

amount or value is more than fifty (50) dollars, five (5) dollars.

SEC. 4. That section nineteen (19) of said chapter two hundred and twenty-nine (229) be and the same is hereby amended so as to read as follows:

Sec. 19, c. 229, Laws 1895, amended.

Sec. 19. Costs and disbursements shall be taxed and allowed either by the clerk or judge of said court, in the same manner provided by law for the taxation of costs and disbursements in courts of justice of the peace.

Courts and disbursements, how taxed.

SEC. 5. That said chapter two hundred and twenty-nine (229) be amended by adding thereto the following:

C. 229, Laws 1895, supplemented.

Sec. 41. It shall be lawful for the judge of said municipal court, or the special judge while acting as judge, to perform any and all the duties provided in this act to be performed by the clerk of said court, including the signing and issuing of any and all process or papers in his own name as judge or special judge, as the case may be.

Judge may perform duties of clerk.

SEC. 6. This act shall take effect and be in force from and after its passage.

Approved April 18, 1899.

CHAPTER 272.

H. F. No. 447.

*An act to provide for the better enforcement of the liability of stockholders of corporations.*

Corporations; enforcement of liability of stockholders.

Be it enacted by the Legislature of the State of Minnesota:

SECTION 1. Whenever any corporation created or existing by or under the laws of the State of Minnesota, whose stockholders or any of them are liable to it or to its creditors, or for the benefit of its creditors, upon or on account of any liability for or upon or growing out of, or in respect to the stock or shares at any time held or owned by such stockholders, respectively, whether under or by virtue of the constitution and laws of said State of Minnesota, or any statute of said state, or otherwise, has heretofore made or shall hereafter make an assignment for the benefit of its creditors under the insolvency laws of this state; or whenever a receiver for any such corporation has heretofore been or shall hereafter be appointed by any district court of this state, whether under or pursuant to any of the provisions of chapter seventy-six (76) of the General Statutes of eighteen hundred and ninety-four (1894) of Minnesota and the acts amendatory thereof,

Procedure when assignment is made or receiver appointed.

or under or pursuant to any other statute of this state or under the general equity powers and practice of such court; the district court appointing such receiver or having jurisdiction of the matter of said assignment may proceed as in this act provided.

Court to order hearing on petition of assignee, receiver or creditor.

SEC. 2. Upon the petition of the assignee or receiver of any such corporation, or of any creditor of such corporation who has filed his claim in such assignment or receivership proceedings, the said district court shall by order appoint a time for hearing not less than thirty (30) nor more than sixty (60) days from the time of filing said petition with the clerk of said court, and shall direct such notice of such hearing to be given by the party presenting said petition, by publication or otherwise, as the court in its discretion may deem proper; but if said petition be filed by a creditor, other than the assignee or receiver of said corporation, the court shall direct that notice of such hearing be personally served on such assignee or receiver.

At hearing court may at once resort to enforcement of liability of stockholders, and make assessment on stockholders.

SEC. 3. At such hearing the court shall consider such proofs by affidavit or otherwise, as may then be offered by the assignee or receiver, or by any creditor or officer or stockholder of said corporation who may appear in person or by attorney, as to the probable indebtedness of said corporation and the expenses of said assignment or receivership, and the probable amount of assets available for the payment of such indebtedness and expenses; and also as to what parties are or may be liable as stockholders of said corporation and the nature and extent of such liability. And if it appear to the satisfaction of the court that the ordinary assets of said corporation, or such amount as may be realized therefrom within a reasonable time, will probably be insufficient to pay and discharge in full and without delay its indebtedness and the expenses of such assignment or receivership, and that it is necessary or proper that resort be had to such liability of its stockholders: the said court shall thereupon by order direct and levy a ratable assessment upon all parties liable as stockholders, or upon or on account of any stock or shares of said corporation, for such amount, proportion or percentage of the liability upon or on account of each share of said stock as the court in its discretion may deem proper (taking into account the probable solvency or insolvency of stockholders and the probable expenses of collecting the assessment); and shall direct the payment of the amount so assessed against each share of said stock to the assignee or receiver within such time thereafter as said court may specify in said order.

SEC. 4. Said order shall direct the assignee or receiver to proceed to collect the amount so assessed against each share of said stock from the parties liable therefor; and shall direct and authorize said assignee or receiver, in case of the failure of any party liable upon or on account of any share or shares of said stock to so pay the amount so assessed against the same within the time specified in said order, to prosecute actions against each and every such party so failing to pay the same, wherever such party may be found, whether in this state or elsewhere.

Order to direct assignee or receiver to collect assessment and prosecute stockholder upon failure to pay.

SEC. 5. Said order and the assessment thereby levied shall be conclusive upon and against all parties liable upon or on account of any stock or shares of said corporation, whether appearing or represented at said hearing or having notice thereof or not, as to all matters relating to the amount of and the propriety of and necessity for the said assessment. This provision shall also apply to any subsequent assessment levied by said court as hereinafter provided.

Assessment so made to be conclusive.

SEC. 6. It shall be the duty of such assignee or receiver to, and he may, immediately after the expiration of the time specified in said order for the payment of the amount so assessed by the parties liable therefor, institute and maintain an action or actions against any and every party liable upon or on account of any share or shares of such stock who has failed to pay the amount so assessed against the same, for the amount for which such party is so liable. Said actions may be maintained against each stockholder, severally, in this state or in any other state or country where such stockholder, or any property subject to attachment, garnishment or other process in an action against such stockholder, may be found. But if said assignee or receiver shall in good faith believe any stockholder so liable to be insolvent, or that the expense of prosecuting such action against such stockholder will be so great that it will be of disadvantage to the estate and the interest of creditors to prosecute the same, said assignee or receiver shall so report to said court; and shall not be required to institute or prosecute any such action unless specifically directed so to do by said court. And in such case said court shall not require said receiver to institute or maintain such action unless said court shall have reasonable cause to believe that the result of such action will be of advantage to the estate and creditors of said corporation; except as hereinafter provided.

Duty of assignee or receiver to prosecute actions. Actions, how and when prosecuted.

SEC. 7. In any case where the court shall have levied an assessment against stockholders as in this act provided, for a less amount or proportion than the full

Further assessment may be made when first not sufficient.

amount of the liability upon or on account of the stock of said corporation, and it shall thereafter be made to appear to the satisfaction of said court, by petition or otherwise, and upon hearing as hereinbefore provided, that by reason of the insolvency of stockholders, or for any other cause, it is necessary or desirable or for the interest of creditors that another and further assessment upon or against said stock be levied, the court shall by order direct and levy a further and additional assessment for such amount, proportion or percentage of the liability upon or on account of each share of said stock, as said court in its discretion may deem proper; and in the same manner may levy further and additional assessments upon said stockholders, and against said stock, not exceeding in the aggregate the maximum amount of liability upon or on account of the stock of said corporation.

Provisions of act to apply to all assessments.

SEC. 8. All the provisions of this act shall apply to any such assessment levied by said court after the first, and to the proceedings preliminary to levying and directing the same, to the same extent and with the same force and effect as to the first assessment so levied under the provisions of this act.

Causes of actions on two or more assessments may be joined.

SEC. 9. Where two (2) or more such assessments are levied or directed, the assignee or receiver may join the causes of action accruing against any stockholder upon any two or more such assessments in a single action against such stockholder, or he may, at his discretion, unless otherwise directed by the court, maintain a separate action against each stockholder for each successive assessment levied or directed.

Assignee or receiver may be compelled to enforce assessments on petition to court. etc.

SEC. 10. If said assignee or receiver shall fail to institute and prosecute an action against any stockholder who has failed to pay any such assessment or assessments, or to prosecute such an action with diligence after instituting the same, any stockholder or stockholders who have paid in full the amount of any such assessments, or any creditor or creditors of said corporation, may petition said court to require said assignee or receiver to prosecute such action against such stockholders so failing to pay as aforesaid, or to permit the party or parties so petitioning to institute and maintain or to continue the prosecution of such action in the name of said assignee or receiver, and for the benefit of said estate, and if said party or parties so petitioning shall furnish security or indemnity for costs and expenses as the court may direct, the said court shall thereupon require said assignee or receiver to forthwith prosecute such action, or in its discretion may permit such party

or parties so petitioning to institute and prosecute or continue the prosecution of the same as aforesaid.

SEC. 11. If, after the payment of all the expenses of such assignment or receivership and all indebtedness of and claims against said corporation proved or allowed in said proceedings, there shall remain any surplus money or property in the hands of the assignee or receiver, the same shall be distributed, under the direction of said court and in such manner as may be just and equitable, among those stockholders who have paid the assessments levied against their stock as herein provided. And any stockholder who has so paid such assessments levied against his stock shall, in addition to any remedy herein provided for, be entitled to enforce contribution from stockholders who have not paid such assessments, and for that purpose may be subrogated to the rights of the creditors of said corporation against such defaulting stockholders, in such manner and to such extent as may be just and equitable.

Surplus to be equitably divided among stockholders.

SEC. 12. Whenever, in a proceeding heretofore instituted under the then existing laws of this state to enforce the liability of stockholders of any such corporation, a portion of the amount for which the stockholders of such corporation are liable has been collected, but the amount so collected is insufficient to pay and discharge claims against said corporation in full, and there remain stockholders who were not made parties to such proceedings, then, notwithstanding final judgment may have been rendered and entered in said proceeding against those stockholders who were made parties thereto, the district court having jurisdiction may proceed as in this act provided and may levy assessments in the manner herein prescribed to such extent as may be necessary to satisfy and discharge in full all claims against said corporation and all expenses of such proceedings. And the assignee or receiver, or the receiver appointed by said court in such proceeding, may institute and maintain actions to recover the amount of such assessments in the same manner, with the same effect, as in the case of an assessment levied as provided in the preceding sections of this act, and all the provisions of this act shall apply to any stockholder who has paid, or from whom has been collected, in the course of such prior proceeding, any portion of the amount for which he is liable for or on account of the stock held or owned by him, shall be credited upon any assessment levied against said stock as in this section provided with the full amount so paid by or collected from him.

Assessments may be made, notwithstanding final judgment.

SEC. 13. This act shall not apply to any action now pending to which stockholders of such corporations have

Act not to apply to actions pending.

been made parties under the provisions of chapter seventy-six (76), General Statutes of eighteen hundred and ninety-four (1894), and acts amendatory thereto, and in which the issue as to who are stockholders has heretofore been tried and determined by the courts; except that after final judgment in such action, if a proper case exists under the provisions of section twelve (12) of this act, the court and parties may proceed in the manner prescribed by said section twelve (12).

SEC. 14. All acts and parts of acts inconsistent herewith are hereby repealed.

SEC. 15. This act shall take effect and be in force from and after its passage.

Approved April 18, 1899.

## CHAPTER 273.

H. F. No. 087.

Taxes; levy of for state purposes for years ending July 31, 1900, and 1901.

*An act to provide for a levy of taxes for state purposes for the year ending July thirty-first (31st), one thousand nine hundred (1900), and July thirty-first (31st), one thousand nine hundred and one (1901).*

Be it enacted by the Legislature of the State of Minnesota:

\$860,000 to be levied 1900; tax not to exceed 1.5 mills.

SECTION 1. For the purpose of defraying the expenses of the state for the fiscal year ending July thirty-first (31st), one thousand nine hundred (1900), a tax of eight hundred and sixty thousand dollars (\$860,000), or as near that amount as practicable, shall be levied on all the taxable property of the state; *provided*, that the tax hereby levied shall not exceed the rate of one and five-tenths (1 5-10) mills on each dollar of taxable property.

\$860,000 to be levied 1901. Tax not to exceed 1.5 mills.

SEC. 2. For the purpose of defraying the expenses of the state for the fiscal year ending July thirty-first (31st), one thousand nine hundred and one (1901), a tax of eight hundred and sixty thousand dollars (\$860,000), or as near that amount as practicable, shall be levied on all the taxable property of the state; *provided*, that the tax hereby levied shall not exceed the rate of one and five-tenths (1 5-10) mills on each dollar of taxable property.

To be placed to general revenue fund when collected

SEC. 3. All taxes levied under the provisions of this act, when collected and paid into the state treasury, shall be placed to the credit of the general revenue fund only.

SEC. 4. This act shall take effect and be in force from and after its passage.

Approved April 18, 1899.