, villages, park districts and other municipal corporations with the State which are now or may hereafter be authorized to sell and use bonds for any purpose whatsoever, to advise the State and all State Agencies or Departments which have trust funds to invest in such bonds, that said bonds will be offered for sale at public vendue; forbidding the purchase of such bonds from private purchasers, except under certain conditions, and providing a penalty for non-compliance herewith.

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

§ 1. NOTICE TO STATE OR STATE DEPARTMENTS.] At least 30 days before any county, township, school district, city, village, park district, or other municipal corporation within the State of North Dakota, which is now or may hereafter be authorized by law to issue and sell bonds for any purpose whatever shall sell and deliver such bonds, the governing board shall notify, by registered mail, the Board of University and School Lands and the Industrial Commission of the State of North Dakota, that such bonds will be offered at public vendue, giving in said notice complete and detailed information relating to said bond issue and the time and place that such bonds will be offered for sale.

§ 2. Should the said Board or any of said agencies or departments fail to submit an offer or bid for such bonds, or should said Board or any of said agencies or departments offer or bid for such bonds but not be the successful purchaser or bidder, it shall not within five years after the sale of said bonds, purchase said bonds or any part thereof, except at a price no greater than that paid by the successful bidder for the same.

Filed March 26, 1941.

CHAPTER 110

H. B. No. 328—(Johnson of Richland, Johnson of Cass and Trydahl)

STATE BONDING FUND, AMENDMENT

An Act to amend and re-enact Section 200b12 and Section 200b14 of the 1925 Supplement to the Compiled Laws of North Dakota; Providing for the Cancellation of Liability of the State Bonding Fund for Acts of Employees and Furnishing of other Bonds; Repealing all Acts and parts of Acts in Conflict herewith; and Declaring an Emergency.

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

§ 1. AMENDMENT.] Section 200b12 of the 1925 Supplement to the Compiled Laws of North Dakota is hereby amended and re-enacted to read as follows:

§ 200b12. CANCELLATION OF LIABILITY FOR ACTS OF EMPLOYEES.] The Commissioner may, after due investigation, if in his judgment the interests of the State Bonding Fund require such action, cancel the liability of the Bonding Fund for the Acts of any public employee, to take effect thirty days after written notice of such cancellation. In such case the officer whose insurance is cancelled may, at his own cost, secure an official bond executed by a duly authorized Surety Company.

§ 2. AMENDMENT.] Section 200b14 of the 1925 Supplement to the Compiled Laws of North Dakota is hereby amended and re-enacted to read as follows:

§ 200b14. RIGHT TO FURNISH OTHER BONDS.] Any person elected or appointed to office may furnish in lieu of such insurance provided for in this Act, a bond by a duly authorized Surety Company, but no officer or board of the State or of any County, City, Town, Village, School District or Township shall have the right to pay for any such bond or bonds out of any public funds except to cover the excess of the amount carried in the State Bonding Fund.

§ 3. REPEAL.] All Acts or parts of Acts in conflict herewith are hereby repealed.

§ 4. EMERGENCY.] This Act is hereby declared to be an Emergency measure and shall be in full force and effect from and after the date of its passage and approval.

Approved March 17, 1941.