

### County Farm Bureaus—Articles of Incorporation—By-Laws.

Articles of incorporation and by-laws for County Farm Bureau prepared and submitted.

April 17th, 1919.

Chancellor Edw. C. Elliott,  
Helena, Mont.

Dear Sir:

I am in receipt of your letter of recent date inclosing for my examination draft of proposed articles of incorporation and by-laws for county farm bureaus under Senate Bill No. 30 (Chapter 14, Session Laws of 1919).

The draft of the proposed articles of incorporation do not comply with the provisions of Sections 4225 and 4226 of the Revised Codes of 1907, there being contained therein several matters which do not properly belong in the articles of incorporation and there being omitted therefrom several matters which must be contained therein.

Section 4225 of the Revised Codes requires that a resolution must be adopted authorizing the directors or trustees to make and file articles of incorporation, such resolution to be adopted at either a regular meeting of the members or at a special meeting called for that purpose, while Section 4226 requires a copy of such resolution, certified by the presiding and recording officers of such meeting, to be attached to the articles of incorporation.

Section 4226 also requires that the articles of incorporation contain the following:

1. The name of the corporation;
2. The purpose for which it is organized;
3. The number of trustees or directors for the first year.

Articles 3 and 4 of your draft have no place in the articles of incorporation. The number of directors or trustees for the first year should be stated, and, as Section 4226 provides that the directors or trustees named in the resolution authorizing incorporation shall conduct the affairs of the corporation until their successors are elected and qualified, they should be named as directors or trustees for the first year. If it is desired to have an executive committee to perform certain duties, such committee may be provided for in the constitution and by-laws, not in the articles of incorporation, and likewise the officers, and their terms of office should be provided for in the constitution and by-laws, not in the articles of incorporation.

With reference to Article 5, while the qualifications of members, terms of admission to membership, etc., may be provided for in the articles of incorporation, it is the better practice to omit the same therefrom and to embody the same in the constitution. If these be placed in the articles of incorporation and it should become advisable at any time in the future to make any change with reference thereto, it will require amended articles of incorporation to be prepared and filed, while, if embodied in the constitution an amendment to the constitution can be made and it will not be necessary to file any amended articles of incorporation. The provisions

contained in this article should be combined with those contained in Section 1 of Article IV of the constitution, and appear in the constitution in place of such Section. Article 6 has no place in the articles of incorporation. By Section 4226 such a corporation has continual succession, that is it continues indefinitely. Provision is made in our statutes for the dissolution of corporations, and every corporation, unless terminated by expiration of the period for which it is created, can only terminate its corporate existence in the manner provided by statute.

I have prepared, and am inclosing herewith, a draft of articles of incorporation which I believe is in proper form and contains all that should be placed therein.

At a meeting of the members, either regular or called for such purpose, a resolution in the form given in the articles of incorporation should be adopted. The trustees named in the resolution should then prepare, sign and acknowledge the articles of incorporation certifying to a copy of the resolution in the manner indicated.

With reference to the draft of the constitution and by-laws, with a few exceptions they appear to be in proper form and sufficient for all purposes. It is evident, however, that all provisions therein with reference to the executive committee should apply to the trustees or directors, and you should, therefore, substitute for the words "executive committee" wherever the same appear, either the words "board of directors" or "board of trustees" whichever is used in the articles of incorporation. In Sec. 4 it is provided that the executive committee (board of directors or trustees) "may make such by-laws consistent with this Constitution as seems necessary for the best interest of the organization and may amend or alter the same, provided ——— days' notice in writing shall have been given of such proposed amendment or change." Neither an executive committee, a board of directors, nor a board of trustees can adopt, alter or amend by-laws. Section 3829 provides specifically that by-laws must be adopted by the members of the corporation. You should, therefore, strike out this portion of Section 4, and insert in the by-laws a suitable by-law making provision for the adoption of additional by-laws and the amendment of by-laws by the members of the corporation.

Respectfully,

S. C. FORD,

Attorney General.