

**Water Users' Associations, County Clerk Recording Articles of  
Incorporation and Certificates of Stock Of.**

The articles of incorporation referred to in Chapter 68, Laws 1905, differ so materially and no particular form thereof being required by law, it is inadvisable and impracticable to adopt any form of blank book for recording the same. The words "stock certificates," mentioned in said Chapter 68 was a mistake. It was the intention undoubtedly to provide for the recording of subscriptions for stock, as the department of the interior require that the subscriptions for stock in water users' associations shall be reocrded.

The county clerk should procure a blank form book, conforming to the blank subscriptions for stock adopted by the water users' associations, and record the subscriptions for the fee provided by said Chapter 68.

Helena, Montana, June 27, 1905.

Board of County Commissioners, Dawson County, Glendive, Montana.

Gentlemen:—Hon. F. P. Leiper, of your county, on the 23rd instant addressed a letter to the State Examiner regarding the filing and recording of articles of incorporation and certificates of stock, or subscriptions for stock, as provided by Chapter 68, laws of 1905. The State Examiner referred the matter to this office for an opinion, and, as he had to leave the capital that evening, requested that we send the opinion direct to you.

Said Chapter 68 provides that the county commissioners of a county in which a water users' association is organized are required to furnish the county recorder, for recording the articles of incorporation and certificates of stock, books containing printed blank forms of the articles of incorporation and stock certificates. Such act further provides that the attorney general is to prepare the forms to be used in such printed books. As articles of incorporation differ so materially, no two attorneys in preparing articles of incorporation being at all likely to follow the same order or form in setting forth the facts, and there being no law requiring corporations to adopt any particular form for setting forth the required facts in articles of incorporation, we have decided that it is inadvisable for this office to adopt any book containing a printed form for recording articles of incorporation. Furthermore, there is not apt to be more than one or two water user's associations organized in any one county, and therefore to adopt a blank book containing printed forms would be expensive and the greater portion of such book would not be used.

As to the stock certificates mentioned in said Chapter 68, there seems to have been a mistake in using such term in said act. We could not understand why the act provided for the recording of the stock certificates, and we understand the department of the interior requires that the subscriptions for stock shall be recorded in the office of the county clerk. As the subscription for stock set forth the articles of incorporation, and the subscriber thereto agrees by such subscription to take such stock subject to the provisions contained in the articles of incorporation, and that the stock shall be incident to and inseparably appurtenant to the real estate described in the subscription, it is apparent that such subscriptions for stock should be recorded where the same would become a public record and where certified copies could be procured in case the original was lost. It was, therefore, no doubt, the intention of the legislature, in passing such bill, to provide for the recording of subscriptions for stock and also to provide that the same should be recorded for a fee of fifty cents each. The fee for recording being made so small, for the reason that the legislature wished to encourage homeseekers to settle on the public lands and to make the cost of settling and procuring water rights as reasonable as possible. Therefore, in furtherance of public policy, and in the interest of the homeseekers coming into the State, we are disposed to give the most liberal construction to said Chapter 68 and will hold that where the words "stock certificates" are used that it was the intention of the legislature to use the words "subscriptions for stock."

We have examined the printed subscription for stock adopted by the Lower Yellowstone Water Users' Association, and find that it substantially complies with the law. We would, therefore, recommend to you that you procure a book containing a printed form the same as the blank subscriptions for stock adopted by the Lower Yellowstone Water Users' Association. Mr. Leiper states that they have three hundred subscribers for the stock of such association. You could, no doubt, procure one book containing enough of the printed forms to record all of the subscriptions for stock in such association. While the fee for recording such subscrip-

tions is small, yet it would much more than pay for the cost of procuring the book containing the printed forms, and by having such a book the labor of recording the subscriptions would be very slight.

This law was certainly very poorly drawn, and under a strict construction of it, it is probable that you could not be required to procure a book containing blank forms for subscriptions of stock, as such words are not used in the act. However, as the secretary of the interior requires the subscriptions for stock to be recorded, the county clerk would have to record them when presented at his office for record, and if he charged the regular recording fees for the same it would work a great hardship upon the persons endeavoring to secure homes in your county.

It is for the above reasons that we have made this liberal construction of said Chapter 68.

Yours very truly,

ALBERT J. GALEN,  
Attorney General.