

CONSTITUTIONAL AMENDMENT DISAPPROVED

CHAPTER 621

SENATE CONCURRENT RESOLUTION NO. 4013

(Senators Krebsbach, Tollefson)

(Representative Kretschmar)

CORPORATION VOTING AND RIGHTS

A concurrent resolution for the amendment of sections 6 and 9 of article XII of the Constitution of North Dakota, relating to cumulative voting and preemptive rights of corporate shareholders.

STATEMENT OF INTENT

This amendment would provide the same flexibility to all corporations in elections of their directors as is now enjoyed by cooperative associations only and would remove the requirement that existing stockholders consent to the issuance of additional stock.

BE IT RESOLVED BY THE SENATE OF NORTH DAKOTA, THE HOUSE OF REPRESENTATIVES CONCURRING THEREIN:

That the following proposed amendment to sections 6 and 9 of article XII of the Constitution of North Dakota is agreed to and must be submitted to the qualified electors of North Dakota at the primary election to be held in 2004, in accordance with section 16 of article IV of the Constitution of North Dakota.

SECTION 1. AMENDMENT. Section 6 of article XII of the Constitution of North Dakota is amended and reenacted as follows:

Section 6. In all elections for directors ~~or managers~~ of a corporation, each member or shareholder may cast the whole number of ~~his~~ the votes of the member or shareholder for one candidate, or distribute them upon two or more candidates, as ~~he~~ the member or shareholder may prefer, provided, ~~any cooperative~~ a corporation may adopt bylaws limiting the voting power of its ~~stockholders~~ members or shareholders.

SECTION 2. AMENDMENT. Section 9 of article XII of the Constitution of North Dakota is amended and reenacted as follows:

Section 9. ~~No~~ A corporation ~~shall~~ may not issue stock or bonds except for money, labor done, or money or property actually received; and all fictitious increase of stock or indebtedness ~~shall be~~ is void. The stock and indebtedness of corporations ~~shall~~ may not be increased except in pursuance of general law, ~~nor~~ without the consent of the persons holding the larger amount in value of the stock first obtained.

Disapproved June 8, 2004

31,462 to 44,039

NOTE: This was measure No. 1 on the 2004 primary election ballot.