

No. 320, S.]

[Published July 1, 1925.]

**CHAPTER 398.**

AN ACT to amend section 182.19 of the statutes, relating to the payment of dividends by corporations.

*The people of the State of Wisconsin, represented in Senate and Assembly, do enact as follows:*

SECTION 1. Section 182.19 of the statutes is amended to read: 182.19 No dividends shall be paid to any stockholder of any corporation until \* \* \* *at least fifty per centum of the authorized capital stock has been fully paid in*, and no dividend shall thereafter be declared or paid by the directors of any corporation except out of net profits properly applicable thereto and which shall not in any way impair or diminish the capital; and if any such shall be paid every stockholder receiving the same shall be liable to restore the full amount thereof unless the capital be subsequently made good; and if the directors of any corporation shall pay any such dividend before the *said portion of such capital stock* is fully paid in, when the corporation is insolvent or in danger of insolvency, not having reason to believe that there were sufficient net profits properly applicable thereto to pay the same without impairing or diminishing the capital, they shall be jointly and severally liable to the creditors of the corporation at the time of declaring such dividend to the amount of their claims; provided, that any corporation which has invested or may invest its net earnings or income or any part thereof in permanent additions to its property or whose property shall have increased in value, may lawfully declare a dividend payable to stockholders upon its capital either in money or in stock to the extent of the net earnings or income so invested or of the said increase in the value of its property; but the total amount of such dividend shall not exceed the actual cash value of the assets owned by the corporation in excess of its total liabilities, including its capital stock.

SECTION 2. This act shall take effect upon passage and publication.

Approved June 26, 1925.