

# AGRICULTURE

## CHAPTER 72

S. B. No. 162  
(Hernett, Chesrown)

### MULTICOUNTY FAIR ASSOCIATIONS

#### AN ACT

To authorize multicounty fair associations and tax levies or expenditures for such purpose.

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

§ 1. **Multicounty Fairs — Organized When — Aiding.)** A county fair association may be organized in two or more counties having taxable realty and personalty of an assessed valuation of not less than one and one-half million dollars. The executive officers and directors shall be residents of the counties. The association may apply to the boards of county commissioners of the counties for a grant to aid in the erection of suitable buildings and other improvements to accommodate its patrons and exhibits, and to pay premiums and expenses that may be awarded on such exhibits at any fair. An application for the grant shall be in writing and shall state the incorporation of the association, the names and places of residence of all its executive officers, and the ownership of real property in one of the counties sufficient in area for the purpose of its fair and the value of at least twenty-five hundred dollars. If the boards of county commissioners shall be satisfied that the statements in the application are true and that the association intends in good faith to hold a fair within one of the counties annually for the exhibition of agricultural, horticultural, mechanical, and manufactured products of the county, and of such articles as are usually exhibited at fairs, it may levy for the first year's grant of aid a tax which shall not exceed one-half of one mill on all taxable property within the county, and the same shall be collected as other taxes are collected. If the tax is levied, the boards of county commissioners shall pay to the secretary of the association, not later than July thirty-first thereafter, the amount of tax levied and shall take the receipt of the association therefor. A multicounty fair association authorized by this section and the boards of county commissioners of such counties, may do all the things allowed by law that a county fair association organized under section 4-02-26 may do.

Approved March 4, 1965.

## CHAPTER 73

H. B. No. 620

(Sanstead, Wentz, Wilkie, Leer, Haugland, Kvasager, Meschke,) (Rivinius, Strand, Johnson (Barnes), Harrison, Schoenwald,) (Glaspey, Christensen, Elkin, Olienyk, Wastvedt, Dornacker,) (Erickson (Ward), Welder, Bruner, Lang, Boustead, Bier,) (Ganser, Rustan, Opedahl, Rieger, Backes, Gietzen, Meyer,) (Williamson, Belquist, Frank, Borstad, Montplaisir, Olson,) (Stenhjem, Loerch, Erickson (Mountrail), Johnson (Slope)

## STATE FAIR ASSOCIATION

## AN ACT

To provide for a North Dakota state fair association for the purpose of conducting a state fair at Minot, establishing the organizational structure of such association, meetings of such association, establishing an operating fund in the state treasury, procedures of operation, making certain acts misdemeanors, prescribing an annual report; to create section 4-02-36, and amend sections 4-02-02, 4-02-03, 4-02-04, 4-02-05, 4-02-06, 4-02-09, 4-02-11, 4-02-15, 4-02-17, and 4-02-18 of the North Dakota Century Code, to eliminate provisions applicable to a state fair association, and to repeal section 4-02-16 of the North Dakota Century Code, relating to state fairs to be held in the cities of Grand Forks and Fargo.

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

**§ 1. State Fair Association.)** A state fair association, to be known as the North Dakota State Fair Association, is hereby created for the purpose of conducting an annual North Dakota state fair and for the purpose of exhibiting at such fair the agricultural, stock-breeding, horticultural, mining, mechanical, industrial, and other products and resources of this state. The North Dakota state fair shall be held at Minot, North Dakota, at a site to be selected by the state fair association. No other fair shall be designated as, nor shall any other fair call itself, the state fair.

**§ 2. Organization of State Fair Association—Initial Members.)** For the purpose of organizing the state fair association three residents from each county in the state shall compose the initial membership in the state fair association. One member shall be selected by the county fair board, one member by the board of county commissioners, and one member by the county agent of each county. In cases where a county does not have a county agent or county fair board, the board of county commissioners shall select the resident that either the county agent, or county fair board, would normally have been entitled to select as a member of the state fair association. Within

thirty days after the effective date of this Act the names of the persons selected to serve as the initial members of the state fair association shall be forwarded to the commissioner of agriculture and labor by the agencies making such selection. The commissioner of agriculture and labor shall compile a list of all such members and forward a copy to each member. Within three months of their selection the initial members of the state fair association shall meet at a time and place agreed upon by them for the purpose of adopting bylaws, electing a temporary board of directors for one-year terms or until successors are chosen and qualified, and generally organizing the state fair association pursuant to the provisions of this Act. The initial members of the state fair association shall serve one-year terms of office, or until successors are chosen and qualified, but this provision shall not prohibit such initial members from succeeding themselves as regular members of the fair association pursuant to the provisions of this Act. The initial members and the board of directors selected therefrom shall have all the powers, and be subject to all the laws, as is provided in this Act, except that the board of directors shall serve only one-year terms of office. The first annual meeting of the state fair association shall be held at the call of the initial board of directors. A permanent board of directors, elected pursuant to the provisions of this Act, shall be selected at the first annual meeting and new or additional members of the association shall be received into the state fair association according to the provisions of this Act. The state fair association shall initiate plans at the first annual meeting for the purpose of conducting a state fair in the year 1966.

**§ 3. Permanent Members of State Fair Association.)** The state fair association, after the expiration of the term of the initial members, shall have a membership selected in the following manner:

1. Three members to be chosen annually from each of the counties of the state, such members to be residents of such county, with one member to be selected by the county fair board, one member by the board of county commissioners, and one member by the county agent;
2. Such individuals who, by reason of eminent services in agriculture, horticulture, or in the arts and sciences connected therewith, or of long and faithful service in the association, or of benefits conferred upon it, may, by two-thirds vote of the directors at any annual meeting, be elected as honorary members; and
3. Members elected by societies, corporations, or associations as determined in the association bylaws, except

that a majority of the members shall always be selected in accordance with subsection 1 of this section.

The terms of all members, except honorary members, shall be for a one-year term or until the succeeding annual meeting after such members have qualified as members, except that each member shall hold office until his successor is chosen and qualified and a member who is a director shall remain a member until his term of office as director is terminated. Honorary members shall continue as such for life. The election and selection of members shall be made and certified to the state fair association on or before each annual meeting. Each member shall be entitled to one vote on each matter submitted to a vote of the members, except honorary members shall not vote. Any member may resign his membership by filing a written resignation with the secretary of the association but memberships shall not be transferable or assignable. The board of directors, by affirmative vote of the majority of all members of the board, may suspend or expel a member for cause.

**§ 4. Meetings—Time and Place—Notice.)** 1. The annual meeting of the members of the state fair association shall be held as provided in the bylaws of the association. Such meeting shall be held for the purpose of electing directors and for the transaction of such other business as may come before the meeting. If the election of directors shall not be held on the day designated for any annual meeting or at any adjournment thereof, the board of directors shall cause the election to be held at a special meeting of the members as soon thereafter as may be convenient. The failure to hold the annual meeting at the designated time shall not work a forfeiture or dissolution of the association.

2. A special meeting of the members may be held at any time upon the call of the president or by order of the board of directors, and it shall be the duty of the president to call such a meeting whenever requested to do so by ten percent of the members of the association.

3. The board of directors may designate any place within the state as the place of meeting for any annual meeting or for any special meeting called by the board of directors.

4. Written or printed notice stating the place, day, and hour of any meeting of members shall be delivered either personally or by mail to each member entitled to vote at such meeting, not less than ten, nor more than fifty, days before the date of such meeting by, or at the direction of, the president or the secretary or the officers or persons calling the meeting. In case of a special meeting, or when required by

law or the bylaws, the purpose or purposes for which the meeting is called shall be stated in the notice. If mailed, the notice of the meeting shall be deemed to be delivered when deposited in the United States mail, addressed to the member at his address as it appears on the records of the association, with postage thereon prepaid.

**§ 5. Compensation of Members.)** Members shall not receive any fixed salary for their services, but, by resolution of the board of directors, per diem payments not exceeding ten dollars per day, or expense money not to exceed in amount the mileage and travel expenses allowed employees and officials of the state by law, may be allowed for attendance at each regular or special meeting. The board of directors shall have the power, in its discretion, to contract for and pay to members rendering unusual or special services to the association, special compensation appropriate to the value of such services.

**§ 6. Board of Directors—Meetings—Notice.)** The affairs of the state fair association shall be managed by its board of directors, which shall consist of nine members unless changed by an amendment to the association bylaws, except that a decrease in the number of directors shall not affect the term of any incumbent director. Each director shall hold office for a term of three years, and until his successor shall have been elected and qualified. The terms of the directors elected at the first annual meeting shall be staggered so that three directors shall be elected annually thereafter. The directors shall be members of the state fair association and residents of the state.

**§ 7. Annual Meeting—Directors to Call Special Meetings.)** A regular annual meeting of the board of directors shall be held without other notice than that provided for the annual meeting of the state fair association, immediately after and at the same place as the annual meeting of the association. The board of directors may provide by resolution the time and place for the holding of additional regular meetings of the board without other notice than such resolution. Special meetings of the board of directors may be called by the president whenever he deems it necessary or upon the written request of two of the directors. The president shall fix the time and place for the holding of any special meeting of the board of directors.

Notice of any special meeting of the board shall be given at least three days previously thereto by written notice delivered personally or sent by mail or telegram to each director at his address as shown by the records of the association. If

mailed, such notice shall be deemed to be delivered when the same is deposited in the United States mail in a sealed envelope so addressed, with postage thereon prepaid. If notice be given by telegram, such notice shall be deemed to be delivered when the telegram is delivered to the telegraph company. Any director may waive notice of any meeting. The attendance of a director at any meeting shall constitute a waiver of notice of such meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted, nor the purpose of any regular or special meeting of the board of directors, need be specified in the notice or waiver of notice of such meeting.

**§ 8. Quorum to Transact Business.)** A majority of the board of directors shall constitute a quorum for the transaction of business at any meeting of the board, but if less than a majority of the directors are present at such meeting, a majority of those present may adjourn the meeting from time to time without further notice. The act of a majority of the directors present at a meeting at which a quorum is present shall be the act of the board of directors unless the act of a greater number is required by law or by the bylaws.

**§ 9. Vacancies and Compensation of Board Members.)** Any vacancy occurring on the board of directors shall be filled by the board of directors for the unexpired term of the vacancy. The board of directors shall not receive any salary for their services, but, by resolution of the board, per diem payments of ten dollars and travel expenses not exceeding such amounts as allowed other state officials and employees, may be allowed for attendance at each regular or special meeting of the board or members. The board of directors shall have the power, in its discretion, to contract for and to pay directors rendering unusual or exceptional services to the association, special compensation appropriate to the value of such services.

**§ 10. Officers—Removal—Vacancies.)** The officers of the association shall be a president, vice president, secretary, treasurer, and such other officers as may be created by the board of directors from time to time. All officers of the association shall perform such duties as may be prescribed by law or by the board of directors. Any two or more offices may be held by the same person except the offices of president and secretary. The president, vice president, secretary, and treasurer shall be elected annually by the board of directors, and any other offices created by the board may be filled by appointment at any meeting of the board. Each elected officer shall

hold office until his successor shall have been duly elected and qualified. Any officer elected or appointed may be removed by the persons authorized to elect or appoint such officer, whenever in their judgment the best interests of the association shall be served thereby. The removal of any officer shall be without prejudice to the contractual rights, if any, of the officer. Election or appointment of an officer or agent shall not of itself create contractual rights. Vacancies in any office because of death, resignation, removal, disqualification, or otherwise may be filled by the board of directors for the unexpired portion of the term.

**§ 11. Officers—Duties.)** 1. The president shall be the principal executive officer of the association and shall, in general, supervise and control all of the business and affairs of the association and shall preside at all meetings of the members and of the board of directors. He may sign, with the secretary, or any other proper officer of the association authorized by the board of directors, any deeds, mortgages, bonds, contracts, or other instruments which the board of directors has authorized to be executed, except in cases where the signing and direction thereof shall be expressly delegated by the board of directors or by the bylaws or by law to some other officer or agent of the association, and, in general, he shall perform all duties incident to the office of president and such other duties as may be prescribed by the board of directors from time to time.

2. In the absence of the president or in the event of his inability or refusal to act, the vice president, or in the event there be more than one vice president through appointment by the board, the vice presidents in the order of their election, shall perform the duties of the president and when so acting shall have all the power of and be subject to all the restrictions upon the president. Any vice president shall perform such other duties as from time to time may be assigned to him by the president or by the board of directors.

3. If required by the board of directors, the treasurer shall give a bond for the faithful discharge of his duties in such sum and with such surety or sureties as the board shall determine. He shall have charge of and custody of and be responsible for all funds and securities of the association received, and give receipts for moneys due and payable to the association from any source whatsoever, and deposit and manage all moneys as prescribed by this Act. He shall perform all the duties incident to the office of the treasurer and such other duties as from time to time the board of directors may delegate to him.

4. The secretary shall keep the minutes of the meetings of the members and of the board of directors in one or more books provided for that purpose; see that all notices are duly given in accordance with the provisions of the bylaws or as required by law; be custodian of the association records; keep a register of the post office address of each member which shall be furnished to the secretary by such member; and, in general, perform all duties incident to the office of secretary and such other duties as from time to time may be assigned to him by the president or by the board of directors.

5. Any other officers created by the board of directors may be required to give bonds for the faithful discharge of their duties in such sum and with such sureties as the board of directors may determine, and shall perform such duties as may be assigned to them by the treasurer, secretary, president, or board of directors.

**§ 12. Director's Liability Limited.)** The individual members of the board of directors of the state fair association shall not be liable for the negligence of any person, firm, or corporation staging any show, race, or other amusement at the state fair, nor for the negligence of any person employed by them.

**§ 13. Bylaws, Rules, Regulations.)** The state fair association may make all bylaws, ordinances, rules, and regulations, not inconsistent with law, which it may deem necessary or proper in carrying out the provisions of this Act and for the government of the grounds on which the state fair is to be held, and for all fairs to be held thereon, and for the protection, health, safety, and comfort of the public. Such bylaws, ordinances, rules, and regulations shall be in effect from the time of filing with the secretary of the association.

**§ 14. Appointment of Necessary Employees.)** The president or any other person delegated such authority by the board of directors, shall appoint and employ such deputies and other subordinates, and such contractors, architects, builders, clerks, accountants and other experts, and agents and servants as required to carry out the functions of the state fair association. Salaries and other compensation shall be set by the president and board of directors and any expenses incurred in the performance of employment shall be reimbursed in the same manner and for the same amounts as is provided for officials and employees of the state.

**§ 15. State Fair Operating Fund—Maintained in State Treasury—Expenditures.)** A special fund for the North Dakota state fair association to be known as the State Fair Operating Fund shall be maintained in the state treasury,

and all income, fees, rents, interest, moneys which may be appropriated by the legislative assembly from time to time, and any other moneys, from whatever source derived by the state fair association, shall be placed in such fund for the use of the North Dakota state fair association; provided, however, that moneys which may be appropriated by the legislative assembly shall only be transferred from the general fund appropriation, and placed in the state fair operating fund by the state treasurer, upon order of the director of the department of accounts and purchases whenever the balance in such fund falls so low as to require supplementation. Any moneys or income in the state fair operating fund shall not revert or be canceled according to the provisions of section 54-27-09. All expenditures of the state fair association from the state fair operating fund shall be made upon vouchers signed by the secretary, or other person authorized by the board of directors, and approved by the state auditing board, upon warrant-checks prepared by the department of accounts and purchases. The directors of the North Dakota state fair association may, not more than fifteen days in advance of the opening of any state fair, submit to the state auditing board a proposed budget of expenditures for operating the state fair, together with a signed voucher or vouchers for the withdrawal from the state fair operating fund of the total amount of the proposed expenditures. Upon approval of such proposed budget of expenditures by the state auditing board, the director of accounts and purchases shall prepare and issue a warrant-check or checks in such approved amount payable to the state fair association. Such warrant-checks shall be deposited to the account of the North Dakota state fair association in the Bank of North Dakota, and shall be subject to being withdrawn by check for the payment of prizes and costs of operation of the state fair. Not later than sixty days after the closing day of the state fair, the association shall file with the state auditing board a detailed and itemized statement of expenditures together with copies of all checks issued, and shall immediately close such account at the Bank of North Dakota and transfer any remaining balance to the state treasurer for deposit in the state fair operating fund. The treasurer, or other officer delegated such authority by the board, shall remit monthly all income, fees, rents, interest, or other moneys received by the state fair association, to the state treasurer who shall credit the same to the state fair operating fund and such moneys credited to the fund are hereby appropriated as a standing appropriation for the purposes provided in this Act.

**§ 16. Organization Under Corporation Laws—Real Property Transactions—Contracts.)** The state fair association shall possess all the rights, privileges, and liabilities pertaining to

corporations under the corporation laws of this state except as may be limited or specified by this Act. The association may purchase, hold, lease, exchange, trade, or sell real estate for the purpose of promoting and conducting a state fair. Buildings and real estate controlled by the state fair association may be leased, sub-leased, rented, or used for purposes other than the conducting of the fair during such times when the property is not needed for fair purposes. The state fair association may contract in its own name, but as an agency of the state, and shall make all of its purchases pursuant to the purchasing laws of the state through the department of accounts and purchases, except as may be exempted therefrom by the director of the department of accounts and purchases as provided by law.

**§ 17. Name in Which Business Conducted and Titles Taken—Execution of Written Instruments.)** All business of the association shall be conducted under the name of "North Dakota State Fair Association". Title to property obtained in regard 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 state fair association. Written instruments shall be executed in the name of the state of North Dakota.

**§ 18. State Auditor to Examine Records and Accounts of State Fair Association.)** It shall be the duty of the state auditor to annually examine the records and accounts of the North Dakota state fair association and to report thereon to the governor and to the legislative audit and fiscal review committee.

**§ 19. Attorney General to Act as Legal Adviser.)** The attorney general shall appoint an assistant attorney general or a special assistant attorney general to provide legal assistance to the state fair association. The appointment shall be revocable at the pleasure of the attorney general. The provisions of this section shall not prohibit the state fair association from employing any other attorney to carry out the legal functions of the association or provide additional legal services, other than those provided through the office of the attorney general, necessary for the proper administration of the state fair association.

**§ 20. Law Enforcement—Arrangements with Local Law Enforcement Agencies.)** The state fair association shall make arrangements with local law enforcement agencies for the provision of law enforcement personnel. For the purpose of enforcing any state and local laws, rules, regulations, bylaws, and ordinances of the state fair association, negotiations may

be entered into with local law enforcement agencies for the use of such law enforcement personnel or the deputizing of employees of the state fair association. The cost of providing such law enforcement personnel shall be the responsibility of the state fair association, except in the case of law enforcement officials who are functioning in their normal capacity as agents of the state or its political subdivisions. Law enforcement personnel shall wear appropriate badges of office while acting as such.

**§ 21. Service of Process.)** In any action or proceeding upon a claim arising out of the conducting of the state fair, service of process may be made as provided for in section 53-05-04.

**§ 22. Exhibition Date of Fair To Be Filed.)** The secretary or other officer delegated such duty shall file with the commissioner of agriculture and labor, on or before May first of each year, the dates on which the state fair will be held.

**§ 23. Regulation and Licensing.)** The state fair association shall regulate all shows, exhibitions, performances, establishments, and privileges carried on during the state fair and to such end shall supervise and ensure that such enterprises are properly licensed according to local and state laws. The state fair association may license any enterprises not required to be licensed by state or local laws, and shall be charged with the responsibility of seeing that all state and local laws and all rules and regulations of the fair association are complied with by such shows, exhibitions, performances, establishments, or those granted fair privileges.

**§ 24. Unlawful Acts.)** Any person who shall trespass on, enter, or attempt to enter the grounds upon which the state fair is being held, by jumping, climbing, or passing through any enclosure, or in any manner, except through the gates provided therefor, or who shall enter such gates or other reserved enclosure, without authority of the board of directors or its authorized officers, or who shall obtain permission to enter the grounds by impersonating another, or by any misrepresentation or false pretense, or who shall be found lurking, lying in wait, or concealed in any building, on the immediate vicinity thereof, with intent to steal, or commit other offenses or mischief, shall be guilty of a misdemeanor.

**§ 25. Nonliability of State for Debts—Exception.)** The state shall not be liable for any of the debts or liabilities of the state fair association except as appropriations are made therefor from time to time by the legislative assembly and transferred to the state fair operating fund.

**§ 26. Annual Report.)** The secretary or other officer charged with such duty, shall compile an annual report of the proceedings of the state fair association and its financial condition for the preceding fiscal year. Such report shall be prepared so as to be available for the annual meeting. A copy of such report shall be filed in the office of the commissioner of agriculture and labor who shall include it, in whole or in part, in his biennial report to the governor and the secretary of state.

**§ 27. Amendment.)** Section 4-02-02 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

**4-02-02. Director's Liability Limited.)** The individual members of the board of directors of any fair association shall not be liable for the negligence of any person, firm, or corporation staging any show, race, or other amusement at any county or municipal fair, nor for the negligence of any person employed by the board of directors or the association conducting such fair.

**§ 28. Amendment.)** Section 4-02-03 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

**4-02-03. Debts—Limitation of Amount.)** A fair association shall not contract debts or liabilities in excess of the money in the treasury at the time of the contract, except that debts or liabilities may be contracted for in a sum not to exceed two thousand five hundred dollars when this sum is reasonably expected from the receipts of a fair or exposition to be held in the immediate future. The fair association also may contract a debt not to exceed ten thousand dollars for the purchase of real property or for permanent improvements on real property owned by the association if the debt is secured by mortgage on the real property of the association. The directors voting for any debt contracted or incurred in violation of this section shall be liable personally thereon.

**§ 29. Amendment.)** Section 4-02-04 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

**4-02-04. Income and Expenses—Membership in Association and Terms Thereof.)** An agricultural fair association shall not be conducted for profit and shall have no capital stock. The bylaws of the association shall provide for charges to the public for admission to the grounds, fees for concessions, charges to exhibitors, and rental of the association's property, and the amounts thereof shall not be greater than is sufficient

to discharge the association's debts for real estate and improvements thereon, to defray the current expenses of fairs, to carry on the business of the association, and to create a sinking fund in an amount not exceeding five thousand dollars. The method of acquiring membership in the association, and the term of such membership, shall be provided in the association's bylaws.

§ 30. **Amendment.)** Section 4-02-05 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

**4-02-05. Real Property—District Associations—Limitations on Holding.)** Any district fair association may purchase, hold, or lease any quantity of land, with the buildings and improvements erected thereon, and may sell, lease, or otherwise dispose of the same at pleasure. The real estate shall be held for the purpose of erecting buildings and making other improvements thereon, to promote and encourage agriculture, horticulture, mechanics, manufactures, stock raising, and general domestic industry.

§ 31. **Amendment.)** Section 4-02-06 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

**4-02-06. Exhibition Dates To Be Filed—Penalty.)** The secretary or other executive officer of every county or district fair association, or other exhibition at which the resources or products of the state are displayed, shall file with the commissioner of agriculture and labor, on or before May first of each year, the dates on which such fair or exhibition will be held, together with the name of the place where the same will be held and the name of the president and secretary of such association. The failure to comply with this section shall subject the officer required to make the report to a fine of not more than fifty dollars.

§ 32. **Amendment.)** Section 4-02-09 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

**4-02-09. Fairs—Location at Grand Forks and Fargo.)** A fair or exposition shall be held biennially at or near the city of Grand Forks in the state of North Dakota during each odd numbered year, and biennially at or near the city of Fargo in the state of North Dakota during each even numbered year, subject to the conditions contained in this chapter. The location of such fairs as provided in this chapter shall be permanent.

**§ 33. Amendment.)** Section 4-02-11 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

**4-02-11. Premises—Custody and Control.)** The care, custody, management, and control of the premises upon which the fairs held at Grand Forks and Fargo are located shall be vested in the North Dakota Fair Association for Grand Forks and the North Dakota Fair Association for Fargo, respectively, and the general offices shall be located and maintained upon the fair grounds or at some suitable place in the respective cities. Each association shall keep its records in its offices.

**§ 34. Amendment.)** Section 4-02-15 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

**4-02-15. Association May Lease Property.)** Nothing contained in this chapter shall prohibit either the Grand Forks or Fargo fair association from leasing its grounds and buildings for agricultural and stock exhibits.

**§ 35. Amendment.)** Section 4-02-17 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

**4-02-17. District Fairs—Location.)** A district fair shall be held annually by a Missouri Slope Agriculture and Fair Association at the city of Mandan, and a fair may be held or arranged or contracted for by the Northwest Agricultural Livestock and Fair Association at the city of Minot. The respective fairs are subject to the conditions prescribed in this chapter. Location of the district fairs named is to be permanent.

**§ 36. Amendment.)** Section 4-02-18 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

**4-02-18. Premises of District Fairs—Custody and Control.)** The care, custody, management, and control of the premises upon which the respective district fairs are located shall be vested in the Missouri Slope Agriculture and Fair Association for Mandan, and the Northwest Agricultural Livestock and Fair Association for Minot, respectively, and the general offices shall be located upon the fair grounds or at some suitable place in the respective cities. Each association shall keep its records in its offices. Nothing in this section shall prevent the Northwest Agricultural Livestock and Fair Association from making any necessary arrangements with the state fair association of the fair grounds located at Minot for the conducting of a state fair by the state fair association.

§ 37.) Section 4-02-36 of the North Dakota Century Code is hereby created and enacted to read as follows:

**4-02-36. Chapter Not Applicable to State Fair Association.)** The provisions of this chapter shall not be applicable to the holding of the state fair and shall not apply to the North Dakota state fair association.

§ 38. **Repeal.)** Section 4-02-16 of the North Dakota Century Code is hereby repealed.

Approved March 10, 1965.

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## CHAPTER 74

H. B. No. 770

(Christensen, Leer, Belquist, Rivinius, Poling, Davis, Miller)

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### COUNTY EXTENSION FINANCING

#### AN ACT

To amend and reenact sections 4-08-09 and 4-08-15 of the North Dakota Century Code, to authorize the board of county commissioners to budget funds from the county general fund in addition to the funds derived from the one mill levy authorized for county extension purposes.

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

§ 1. **Amendment.)** Section 4-08-09 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

**4-08-09. Budgeting for County Agent.)** When the board of county commissioners is authorized to make a levy for the employment of a county agent, it shall provide a budget which shall stipulate the salary of the agent, field and office expenses, and allowance for clerical hire. After mutually agreeing upon a budget and after deducting the amount of funds contributed from federal and state funds, the board shall proceed to make a levy or appropriate funds out of the county general fund or both as it may deem necessary to cover the county's share of the budget. Until the office of county agent shall be discontinued, a similar budget shall be agreed upon and annually such levy and appropriation shall be made by the board.

§ 2. **Amendment.)** Section 4-08-15 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

**4-08-15. One Mill Levy—Appropriation from County General Fund—Both Authorized.)** The board of county commissioners of any county of this state in which a levy for county agent work has been voted on and approved by the people as provided for in sections 4-08-01 and 4-08-03 of this code, may levy not to exceed an amount necessary for such purpose, as provided in section 4-08-09 of this code, which amount shall not exceed one mill upon the taxable valuation of property in the county, and which levy shall not be restricted by the county tax levy limitation prescribed by law. If it shall determine that the amount derived from the authorized one mill levy will not be sufficient for such purpose the board may appropriate in addition thereto funds out of the county general fund to cover such deficiency.

Approved March 2, 1965.

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## CHAPTER 75

H. B. No. 728

(Reimers, Duncan, Ganser, Dornacker, Powers (Cass), Hilleboe)

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### BONDING SEED DEALERS

#### AN ACT

To provide for the bonding of seed dealers and for the establishment of grain standards.

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

**§ 1. Repurchase Contracts—Bonding Requirement for Non-resident Seed Dealers.)** Any nonresident person or his agent shall pay an annual license fee of twenty-five dollars to the state seed commissioner before engaging in the business of selling any agricultural grain or grass seed or entering into any contract with a purchaser whereby he agrees to purchase or retains an option to purchase the grain or grass seed or feed grain produced. Such license shall be renewable annually on January 1 of each year. In addition, at the time of making application for such license, the applicant shall furnish a corporate surety bond to be approved by the commissioner in the penal sum of ten thousand dollars running to the state of North Dakota for the use and benefit of any such purchaser of seed or seller under a repurchase contract or option, who may have a cause of action against any seller or repurchaser who fails to comply with the terms of the purchase or repurchase contract. All fees collected under this section shall be disposed of in the manner provided in section 4-09-20.

**§ 2. Grain Standards.)** The state seed commissioner may establish standards for all grain for which there are no standards adopted or enacted by the Government of the United States.

Approved March 19, 1965.

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## CHAPTER 76

H. B. No. 604

(Christensen, Winge, Ivesdal, Krenz, Hickle)

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### SOIL CONSERVATION DISTRICTS

#### AN ACT

To amend and reenact section 4-22-22, subsection 13 of section 4-22-26, and 4-22-44 of the North Dakota Century Code, relating to the expenses of supervisors; the borrowing of funds by districts through the pledging of its income, the payment of liabilities, and the disposal of property when terminating the affairs of the district.

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

**§ 1. Amendment.** Section 4-22-22 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

**4-22-22. Supervisors — Terms of Office — Vacancies — Removal—Expenses.)** The election at which a board of supervisors of a soil conservation district is first elected, after organization of such district, shall be considered the first regular election of the district regardless of when the election was held. The term of supervisors elected at such first regular election shall be determined as follows: The elected supervisor having received the lowest number of votes shall hold office until the first Tuesday in April following such first election; the elected supervisor receiving the next highest number of votes shall hold office until the first Tuesday in April of the second year following such first election; and the supervisor having received the largest number of votes shall hold office until the first Tuesday in April of the third year following the year in which such first election was held. The successor of a supervisor elected at a regular election held after such first election shall hold office for a term of three years until his successor is duly elected and qualified except where a supervisor is elected to fill the unexpired term of a supervisor whose office has become vacant.

District supervisors whose terms of office expired as of January 1, 1953, or whose terms of office expired prior thereto and who are holding office by reason of the circumstance that no district election has been held, shall hold office until the first Tuesday in April, 1954, and until their successors are duly elected and qualified. The offices of supervisors whose terms have been thus extended under the provisions of this section shall be filled at the regular district elections in March of 1954. The term of office of the elected supervisor receiving the lowest number of votes for such office shall expire the first Tuesday in April, 1955; the supervisor having received next to the highest number of votes, shall hold office until the first Tuesday in April, 1956; and the term of office of the supervisor having received the largest number of votes shall expire as of the first Tuesday in April, 1957. A supervisor, shall, however, hold office until his successor has been elected and qualified. After 1954 a soil conservation district supervisor elected at a district regular election for a full term shall hold office for three years and until his successor is elected and has qualified. In case the office of any supervisor shall, for any reason, become vacant, the remaining members of the board of supervisors shall, with the advice and consent of the state committee, fill the vacancy by appointment. In the event that vacancies shall occur in the office of two supervisors the remaining supervisor and the state committee shall fill the vacancy; and in case the offices of all the supervisors of a district shall become vacant the state committee shall fill the vacancies by appointment. A supervisor appointed to fill a vacancy shall hold office until the first Tuesday in April of the year following the first regular district election held after such appointment was made. A supervisor elected to fill a vacancy shall serve the balance of the unexpired term in which the vacancy occurred.

Any supervisor of a soil conservation district may after notice given and hearing held in accordance with the Administrative Practices Act of this state, be removed from office by the state committee.

The supervisors of soil conservation districts shall receive no compensation for their services other than travel and subsistence expenses necessarily incurred in attending district, state, or other meetings approved by the state soil conservation committee, which expenses shall be paid from appropriations available to the state committee. All other expenses including travel incurred by district supervisors while transacting district business and not specifically authorized by the state soil conservation committee shall be paid from district funds.

§ 2. **Amendment.)** Subsection 13 of section 4-22-26 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

13. To make and execute contracts and other instruments necessary or convenient to the exercise of its powers; to borrow funds and pledge all or any part of any income from the district's facilities, equipment, and operations for the repayment thereof;

§ 3. **Amendment.)** Section 4-22-44 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

**4-22-44. Termination of Affairs of District—Disposal of Property—Certificate of Dissolution.)** Upon receipt from the committee of its certification that it has determined that the continued operation of the district is not administratively practicable and feasible, the supervisors shall proceed to terminate the affairs of the district. The supervisors of the district may dispose of all or part of any property belonging to the district at public auction and shall use the proceeds of such sale to pay any liabilities. The balance of any funds and undisposed property shall become the property of the county or counties such district is a part of as directed by the supervisors. The supervisors thereupon shall file an application, duly verified, with the secretary of state for the discontinuance of the district, and shall transmit with such application the certificate of the committee setting forth its determination that the continued operation of the district is not administratively practicable and feasible. The application shall recite what property, if any, of the district has been disposed of, the liabilities paid, and the property or proceeds paid over as provided herein and shall set forth a full accounting of such properties and the proceeds of the sale thereof. The secretary of state shall issue to the supervisors a certificate of dissolution and shall record such certificate in an appropriate book of record in his office.

Approved March 2, 1965.

## CHAPTER 77

S. B. No. 332

(Dahlund, Tuff, Larson, Forkner, Nelson)

## INTERSTATE PEST CONTROL COMPACT

## AN ACT

To provide for an interstate compact for pest control assuring a high degree of cooperation between states for the purpose of reducing the multi-billion dollar loss each year from the depredations of pests, providing for its administration, and making an appropriation.

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

**§ 1. Enactment of Interstate Compact on Pest Control.)**

The Interstate Compact on Pest Control is hereby enacted into law and entered into by this state with all other states legally joining therein in the form substantially as follows:

**Article I. Findings.)** The party states find that:

1. In the absence of the higher degree of cooperation among them possible under this compact, the annual loss of approximately seven billion dollars from the depredations of pests is virtually certain to continue, if not to increase.
2. Because of varying climatic, geographic and economic factors, each state may be affected differently by particular species of pests; but all states share the inability to protect themselves fully against those pests which present serious dangers to them.
3. The migratory character of pest infestations makes it necessary for states both adjacent to and distant from one another, to complement each other's activities when faced with conditions of infestation and reinfestation.
4. While every state is seriously affected by a substantial number of pests, and every state is susceptible of infestation by many species of pests not now causing damage to its crop and plant life and products, the fact that relatively few species of pests present equal danger to or are of interest to all states makes the establishment and operation of an insurance fund, from which individual states may obtain financial support for pest control programs of benefit to them in other states and to which they may contribute in accordance

with their relative interests, the most equitable means of financing cooperative pest eradication and control programs.

**Article II. Definitions.)** As used in this compact, unless the context clearly requires a different construction:

1. "State" means a state, territory or possession of the United States, the District of Columbia, and the Commonwealth of Puerto Rico.
2. "Requesting state" means a state which invokes the procedures of the compact to secure the undertaking or intensification of measures to control or eradicate one or more pests within one or more other states.
3. "Responding state" means a state requested to undertake or intensify the measures referred to in subdivision 2 of this article.
4. "Pest" means any invertebrate animal, pathogen, parasitic plant or similar or allied organism which can cause disease or damage in any crops, trees, shrubs, grasses or other plants of substantial value.
5. "Insurance fund" means the pest control insurance fund established pursuant to this compact.
6. "Governing board" means the administrators of this compact representing all of the party states when such administrators are acting as a body in pursuance of authority vested in them by this compact.
7. "Executive committee" means the committee established pursuant to Article V-5 of this compact.

**Article III. The Insurance Fund.)** There is hereby established the pest control insurance fund for the purpose of financing other than normal pest control operations which states may be called upon to engage in pursuant to this compact. The insurance fund shall contain moneys appropriated to it by the party states and any donations and grants accepted by it. All appropriations, except as conditioned by the rights and obligations of party states expressly set forth in this compact, shall be unconditional and may not be restricted by the appropriating state to use in the control of any specified pest or pests. Donations and grants may be conditional or unconditional, provided that the insurance fund shall not accept any donation or grant whose terms are inconsistent with any provision of this compact.

**Article IV. The Insurance Fund—Internal Operation and Management.)**

1. The insurance fund shall be administered by a governing board and executive committee as hereinafter provided. The actions of the governing board and executive committee pursuant to this compact shall be deemed the actions of the insurance fund.
2. The members of the governing board shall be entitled to one vote each on such board. No action of the governing board shall be binding unless taken at a meeting at which a majority of the total number of votes on the governing board are cast in favor thereof. Action of the governing board shall be only at a meeting at which a majority of the members are present.
3. The insurance fund shall have a seal which may be employed as an official symbol and which may be affixed to documents and otherwise used as the governing board may provide.
4. The governing board shall elect annually, from among its members, a chairman, a vice chairman, a secretary and a treasurer. The chairman may not succeed himself. The governing board may appoint an executive director and fix his duties and his compensation, if any. Such executive director shall serve at the pleasure of the governing board. The governing board shall make provision for the bonding of such of the officers and employees of the insurance fund as may be appropriate.
5. Irrespective of the civil service, personnel or other merit system laws of any of the party states, the executive director, or if there be no executive director, the chairman, in accordance with such procedures as the bylaws may provide, shall appoint, remove or discharge such personnel as may be necessary for the performance of the functions of the insurance fund and shall fix the duties and compensation of such personnel. The governing board in its bylaws shall provide for the personnel policies and programs of the insurance fund.
6. The insurance fund may borrow, accept or contract for the services of personnel from any state, the United States, or any other governmental agency, or from any person, firm, association or corporation.
7. The insurance fund may accept for any of its purposes and functions under this compact any and all donations, and grants of money, equipment, supplies, materials and services, conditional or otherwise, from any state, the

United States, or any other governmental agency, or from any person, firm, association or corporation, and may receive, utilize and dispose of the same. Any donation, gift or grant accepted by the governing board pursuant to this paragraph or services borrowed pursuant to paragraph 6 of this Article shall be reported in the annual report of the insurance fund. Such report shall include the nature, amount and conditions, if any, of the donation, gift, grant or services borrowed and the identity of the donor or lender.

8. The governing board shall adopt bylaws for the conduct of the business of the insurance fund and shall have the power to amend and rescind these bylaws. The insurance fund shall publish its bylaws in convenient form and shall file a copy thereof and a copy of any amendment thereto with the appropriate agency or officer in each of the party states.
9. The insurance fund annually shall make to the governor and legislature of each party state a report covering its activities for the preceding year. The insurance fund may make such additional reports as it may deem desirable.
10. In addition to the powers and duties specifically authorized and imposed, the insurance fund may do such other things as are necessary and incidental to the conduct of its affairs pursuant to this compact.

#### **Article V. Compact and Insurance Fund Administration.)**

1. In each party states there shall be a compact administrator, who shall be selected and serve in such manner as the laws of his state may provide, and who shall:
  - a. Assist in the coordination of activities pursuant to the compact in his state; and
  - b. Represent his state on the governing board of the insurance fund.
2. If the laws of the United States specifically so provide, or if administrative provision is made therefor within the federal government, the United States may be represented on the governing board of the insurance fund by not to exceed three representatives. Any such representative or representatives of the United States shall be appointed and serve in such manner as may be provided by or pursuant to federal law, but no such representative shall have a vote on the governing board or on the executive committee thereof.

3. The governing board shall meet at least once each year for the purpose of determining policies and procedures in the administration of the insurance fund and, consistent with the provisions of the compact, supervising and giving direction to the expenditure of moneys from the insurance fund. Additional meetings of the governing board shall be held on call of the chairman, the executive committee, or a majority of the membership of the governing board.
4. At such times as it may be meeting, the governing board shall pass upon applications for assistance from the insurance fund and authorize disbursements therefrom. When the governing board is not in session, the executive committee thereof shall act as agent of the governing board, with full authority to act for it in passing upon such applications.
5. The executive committee shall be composed of the chairman of the governing board and four additional members of the governing board chosen by it so that there shall be one member representing each of four geographic groupings of party states. The governing board shall make such geographic groupings. If there is representation of the United States on the governing board, one such representative may meet with the executive committee. The chairman of the governing board shall be chairman of the executive committee. No action of the executive committee shall be binding unless taken at a meeting at which at least four members of such committee are present and vote in favor thereof. Necessary expenses of each of the five members of the executive committee incurred in attending meetings of such committee, when not held at the same time and place as a meeting of the governing board, shall be charges against the insurance fund.

#### **Article VI. Assistance and Reimbursement.)**

1. Each party state pledges to each other party state that it will employ its best efforts to eradicate, or control within the strictest practicable limits, any and all pests. It is recognized that performance of this responsibility involves:
  - a. The maintenance of pest control and eradication activities of interstate significance by a party state at a level that would be reasonable for its own protection in the absence of this compact.

- b. The meeting of emergency outbreaks or infestations of interstate significance to no less an extent than would have been done in the absence of this compact.
2. Whenever a party state is threatened by a pest not present within its borders but present within another party state, or whenever a party state is undertaking or engaged in activities for the control or eradication of a pest or pests, and finds that such activities are or would be impracticable or substantially more difficult of success by reason of failure of another party state to cope with infestation or threatened infestation, that state may request the governing board to authorize expenditures from the insurance fund for eradication or control measures to be taken by one or more of such other party states at a level sufficient to prevent, or to reduce to the greatest practicable extent, infestation or reinfestation of the requesting state. Upon such authorization the responding state or states shall take or increase such eradication or control measures as may be warranted. A responding state shall use moneys made available from the insurance fund expeditiously and efficiently to assist in affording the protection requested.
3. In order to apply for expenditures from the insurance fund, a requesting state shall submit the following in writing:
  - a. A detailed statement of the circumstances which occasion the request for the invoking of the compact.
  - b. Evidence that the pest on account of whose eradication or control assistance is requested constitutes a danger to an agricultural or forest crop, product, tree, shrub, grass or other plant having a substantial value to the requesting state.
  - c. A statement of the extent of the present and projected program of the requesting state and its subdivisions, including full information as to the legal authority for the conduct of such program or programs and the expenditures being made or budgeted therefor, in connection with the eradication, control, or prevention of introduction of the pest concerned.
  - d. Proof that the expenditures being made or budgeted as detailed in item c do not constitute a reduction of the effort for the control or eradication of the pest concerned or, if there is a reduction, the reasons why the level of program detailed in item c constitutes a normal level of pest control activity.

- e. A declaration as to whether, to the best of its knowledge and belief, the conditions which in its view occasion the invoking of the compact in the particular instance can be abated by a program undertaken with the aid of moneys from the insurance fund in one year or less, or whether the request is for an installment in a program which is likely to continue for a longer period of time.
  - f. Such other information as the governing board may require consistent with the provisions of this compact.
4. The governing board or executive committee shall give due notice of any meeting at which an application for assistance from the insurance fund is to be considered. Such notice shall be given to the compact administrator of each party state and to such other officers and agencies as may be designated by the laws of the party states. The requesting state and any other party state shall be entitled to be represented and present evidence and argument at such meeting.
  5. Upon the submission as required by paragraph 3 of this Article and such other information as it may have or acquire, and upon determining that an expenditure of funds is within the purposes of this compact and justified thereby, the governing board or executive committee shall authorize support of the program. The governing board or the executive committee may meet at any time or place for the purpose of receiving and considering an application. Any and all determinations of the governing board or executive committee, with respect to an application, together with the reasons therefor shall be recorded and subscribed in such manner as to show and preserve the votes of the individual members thereof.
  6. A requesting state which is dissatisfied with a determination of the executive committee shall upon notice in writing given within twenty days of the determination with which it is dissatisfied, be entitled to receive a review thereof at the next meeting of the governing board. Determinations of the executive committee shall be reviewable only by the governing board at one of its regular meetings, or at a special meeting held in such manner as the governing board may authorize.
  7. Responding states required to undertake or increase measures pursuant to this compact may receive moneys from the insurance fund, either at the time or times

when such state incurs expenditures on account of such measures, or as reimbursement for the expenses incurred and chargeable to the insurance fund. The governing board shall adopt and, from time to time, may amend or revise procedures for submission of claims upon it and for payment thereof.

8. Before authorizing the expenditure of moneys from the insurance fund pursuant to an application of a requesting state, the insurance fund shall ascertain the extent and nature of any timely assistance or participation which may be available from the federal government and shall request the appropriate agency or agencies of the federal government for such assistance and participation.
9. The insurance fund may negotiate and execute a memorandum of understanding or other appropriate instrument defining the extent and degree of assistance or participation between and among the insurance fund, cooperating federal agencies, states and any other entities concerned.

**Article VII. Advisory and Technical Committees.)** The governing board may establish advisory and technical committees composed of state, local, and federal officials, and private persons to advise it with respect to any one or more of its functions. Any such advisory or technical committee, or any member or members thereof may meet with and participate in its deliberations. Upon request of the governing board or executive committee an advisory or technical committee may furnish information and recommendations with respect to any application for assistance from the insurance fund being considered by such board or committee and the board or committee may receive and consider the same: provided that any participant in a meeting of the governing board or executive committee held pursuant to Article VI-4 of the compact shall be entitled to know the substances of any such information and recommendations, at the time of the meeting if made prior thereto or as a part thereof, or, if made thereafter, no later than the time at which the governing board or executive committee makes its disposition of the application.

**Article VIII. Relations with Nonparty Jurisdictions.)**

1. A party state may make application for assistance from the insurance fund in respect of a pest in a nonparty state. Such application shall be considered and disposed of by the governing board or executive committee in the same manner as an application with respect to a

pest within a party state, except as provided in this Article.

2. At or in connection with any meeting of the governing board or executive committee held pursuant to Article VI-4 of this compact a nonparty state shall be entitled to appear, participate, and receive information only to such extent as the governing board or executive committee may provide. A nonparty state shall not be entitled to review of any determination made by the executive committee.
3. The governing board or executive committee shall authorize expenditures from the insurance fund to be made in a nonparty state only after determining that the conditions in such state and the value of such expenditures to the party states as a whole justify them. The governing board or executive committee may set any conditions which it deems appropriate with respect to the expenditure of moneys from the insurance fund in a nonparty state and may enter into such agreement or agreements with nonparty states and other jurisdictions or entities as it may deem necessary or appropriate to protect the interests of the insurance fund with respect to expenditures and activities outside of party states.

#### **Article IX. Finance.)**

1. The insurance fund shall submit to the executive head or designated officer or officers of each party state a budget for the insurance fund for such period as may be required by the laws of that party state for presentation to the legislature thereof.
2. Each of the budgets shall contain specific recommendations of the amount or amounts to be appropriated by each of the party states. The requests for appropriations shall be apportioned among the party states as follows: one-tenth of the total budget in equal shares and the remainder in proportion to the value of agricultural and forest crops and products, excluding animals and animal products, produced in each party state. In determining the value of such crops and products the insurance fund may employ such source or sources of information as in its judgment present the most equitable and accurate comparisons among the party states. Each of the budgets and requests for appropriations shall indicate the source or sources used in obtaining information concerning value of products.

3. The financial assets of the insurance fund shall be maintained in two accounts to be designated respectively as the "operating account" and the "claims account". The operating account shall consist only of those assets necessary for the administration of the insurance fund during the next ensuing two-year period. The claims account shall contain all moneys not included in the operating account and shall not exceed the amount reasonably estimated to be sufficient to pay all legitimate claims on the insurance fund for a period of three years. At any time when the claims account has reached its maximum limit or would reach its maximum limit by the addition of moneys requested for appropriation by the party states, the governing board shall reduce its budget requests on a pro rata basis in such manner as to keep the claims account within such maximum limit. Any moneys in the claims account by virtue of conditional donations, grants or gifts shall be included in calculations made pursuant to this paragraph only to the extent that such moneys are available to meet demands arising out of claims.
4. The insurance fund shall not pledge the credit of any party state. The insurance fund may meet any of its obligations in whole or in part with moneys available to it under Article IV-7 of this compact, provided that the governing board takes specific action setting aside such moneys prior to incurring any obligation to be met in whole or in part in such manner. Except where the insurance fund makes use of moneys available to it under Article IV-7 hereof, the insurance fund shall not incur any obligation prior to the allotment of moneys by the party states adequate to meet the same.
5. The insurance fund shall keep accurate accounts of all receipts and disbursements. The receipts and disbursements of the insurance fund shall be subject to the audit and accounting procedures established under its bylaws. However, all receipts and disbursements of funds handled by the insurance fund shall be audited yearly by a certified or licensed public accountant and a report of the audit shall be included in and become part of the annual report of the insurance fund.
6. The accounts of the insurance fund shall be open at any reasonable time for inspection by duly authorized officers of the party states and by any persons authorized by the insurance fund.

**Article X. Entry into Force and Withdrawal.)**

1. This compact shall enter into force when enacted into law by any five or more states. Thereafter, this compact shall become effective as to any other state upon its enactment thereof.
2. Any party state may withdraw from this compact by enacting a statute repealing the same, but no such withdrawal shall take effect until two years after the executive head of the withdrawing state has given notice in writing of the withdrawal to the executive heads of all other party states. No withdrawal shall affect any liability already incurred by or chargeable to a party state prior to the time of such withdrawal.

**Article XI. Construction and Severability.)** This compact shall be liberally construed so as to effectuate the purposes thereof. The provisions of this compact shall be severable and if any phrase, clause, sentence or provision of this compact is declared to be contrary to the Constitution of any state or of the United States or the applicability thereof to any government, agency, person or circumstance is held invalid, the validity of the remainder of this compact and the applicability thereof to any government, agency, person or circumstance shall not be affected thereby. If this compact shall be held contrary to the constitution of any state participating herein, the compact shall remain in full force and effect as to the remaining party states and in full force and effect as to the state affected as to all severable matters.

§ 2.) Consistent with law and within available appropriations, the departments, agencies, and officers of this state may cooperate with the insurance fund established by the Pest Control Compact.

§ 3.) Pursuant to subdivision 8 of Article IV of the compact, copies of bylaws and amendments thereto shall be filed with the governor and the commissioner of agriculture and labor.

§ 4.) The compact administrator for this state shall be the commissioner of agriculture and labor. The duties of the compact administrator shall be deemed a regular part of the duties of his office.

§ 5.) Within the meaning of subdivision 2 of Article VI or subdivision 1 of Article VIII, a request or application for assistance from the insurance fund may be made by the governor and the commissioner of agriculture and labor, when-

ever in their judgment the conditions qualifying this state for such assistance exist and it would be in the best interest of this state to make such request.

§ 6.) The notices provided for by subdivision 4 of Article VI of the compact shall be delivered, under the terms of the compact, to the governor and the commissioner of agriculture and labor.

§ 7.) The department, agency, or officer expending or becoming liable for an expenditure on account of a control or an eradication program undertaken or intensified pursuant to the compact shall have credited to an operating fund in the state treasury the amount or amounts of any payments made to this state to defray the cost of such program, or any part thereof, or as reimbursement thereof.

§ 8. **Title.)** As used in the compact, with reference to this state, the term "executive head" shall mean the governor.

§ 9. **Appropriation.)** There is hereby appropriated from any unexpended funds provided in the Grasshopper Control Act, as provided by chapter 80 of the 1957 Session Laws, the sum of \$29,000 for the purposes of this Act, for the period beginning July 1, 1965, and ending June 30, 1967.

§ 10. **Effective Date.)** The effective date of this Act shall be January 1, 1966, except that it shall not become effective until the compact is ratified by ten or more states, at least one of which is a state bordering North Dakota.

Approved March 15, 1965.