

CHAPTER 182.

MISCELLANEOUS CORPORATE PROVISIONS; TURNPIKE CORPORATIONS.

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182.004 **Housing corporations.** (1) The articles of a corporation formed for the purpose of acquiring land, platting the same, erecting houses thereon and otherwise improving and developing the same, shall state that the purpose is to form a housing corporation under these statutes. The articles shall further provide for the issuance of preferred stock, and for the payment of dividends thereon, at a specified rate, before dividends are paid upon common stock, and for the accumulation of such dividends. No preference shall be given to such preferred stock in the distribution of the corporate assets other than profits.

(2) Such corporation shall have the powers enumerated in ss. 180.04 and 180.71, except as herein provided otherwise.

(3) Such corporation shall have the following additional powers:

(a) To acquire land and plat the same, laying out streets, lots, playgrounds and such other subdivisions as it may deem best; but no plat shall be valid until approved by the public land commission or city planning commission of the city in which the property of such corporation is located, or if such land be located within 6 miles of a city of the first class, by the public land commission or city planning commission of such city of the first class, if there be a public land commission or city planning commission in such city, and until accepted by the common council of the city within which such land is located, or if within 6 miles of a city of the first class, until accepted by the common council of such city of the first class; and no land shall be acquired by the corporation in any city or within 6 miles from the boundary of a city having a health department or health officer, unless and until the location of such land has been approved by said health department or health officer as a healthful location.

(b) To improve and develop said land for residential purposes; but no single dwelling shall be erected, the cost of which shall exceed \$10,000, and sufficient ground space must be provided to furnish adequate air and light to the tenants thereof.

(c) To lease for indefinite periods parcels of land owned by it together with improvements thereon.

(d) To do all such other things as are reasonably necessary and proper to carry out the powers of said corporation, not inconsistent with the provisions of this section.

(e) To hold its first meeting and transact business with its members at any time after one-fourth of its capital stock shall have been subscribed; and may transact business with others than its members when one-fourth of its capital stock shall have been duly subscribed and one-tenth of its authorized capital stock actually paid in.

(4) No land shall be sold by the corporation, except land not necessary or desirable for the purposes of the corporation, and except improved real estate where the entire pur-

chase price is paid in cash, and except when acting pursuant to the provisions of subsection (11) of this section, and then only by a vote of three-fourths of the stock of the corporation then outstanding.

(5) No lease of any land or buildings shall be made except to a stockholder for his use, and no tenant shall hold stock beyond the value of the premises occupied by him, except that single buildings designed, built and fit for more than one family may be leased in their entirety to a stockholder, who may sublease the portion not occupied by himself or his family to any person; but leases for an indefinite period may be made to American soldiers, sailors or marines of World War I and World War II, who are not stockholders. The corporation may also lease land to the city or county for any use consistent with the residential district, or to a private individual or association of the corporation, for a use beneficial to the tenants of said land. No lease shall be terminated by the corporation without the consent of the lessee, except for violation of the terms of the lease, and then only in the manner provided by law. A lease may be terminated at any time by a tenant, except that the corporation may require not to exceed 90 days' notice thereof. At the termination of a lease of a stockholder, the corporation shall cancel his stock, and shall be liable to him for the amount paid thereon, less any lawful claims of the corporation against him. If the corporation is unable to sell said stock at the termination of the lease, it shall give him, in lieu of said stock, its promissory note for the net amount due him, payable on or before one year from the date thereof, with interest at the rate of 5 per cent per annum. Such stock shall be resold for not less than par before any unissued stock is sold, and as soon as sold, there shall be paid to the former owner thereof the amount due him from the corporation; provided, the corporation may pay the amount due either at the time of the termination of the lease or at any other time before the expiration of said year, whether said stock has been sold or not.

(6) Stock may be issued and leases made to husband and wife, and to the survivor of them, in which event title thereto shall descend the same as in like conveyances of real property; otherwise title to the stock and lease shall descend to the persons to whom a homestead of such stockholder would descend. The interest of a tenant in such lease and stock shall be exempt from execution to the same extent as a homestead in real estate.

(7) Stock shall be sold upon such terms and conditions as may be provided in the articles or bylaws of the corporation. Section 180.38 shall not apply to corporations organized under this section, but no dividends shall be declared until a surplus fund shall have been created equal to 2 per cent of the paid-in preferred stock and paid-in common stock, nor shall any dividends ever be declared which will impair the capital or such surplus, and no dividend exceeding 5 per cent per annum shall be paid except to a tenant stockholder. There shall also be annually set aside 10 per cent of the year's profits for the purpose of retiring preferred stock.

(8) The common council of any city and the board of supervisors of any county may subscribe for preferred stock of any such corporation whose land, owned or to be acquired, shall be within the limits of such city or county, and in case of a city of the first class, within a distance of 6 miles beyond the boundaries of such city.

(9) The stockholders shall be entitled to one vote for each share of stock, common or preferred, held by them, as shown by the books of the company. The common council of the city and the board of supervisors of the county shall designate some person to vote their shares; and the person so designated shall be eligible as a director.

(10) The directors shall receive no compensation until the surplus fund of 2 per cent of the capital has been set aside, and until the dividends on preferred stock have been paid, and at no time shall the compensation of directors exceed \$500 each per annum.

(11) When the land shall have been platted, the directors shall fix the value of the several lots and parcels of land to be used for residential purposes, and thereafter in computing the rental to be paid therefor a valuation not exceeding that so fixed shall be used.

(12) Outstanding notes or paid-up preferred or common stock may be exchanged for land contracts, mortgages or bonds of such corporation. Exchanged stock shall be canceled.

(13) Any such corporation may be dissolved in the manner provided in ch. 180, except that the resolution providing for the dissolution must be adopted by at least a majority vote of all of the stock, both common and preferred, and that after such vote the affairs of the corporation shall be placed in the hands of a trustee elected by the board of directors. Said trustee shall sell all assets on land contract or otherwise. Said corporation shall have power to pass free legal title to any purchaser or grantee of any lands, and any assignment or sale of any lands by such trustee shall pass the title of such corporation in such lands.

(14) No filing fee is required to be paid by any corporation organized under this section.

History: 1951 c. 731; 1955 c. 661.

182.005 Water reservoirs. The articles of a corporation organized in whole or in part to establish, maintain or operate a system of water reservoirs for the purpose of regulating the flow of any river in the state shall guarantee to every owner of water power located below such reservoir system, who does not already own his quota of stock, the right at any time to purchase from the corporation at par such a pro rata share of all of the capital stock of the corporation as the cubic foot storage fall of the water power of such owner shall be of the sum of the cubic foot storage falls of all water powers benefited by such reservoir system. The cubic foot storage fall of any water power is the product of the height expressed in feet of the head obtained or obtainable by the dam at said power, multiplied by the storage capacity expressed in cubic feet of the reservoirs tributary to such power. The articles shall never be amended so as to withdraw said guaranty.

History: 1951 c. 731.

182.007 Charitable corporations and community funds, amending articles. (1) A community fund, community chest or community union corporation of a kind mentioned in sub. (1m) may change substantially the original purposes of its organization upon the affirmative vote of at least two-thirds of its members entitled to vote, at a meeting called for that purpose and in no event shall its purposes be other than charitable.

(1m) Any nonstock corporation organized solely for charitable purposes and any community fund, community chest or community union corporation, organized for the purpose of raising funds for and serving community and public welfare agencies or services may, in addition to any method provided in its articles of organization, amend its articles at any annual meeting or at any special meeting duly called for that purpose. Notice of such meeting shall be published not less than 30 days prior thereto in a newspaper of general circulation in the area. The notice shall specify the time and place of such meeting, that such amendment will be proposed and a copy thereof. Unless otherwise provided in the articles 10 members shall constitute a quorum, and the amendment may be adopted by affirmative vote of two-thirds of the members present.

History: 1951 c. 731; 1955 c. 338, 661.

182.012 Special power to transfer property of nonstock corporation. (1) Whenever the board of directors of any domestic corporation organized without capital stock determines that a sale or mortgaging of the whole or any part of its property is desirable, and that by reason of the removal, nonresidence of a great number of its members, or the loss of its records of membership, or other cause, it is impossible to call or hold any regular meeting at which a quorum of the members can be represented in person or by proxy, the board may cause a verified petition to be made in behalf of said corporation and presented to the circuit judge of the county in which said corporation has its location. Such petition shall set forth the date of the organization and the purpose of said corporation, the nature and extent of its property, reasons for the sale or mortgaging of the whole or any part thereof, the facts preventing the calling or holding of a meeting of a quorum of its members and such other matters as may be deemed material. Upon presentation thereof the circuit judge shall by order fix a time and place for a meeting of the members of such corporation and prescribe the time and manner of giving, and contents of a notice of said meeting, and direct the publication thereof in a newspaper designated in said order as the one most likely to give general notice of such meeting.

(2) Two-thirds of the members present at any meeting so called shall have power to sell, convey or mortgage or authorize to be sold, conveyed or mortgaged the whole or any part of the property described in such petition.

(3) If such sale or mortgaging be approved or authorized, the officers of said corporation shall cause the petition, the order of the judge, proof by affidavit of the giving of notice of said meeting as required by said order and a certified copy of the minutes of the said meeting to be promptly filed in the office of the clerk of the circuit court of said county upon payment to said clerk of the fees properly chargeable in a special proceeding. Upon such filing, such property may be conveyed or mortgaged with the same right and authority as if such sale or mortgaging had been authorized by a sufficient affirmative vote of all members of said corporation.

History: 1951 c. 731; 1955 c. 661.

182.0135 Public utility corporation directors; not to delegate duty to manage; removal by commission. (1) The directors of corporations which are public utilities shall not, directly or indirectly, delegate or in any manner, temporarily or permanently, relinquish or surrender their duty to manage and direct the stock, property, affairs and business of such corporation.

(2) Any director violating the provisions of this section may be removed by the public service commission, after notice and hearing. When a director of a public utility shall be

removed by the commission he shall be ineligible for a period of 2 years to serve as a director of said public utility.

History: 1951 c. 731.

182.016 River improvement corporations may flow lands. Any domestic corporation created in whole or in part for the purpose of improving any stream and driving, holding or handling logs therein, and any corporation owning or controlling dams, booms or improvements designed to accomplish any of said purposes, or any municipality or any domestic corporation organized for the purpose of furnishing electric current for public purposes, shall have the power to acquire all such lands as shall be necessary for its use for ponds and reservoir purposes. Nothing in this section shall be construed as repealing any provision of section 31.30.

History: 1951 c. 731.

182.017 Transmission lines; privileges; damages. (1) **RIGHT OF WAY FOR.** Any domestic corporation organized to furnish telegraph, telephone, service or transmit heat, power or electric current to the public or for public purposes, and any co-operative association organized under chapter 185 to furnish telegraph, telephone or transmit heat, power or electric current to its members, may, subject to reasonable regulations made by any city or village through which its transmission lines or systems may pass, construct and maintain such lines or systems with all necessary appurtenances in, across or beneath any public highway or bridge or any stream or body of water, or upon any lands of any owner consenting thereto, and for such purpose may acquire lands or the necessary easements; and may connect and operate its lines or system with other lines or systems devoted to like business, within or without this state, and charge reasonable rates for the transmission and delivery of messages or the furnishing of heat, power or electric light.

(2) **NOT TO OBSTRUCT PUBLIC USE.** But no such line or system or any appurtenance thereto shall at any time obstruct or incommode the public use of any highway, bridge, stream or body of water.

(3) **ABANDONED LINES REMOVED.** The public service commission after a public hearing as provided in section 196.26, and subject to the right of review as provided in chapter 227, may declare any line to have been abandoned or discontinued, if the facts warrant such finding. Whenever such a finding shall have been made the corporation shall remove such line, and on failure for 3 months after such finding of abandonment or discontinuance, any person owning land over, through or upon which such line shall pass, may remove the same, or the supervisors of any town within which said lines may be situated, may remove the said lines from the limits of its highways, and such person or supervisors shall be entitled to recover from the company owning the lines the expense for labor involved in removing the property.

(4) **LOCATION OF POLES.** In case of dispute as to the location of poles, pipes or conduits, the commissioners appointed in condemnation proceedings under chapter 32 may determine the location. In no case, except where the owner consents, shall poles be set in front of or upon any residence property, or in front of a building occupied for business purposes, unless the commissioners find that the same is necessary and the court may review the finding.

(5) **LIMITATION OF ACTION.** The proceedings authorized in chapter 32 shall not be taken nor other action commenced against the corporation in respect to its rights to use or possess lands, unless begun within 6 years after the commencement of such use or possession.

(6) **TREES PROTECTED, PENALTIES.** Any such corporation which shall in any manner destroy, trim or injure any shade or ornamental trees along any such lines or systems, or cause any damage to buildings, fences, crops, live stock or other property, except by the consent of the owner, or after the right so to do has been acquired, shall be liable to the person aggrieved in 3 times the actual damage sustained, besides costs.

(7) **MUNICIPAL FRANCHISE REQUIRED.** No lighting or heating corporation shall have any right hereunder in any city or village until it has obtained a franchise or written consent for the erection or installation of its lines from such city or village.

History: 1951 c. 731.

Cross Reference: (5) and 330.12 conflict.

182.018 Wires over railroads. (1) All wires strung over any steam railroad prior to August 1, 1949, shall be tied to insulators fastened to double cross-arms attached to a pole at each side of the crossing. The poles if of wood shall not be less than 6 inches in diameter at the top (if of other materials at least the equivalent strength thereof), set not less than 5 feet in the ground, securely guyed, and, unless the railroad right of way is over 100 feet in width, shall be set not more than 100 feet apart. The cross-arms shall be at-

tached to the poles by machine bolts, and braced by at least one iron brace from each cross-arm to the pole. All wires shall be maintained not less than 25 feet above the rails, except street railway trolley wires, which shall be maintained not less than 22 feet above the rails.

(2) Any person ordered by the public service commission to change its wires so as to conform to this section failing to comply with such order within 10 days from the service thereof shall forfeit \$25, and a like forfeiture for every additional 10 days of noncompliance with the order, unless a greater length of time to make such change shall be granted.

(3) All wires strung over any steam railroad on or after August 1, 1949 shall be strung in such a way as to meet requirements of the Wisconsin state electrical code. Any person stringing wires in violation of the code shall be subject to a forfeiture of not more than \$100 nor less than \$25. Each 10-day period, after the first day, that such violation occurs shall be a separate violation and shall subject the violator to an additional forfeiture of not less than \$25 nor more than \$100 for each such violation.

History: 1951 c. 731.

182.019 Damages for nondelivery of message. Persons owning or operating any telegraph, telephone or power transmission line or heat system for public purposes shall be liable for all damages occasioned by the failure or negligence of their operators, servants or employes in receiving, copying, transmitting or delivering dispatches, messages or the furnishing of power to its patrons for public purposes, including damages for mental anguish resulting directly and proximately from or occasioned by such failure or negligence in receiving, copying, transmitting or delivering dispatches or messages, but not to exceed \$500 for mental anguish.

History: 1951 c. 731.

175.06 providing that it is the duty of every telephone company to connect the telephone of any subscriber with the telephone of any other person having a connection with its central exchange whenever requested to do so, without unreasonable delay, and 182.019, providing that such companies shall be liable for all damages occasioned by the failure or negligence of their operators in receiving, transmitting or delivering messages, have not abrogated the contract liability of a telephone company but have introduced a liability in tort as well, but even so, the duty of a telephone company is ordinarily limited to making a connection between telephones without unreasonable delay, and it is not under obligation to render special services or transmit messages except in cases where it has undertaken so to do. *Christenson & Arndt, Inc. v. Wisconsin Tel. Co.* 264 W 238, 58 NW (2d) 682.

182.020 Driving park corporation. Any corporation formed under this chapter to establish, maintain and manage any driving park may have grounds and courses for improving and testing the speed of horses and may offer and award prizes for competition; but no racing for any bet or wager shall be allowed; and any such corporation may prevent gambling or betting of any kind, and preserve order on its grounds, and establish rules therefor, and appoint officers and agents who, for that purpose, shall have the power of constables.

History: 1951 c. 731.

182.021 Gun clubs. Any domestic corporation formed for the purpose of sharpshooting or improving in the use of firearms may acquire suitable grounds therefor, and may establish, use and maintain a rifle range for its exercises. After such grounds and range are permanently located and improved by the erection of buildings, breastworks, ramparts or otherwise, no public street shall be opened through the tract so used or occupied, unless the necessity therefor shall be first established by verdict of a jury; nor shall any suit be maintained against such corporation to restrain, enjoin or impede its exercises at the place so selected on complaint of any private individuals or parties, who shall acquire title to any property adversely affected by such exercises after such grounds and range are permanently located and improved as aforesaid.

History: 1951 c. 731.

182.025 Mortgages. (1) Any domestic corporation formed to furnish water, heat, light, power, telegraph or telephone service or signals by electricity may, subject to the provisions of ch. 184 and by an affirmative vote of at least two-thirds of its outstanding shares entitled to vote thereon, or any co-operative association organized under ch. 185 to furnish water, heat, light, power, telegraph or telephone service to its stockholders or members only may, by a vote of a majority of a quorum of its stockholders or members present at any regular or special meeting held upon due notice as to the purpose of the meeting or when authorized by the written consent of the holders of a majority of its capital stock outstanding and entitled to vote or of a majority of its members, mortgage or trust deed any or all of the property, rights and privileges and franchises that it may then own or thereafter acquire, to secure the payment of its bonds or notes to a fixed amount or in amounts to be from time to time determined by the board of directors, and may, in and by such mortgage or deed of trust, provide for the disposal of any of its property and the substitution of other property in its place. Every such mortgage or

deed of trust may be recorded in the office of the register of deeds of the county in which such corporation is located at the time of such recording, and such record shall have the same force and effect as if the instrument were filed in the proper office as a chattel mortgage, and so remain until satisfied or discharged without any further affidavit or proceeding whatever. For this purpose the location of such corporation shall be deemed to be: as to a corporation or a co-operative association not at the time subject to either s. 180.09 or 185.08, the location designated in its articles as then in effect; as to a corporation subject to s. 180.09, the location of its registered office; and as to a co-operative association subject to s. 185.08, the location of its principal office or registered agent as designated thereunder.

(2) Any foreign corporation licensed to transact any business in this state defined in s. 76.02 (5b) and (8) and duly authorized to do so in accordance with the laws of the state of incorporation and by its charter may borrow money and execute its bonds or notes therefor; and to secure the payment of such bonds or notes to a fixed amount or in amounts to be from time to time determined by the board of directors may mortgage or trust deed any or all the property, rights, privileges and franchises that it may own or thereafter acquire in this state and may, in and by mortgage or deed of trust provide for the disposal of any of such property and the substitution of other property in its place. Every such mortgage or deed of trust may be recorded in the office of the register of deeds of the county designated by the corporation as its registered office in this state at the time of such recording and such record shall have the same force and effect as if such instrument were filed in the proper office as a chattel mortgage and so remain until satisfied or discharged without any further affidavit or proceeding whatever.

(3) Any mortgage or deed of trust issued and executed by such foreign corporation and heretofore recorded as a real estate mortgage and filed as a chattel mortgage in one or more counties in accordance with any other statute, including any supplements thereto, shall continue in full force and effect as provided by this section without any requirement for future filing of any further affidavit or proceeding and any such mortgage or deed of trust and any supplement thereto shall continue to be effective if recorded as provided in sub. (2).

History: 1951 c. 731; 1957 c. 334.

182.026 Boards of trade. An incorporated board of trade shall have the right to establish reasonable by-laws or rules for the government of the business transactions of its members, and to establish committees of reference or arbitration for the determination of differences and controversies according to the usages of other similar bodies. And any award by such committee on arbitration, made according to such by-laws and rules, may be filed in the circuit court of the county and judgment entered thereupon according to the practice and subject to review as provided in case of awards under chapter 298.

History: 1951 c. 731.

182.027 Lyceum, libraries and art galleries. Any corporation formed for the establishment and maintenance of lyceums, libraries, art galleries and the like shall have power to make by-laws for the protection of its property, and to provide fines upon its members or patrons for their infraction by way of liquidated damages; and may collect the same in a tort action.

History: 1951 c. 731.

182.028 School corporations. Any corporation formed for the establishment and maintenance of schools, academies, seminaries, colleges or universities or for the cultivation and practice of music shall have power to enact by-laws for the protection of its property, and provide fines as liquidated damages upon its members and patrons for violating the by-laws, and may collect the same in tort actions, and to prescribe and regulate the courses of instruction therein, and to confer such degrees and grant such diplomas as are usually conferred by similar institutions or as shall be appropriate to the courses of instruction prescribed. Any stockholder may transfer his stock to the corporation for its use; and if the written transfer shall so provide such stock shall be perpetually held by the board of directors with all the rights of a stockholder, including the right to vote.

History: 1951 c. 731.

182.029 Universities and colleges may unite. (1) Any university or college may receive any other university or college, upon resolution of the board of trustees of both institutions, as a branch of the former, and shall be subject to such rules, regulations, agreements and liabilities as may be agreed upon. The receiving university or college may grant such diplomas and confer such degrees as shall be appropriate to courses of instruction prescribed and pursued in such received university or college, and any such university or college so received may upon such terms as shall be agreed to by its corporate members and trustees sell, or give an option to purchase, all its property, business and effects to such receiving college or university.

(2) Any privately supported school, academy or seminary may receive any other privately supported school, academy or seminary upon resolution of the board of trustees of both institutions, as a branch of the former, and shall be subject to such rules, regulations, agreements and liabilities as may be agreed upon. Any such privately supported school, academy or seminary so received may, upon such terms as shall be agreed to by two-thirds of its corporate members and trustees, convey all its property, business and effects to such receiving school, academy or seminary.

History: 1951 c. 731.

182.030 Corporations having church affiliations. Whenever any corporation shall be formed for the benefit of, or be in any manner connected with, any church or religious denomination or society, its articles of organization may provide that it shall be under the supervision and control of such church, denomination or society; and that the officers or trustees be communicants thereof.

History: 1951 c. 731; 1955 c. 661.

182.031 Railway equipment companies. (1) **DIRECTORS; STOCKS; BONDS.** The board of directors of any corporation organized under the laws of this state for the purpose of buying, selling, leasing or in any manner dealing in railway cars, locomotive engines or other railway equipment may classify or divide its property into series or classes, and suitably designate each such series or class; and may, by a resolution, ratified by vote of a majority of its common stock, authorize the issue of a special or a preferred stock based in whole or in part upon any such class or series, with such provision as to preference dividends out of the earnings of or profits upon the property of the series or class upon which such stock is based, and with such voting power, if any, and other such rights and provisions generally as may be defined in said resolution; and such stock may be issued in as many classes or series as the said corporation may have classes or series of equipment property, and in such amount as to each series or class as may be stated in said resolution, and the same may be issued from time to time and sold or disposed of in such manner and upon such terms as said board shall determine; and every such corporation shall have the power to issue, in like manner, its bonds or obligations for such amount and upon such terms as shall be defined by the resolution, and may secure the same by mortgage or deed of trust upon all of its property then owned or thereafter to be acquired, or upon any one or more of the classes or series of its property, or it may issue and secure both said general and special bonds or obligations in like manner.

(2) **POWERS; PLACE OF BUSINESS.** Every such corporation shall possess all the rights and powers conferred upon corporations by chs. 180, 183 and 184. It may have its principal place of business without the state; provided, that if its principal place of business shall be outside the state, process in actions against it may be served upon the secretary of state, in the manner provided in ss. 180.801 to 180.849 for service upon a licensed foreign corporation.

History: 1951 c. 731; 1955 c. 661.

182.032 Hospital service corporations, public policy. (1) As a guide to the interpretation and application of this section, the public policy of this state is declared to be: To ease the burden of payment for hospital services, particularly in the low income groups, where with the advance of scientific methods the payment for adequate hospital services is a pressing problem with grave social ramifications, nonprofit hospital service corporations, based on the tested experience in many parts of the United States, economically sound and socially beneficent, are needed. While in no way changing the present status of voluntary hospitals in the state, these corporations will enable a larger number to procure for themselves adequate hospital services and leave the use of the free and part-free services given by the hospitals to those whose economic status makes self-procurement of such services impossible. Without imposing the burden on the public treasury and free from any motive of profit, these corporations will contribute to the solution of a pressing social and economic problem in the state and merit the support of the citizens.

(2) (a) Nonprofit corporations, that is corporations formed without capital stock, operated not for profit and exclusively for the purposes in this section set forth, and which declare no dividend, benefit or pecuniary profit, to be paid to or received by any of their members, directors or officers, may be organized, under this section for the purpose of establishing, maintaining and operating service plans, whereby hospital services may be provided to persons or groups of persons, subscribers to such plans, and their respective dependents, by hospitals with which such corporations may make a contract therefor.

(b) Such contracts shall be with participating hospitals or with service hospitals, hereinafter defined. Whenever their boards of directors may order, such corporations may pay other hospitals, in Wisconsin or elsewhere, with which they may not have contractual

relations, for services to a subscriber or his dependents, such amounts and under the terms, conditions and regulations as the said boards may prescribe.

(c) The boards of directors shall have control of all of the management and business of such corporations, and they may do all things necessary, proper or incidental to the exercise of the powers granted to such corporations in this section.

(d) Such hospitals shall be participating hospitals or service hospitals. The term "participating hospital," as used in this section, is defined to mean a voluntary nonprofit hospital, acceptable to the corporation, and accepted by action of its board of directors, which may contract with the corporation under the terms, conditions, provisions and regulations as the board of directors may prescribe, qualifying it to designate members of the corporation as hereinafter provided. The term "service hospital," as used in this section, is defined to mean a voluntary nonprofit hospital, or a hospital owned, operated and maintained by the state or any political subdivision thereof, acceptable to the corporation and accepted by action of its board of directors, which may contract with it under the terms, conditions, provisions and regulations that the board of directors may prescribe, but which will grant no right to such service hospital to designate members of the corporation as aforesaid. The term "subscriber," as used herein, is defined to mean any person to whom the corporation shall issue a service contract, entitling such person or his dependents to hospital services as provided therein.

(e) Such hospital service corporations may enter into contracts with the state medical society of Wisconsin or with county medical societies of this state, operating plans under chapter 148, or with medical or surgical indemnity corporations licensed to transact business in this state, to act as enrolling and billing agent to such extent as may be agreed.

(3) The articles of incorporation of any corporation organized under this section shall provide:

(a) That the members of the corporation shall be: 1. Three nonmedical persons, excepting medical administrators, designated by each participating hospital, at least 2 of whom shall be directors or be active in the operation of such participating hospital; and 2. A number of persons equal to the number of participating hospitals, each of whom shall be a physician and surgeon and shall be appointed by the medical staff of the hospital from its own members. In case there should be no such staff, or in case of the failure of the staff so to appoint, then such appointment shall be made by the governing board of the hospital, but in either case the physicians and surgeons so appointed shall be approved by the state medical society of Wisconsin. The members shall be appointed annually for terms of one year each and shall be such members until their successors are appointed and qualified and vacancies shall be filled by the same method of appointment for unexpired terms.

(b) That the directors shall consist of such number as may be specified in the articles of incorporation or in the by-laws and shall be elected from the groups mentioned in paragraph (a) of this subsection in the proportion prescribed therein for membership by such groups, and except at the first meeting not more than one-third of the directors shall be elected at any annual meeting.

(c) That all contracts between such corporations and a subscriber shall provide for hospital services only and shall not embrace medical services. Such contract shall not be interpreted to place upon the subscriber the obligation of choosing for hospital services any particular participating or service hospital among the contracting hospitals, or give the corporation the right to designate or require the choice of any particular participating or service hospital.

(d) Such hospital service corporations, heretofore or hereafter so formed and conducted, shall be governed by the provisions of this section.

(4) Such corporation shall not enter into contracts with subscribers until it shall have contracts with not less than 6 participating hospitals having a total of not less than 600 beds.

(5) Every such corporation shall annually, on or before the first day of March file in the office of the commissioner of insurance, a statement verified by at least 2 of the principal officers of said corporation showing its true condition as of the thirty-first day of December next preceding. Said statement shall be in such form and shall contain such other matter as the commissioner of insurance shall prescribe.

(6) The commissioner of insurance or any deputy or examiner designated by him shall, not less than once in 3 years, examine into the affairs of such corporation and shall make report thereon in writing, which report, after such hearing as such corporation may request, shall be filed in his office.

(7) The funds of any such corporation shall be invested as provided in sections 206.34 and 206.35 relating to investments of domestic life insurance companies.

(8) Such corporation shall be governed by ch. 181, and unless express reference is made in this section, or unless expressly designated therein, no other law shall apply to such corporation. Every such corporation is hereby declared to be a charitable and be-

nevolent corporation, and its property, real, personal and mixed, its income, and property transferred to it, shall be exempt from taxation as provided in ss. 70.11, 71.01 (3), 72.04 and 72.75 to 72.81, and its employees shall be excluded from the provisions of ch. 108 as provided in s. 108.02.

(9) All nonprofit hospital service plans shall be operated in this state exclusively by corporations organized and operated under this section. No such corporation shall contract or continue a contract with a participating hospital which contracts with any other corporation operating a nonprofit hospital service plan under this section.

(10) Nothing in any contract to be made by any such corporation with a participating hospital or subscriber shall have the effect of imposing upon any participating hospital any obligation or liability for any act, omission or default of any other participating hospital or of such corporation.

History: 1951 c. 731; 1955 c. 661.

182.104 Title to property after dissolution. (1) Whenever any domestic corporation shall have been dissolved, owning any real property in this state, the resolution of dissolution required by s. 182.103 [Stats. 1953] to be recorded with the register of deeds of the county in which such corporation is located, or in the case of any corporation which was dissolved prior to June 29, 1945, owning any interest in real estate, the affidavit of the person who was the president or the secretary of such corporation at the date of its dissolution stating the names of the persons holding stock in said corporation and the number of shares or proportional interest of said persons in the corporate property at such date, when recorded with the register of deeds of the county in which such corporation was located, shall be prima facie evidence of the title of said persons in said corporate property.

(2) This section shall not affect the rights of creditors of the corporation, and shall not apply where any court has made disposition of the property, or where the property has been conveyed by the corporation, or distributed among the stockholders, and the conveyance is of record in the office of the register of deeds.

History: 1951 c. 731.

182.202 Mutual telephone company; quorum; proxies. (2) At any meeting of the stockholders of a farmers' mutual telephone company, members representing 20 per cent of the outstanding stock, shall constitute a quorum. Any member may hold and vote the proxy of not exceeding 3 stockholders.

History: 1951 c. 731; 1955 c. 661.

182.219 Mutual telephone company; dividends. (4) No dividend in excess of 7 per cent of its capital shall be paid in any year by any farmers' mutual telephone company.

History: 1951 c. 731; 1955 c. 661.

182.220 Examination by attorney general and legislature. The attorney general, whenever required by the governor, shall examine into the affairs of any corporation in this state and report in writing a detailed statement of the facts to the governor, who shall lay the same before the legislature, and for that purpose the attorney general may conduct hearings and examine the vaults, books, papers and documents belonging to such corporation or pertaining to its affairs and condition; and the legislature, or either branch thereof, shall have like power at all times, and for that purpose any legislative committee may examine any person in relation to the affairs and condition of such corporation, and its vaults, safes, books, papers and documents, and compel the production of all keys, books, papers and documents by contempt proceedings.

History: 1951 c. 731.

182.30 Turnpike act; title. Sections 182.30 to 182.48 shall be known and may be cited as the "Wisconsin Turnpike Corporation Act."

History: 1953 c. 186.

Turnpike act of 1953 held valid in its entirety. State ex rel. Thomson v. Giessel, 265 W 185, 60 NW (2d) 873.

182.31 Definitions. As used in ss. 182.30 to 182.48, the following words and terms shall have the following meanings, unless the context shall indicate another or different meaning or intent:

(1) "Corporation" or "turnpike corporation" means any corporation organized not for profit and without stock for the purposes and with the powers set forth hereunder.

(2) "Project" or "turnpike project" means any highway, express highway, super-highway or motorway constructed under the provisions of ss. 182.30 to 182.48, including all bridges, tunnels, overpasses, underpasses, interchanges, entrance plazas, approaches, toll houses, service stations, weighing stations, administration, storage and other buildings and facilities which the corporation may deem necessary for the operation of the project,

together with all property, rights, easements and interests which may be acquired by the corporation for the construction or the operation of the project.

(3) "Cost" as applied to a turnpike project shall embrace the cost of construction, including bridges over or under existing highways and railroads, the cost of acquisition of all land, rights of way, property, rights, easements and interests acquired by the corporation for such construction, the cost of demolishing or removing any buildings or structures on land so acquired, including the cost of acquiring any lands to which such buildings or structures may be moved, the cost of diverting highways, interchange of highways, access roads to private property, including the cost of land or easements therefor, the cost of all machinery and equipment, financing charges, interest prior to, during and after construction, cost of traffic estimates and of engineering and legal expenses, plans, specifications, surveys, estimates of costs and revenues, other expenses, necessary or incidental to determining the feasibility or practicability of constructing any such project, administrative expenses, and such other expenses as may be necessary or incident to the construction of the project, the financing of such construction and the placing of the project in operation.

(4) "Owner" includes all individuals, copartnerships, associations, or corporations having any title or interests in any property, right, easement and interest authorized and required to be taken under authority of ss. 182.30 to 182.48.

(5) "Revenues" shall mean all tolls, rentals, gifts, grants, moneys, and all other forms of property coming into the possession or under the control of the corporation by virtue of the terms and provisions hereof, except the proceeds from the sale of bonds issued under the provisions of ss. 182.30 to 182.48.

History: 1953 c. 186; 1955 c. 10, 661.

182.32 General powers. Turnpike corporations may be organized under ch. 181 and shall have the powers enumerated therein except as otherwise provided in ss. 182.30 to 182.48.

History: 1953 c. 186; 1955 c. 10, 661.

182.33 Additional powers. Such corporation shall have the following additional powers:

(1) To construct, maintain, repair, police and operate turnpike projects as hereinbefore defined, upon such routes as are agreed to by the state highway commission by and with the written consent of the governor; and to establish rules and regulations for the use of any such turnpike project.

(2) To fix, devise, charge and collect tolls for transit over each turnpike project and to provide and issue special licenses authorizing transit over the turnpike project without the payment of such tolls during the period specified in the license and to fix and devise fees to be charged for such licenses.

(3) To designate the locations, and to establish, limit and control such points of ingress and egress from each turnpike project as may be necessary or desirable in the judgment of the corporation to insure the proper operation and maintenance of such project, and to prohibit ingress to such project from any point not so designated. The corporation shall cause to be erected, at its cost, at all points of ingress and egress, large and suitable signs facing the traffic from each direction on the turnpike. Such signs shall designate the number and other designations, if any, of all highways of ingress and egress, the names of all appropriate municipalities of the state and the distance in miles to such designated municipalities.

(4) (a) To employ consulting engineers, superintendents, managers, and such other engineers, construction and consultant experts, attorneys, and other employes and agents as may be necessary in its judgment, and to fix their compensation; provided that all such expenses shall be payable solely from the proceeds of turnpike revenue bonds issued under the provisions of ss. 182.30 to 182.48 or from revenues.

(b) State employes may be employed by the corporation with the consent of the governor and the department concerned. Such employes shall retain uninterrupted their civil service rating, sick leave, vacation and other rights under ch. 16 and after termination of their employment by the corporation shall be returned to the respective departments and agencies from which they were transferred for resumption of their regular employment.

(5) To lease suitable parcels of land for or to construct and lease to private persons, after competitive bidding, gasoline stations, garages, stores, hotels, motels, restaurants, tourist rooming houses, and such other facilities as the corporation may deem to be necessary or desirable. The corporation shall have full power to determine the number and location of such facilities.

(6) To receive and accept from any federal agency, subject to the approval of the governor, grants for or in aid of the construction or maintenance of any turnpike project,

and to receive and accept aid, gifts or contributions from any source of either money, property, labor or other things of value, to be held, used and applied only for the purposes for which such grants and contributions may be made.

(7) To do all acts and things necessary or proper to carry out the powers expressly or impliedly granted in ss. 182.30 to 182.48.

History: 1953 c. 186; 1955 c. 10.

182.34 Issuance of bonds. (1) The corporation is authorized to provide by resolution at one time or from time to time for issuance of turnpike revenue bonds in such amount as may be required to pay for all or part of the cost of any one or more turnpike projects. It is likewise authorized similarly to provide for the issuance of refunding bonds, to retire any bonds then outstanding at the principal amount thereof plus any redemption premium and accrued interest thereon; and to pay for all or part of the cost of future extensions, enlargements, or improvements of the project for which the bonds being refunded were issued.

(2) The bonds to be so issued may be offered and sold by the corporation in such manner as is determined by the corporation to be most suitable and economical. The bonds shall be signed by the chairman and vice chairman of the corporation or by their facsimile signatures, and the official seal of the corporation shall be affixed thereto and attested by the secretary-treasurer of the corporation, and any coupons attached thereto shall bear the facsimile signature of the chairman of the corporation. In case any officer whose signature or facsimile of whose signature shall appear on any bonds or coupons shall cease to be such officer before the delivery of such bonds, such signature or such facsimile shall nevertheless be valid and sufficient, for all purposes the same as if he had remained in office until such delivery. All bonds issued under the provisions of ss. 182.30 to 182.48 shall have and are hereby declared to have all the qualities and incidents of negotiable instruments under the negotiable instruments law of this state.

(3) To the extent that the proceeds of any bonds sold exceed the cost of the project or projects for which such bonds were issued, those funds shall be applied to the credit of the sinking fund reserve or other reserve for such issue.

(4) The corporation is authorized to take any action in connection with the mechanics of setting up and servicing the issuing of bonds which will provide proper and adequate protection for the purchasers, and which may be required by the circumstances then in force.

(5) Turnpike revenue bonds and refunding bonds issued under the provisions of ss. 182.30 to 182.48 shall be payable solely from the funds pledged for their payment as herein authorized and shall not constitute a debt of the state or of any political subdivision of the state.

(6) All expenses incurred by a turnpike corporation shall be payable solely from funds provided under the authority of ss. 182.30 to 182.48 and nothing contained in this act shall be construed to authorize a turnpike corporation to incur indebtedness or liability on behalf of or payable by the state or any political subdivision of the state.

(7) Tolls and license fees authorized under s. 182.33 (2) shall be so fixed and adjusted in respect of the aggregate of tolls of each turnpike project including any extension or section thereof in connection with which the bonds of any issue shall have been issued as to provide a fund sufficient with other revenue from such turnpike project or extensions or sections thereof, if any, to pay (a) the cost of maintaining, repairing and operating such turnpike project or extension or section thereof, including the legal liabilities of the corporation, and (b) the principal of and the interest on such bonds as the same shall become due and payable, and to create reserve for such purposes. Such tolls shall not be subject to supervision or regulation by any commission, board, bureau or agency of the state. The tolls and all other revenues derived from each turnpike project or extensions or sections in connection with which the bonds of any issue shall have been issued, except such part thereof as may be necessary to pay such costs of maintenance, repair and operation including the legal liabilities of the corporation, and to provide such reserves therefor as may be provided for in the resolution authorizing the issuance of such bonds or in the trust agreement securing the same, shall be set aside at such regular intervals as may be provided in such resolution or such trust agreement in a sinking fund which shall be pledged to and charged with, the payment of the principal of and the interest on such bonds as the same shall become due, and the redemption price and the purchase price of bonds retired by call or purchase as therein provided. Such pledge shall be valid and binding from the time when the pledge is made; the tolls or other revenues or other moneys so pledged and thereafter received by the corporation shall immediately be subject to the lien of such pledge without any physical delivery thereof, or further act, and the lien of any such pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the corporation. All trust agree-

ments and all resolutions relating thereto shall be filed in the office of the secretary of state and recorded in the records of the corporation.

(8) All moneys received pursuant to the authority of ss. 182.30 to 182.48, whether as proceeds from the sale of bonds, or as revenues, shall be deemed to be trust funds, to be held and applied solely as provided in ss. 182.30 to 182.48. Such funds shall be kept in such depositories as are selected by the corporation.

(9) Any holder of bonds issued under the provisions of ss. 182.30 to 182.48 or any of the coupons appertaining thereto, and the trustee under any trust agreement, except to the extent the rights herein given may be restricted by such trust agreement, may, either at law or in equity, by suit, action, mandamus or other proceedings, protect and enforce any and all rights under the laws of the state or granted hereunder or under such trust agreement or the resolution authorizing the issuance of such bonds, and may enforce and compel the performance of all duties required by ss. 182.30 to 182.48 or by such trust agreement or resolution to be performed by the corporation or by any officer thereof, including the fixing, charging and collecting of tolls.

(10) The issuance of turnpike revenue bonds or turnpike revenue refunding bonds under the provisions of ss. 182.30 to 182.48 need not comply with the requirements of any other law applicable to the issuance of bonds.

History: 1953 c. 186; 1955 c. 10.

182.35 Acquisition of lands and interests therein. (1) Turnpike corporations may acquire by gift, devise, purchase or condemnation any lands determined by them to be necessary for establishing, laying out, widening, enlarging, extending, constructing, reconstructing, improving and maintaining its project including lands which may be necessary for toll houses and appropriate concessions and for any other purpose authorized by ss. 182.30 to 182.48. Title may be acquired in fee simple and any other interest in lands may be acquired as may be deemed expedient or necessary by the corporation. Any lands determined to be unneeded by the corporation may be sold by the corporation at public or private sale with or without restrictions or reservations concerning the future use and occupation of such lands so as to protect the project and improvements and their environs and to preserve the view, appearance, light, air and usefulness of the project.

(2) If the lands or interests therein cannot be purchased expeditiously for a reasonable price, the corporation may acquire the same by condemnation either by the existing power under ch. 32 or in the following manner. The corporation shall by resolution make an award of damages to the owner which said award shall be in writing stating the names of the owner or owners, a description of the premises taken and the interest therein and shall be duly executed and acknowledged by 2 officers of the corporation; thereupon the amount of the award shall be tendered or paid to the owner or owners and said owner or owners may receive the same without prejudice to his right to claim and to contest for a greater sum, except that no interest upon the original amount of the award paid or tendered shall be recoverable or allowed in any subsequent appeal. A copy of the award of damages shall be delivered or mailed to the owner or owners if the address is known and if not known, then to the occupant of the land. If the land is unoccupied and the name or address of the owner or owners is unknown, the award shall be published once each week for 3 successive weeks in a newspaper having a general circulation in the county where the land is situated and shall state that the amount awarded is available at the office of the turnpike corporation. If such an award is not claimed within 5 years from the date of last publication, it shall escheat to this state and be paid forthwith to the state treasurer, subject to refund to the rightful owner as provided by law. After tender payment or publication the award shall be recorded in the office of the register of deeds of the appropriate county, after which the turnpike authorities and their contractors and employes may take possession of the land and exercise full control of the interests in the land acquired. The former owner may within one year after the recording of the award with the register of deeds apply to the county judge to have his damages reappraised. Notice of such application for reappraisal shall be served upon the turnpike corporation within such one year period or the appeal deemed invalid. As soon thereafter as practicable but after not less than 5 days' written notice, the county judge shall call the parties before him and make such inquiry and investigation as he may deem advisable. Such inquiry and investigation is not a proceeding in county court and there shall be no necessity of preserving a record of the same. Within not more than 10 days thereafter, the judge shall make his appraisal in writing and notify the parties of the same. Within 30 days after notification, either party may appeal to the circuit court for an additional reappraisal under the provisions of s. 32.11 and such other provisions of ch. 32 as are applicable to appeals in other eminent domain proceedings.

History: 1953 c. 186; 1955 c. 10.

182.36 Authority to construct grade separations and relocate public roads, streets, highways, railroads and public utilities. (1) It is declared that the construction of modern toll roads in this state is in the promotion of public and social welfare and for the benefit of public travel. It is recognized that in the construction of such highways, it will become necessary to make changes and adjustments in the lines and grades of public roads, streets, highways, railroads and public utility systems and, in some instances, to relocate the same.

(2) In the furtherance of the public interest, the corporation is hereby granted the authority to construct grade separations at intersections of any turnpike project with public roads, streets, highways and railroads and to change and adjust the lines and grades of public roads, streets and highways, and, if necessary, to relocate the same. Such changes in public roads, streets and highways shall be made with the approval of the appropriate governmental highway or street authority. If the corporation and local authority cannot agree in any matter, such changes may be made with the consent of the state highway commission. The cost of the grade separations and changes and any damages incurred thereby shall be ascertained and paid by the turnpike corporation as a part of the cost of such turnpike project.

(3) The corporation may enter into contracts with public utilities, including railroads, for the removal or change in location of the lines of such public utilities where the same is deemed necessary by the corporation in the construction of the project. Such contracts shall be for the payment of damages caused the utilities by the relocation of their lines. In the event the corporation and the utility are unable to reach an agreement, the public service commission shall direct the manner, location and time allowed for the change in the utility line and the corporation shall be liable for the reasonable costs of such change. In the event the public utility fails to comply with the order of the public service commission it shall be liable to the corporation for all damages occasioned by such failure.

History: 1953 c. 186.

182.37 Rights of public utilities. All public utilities shall have the right to cross the lands or easements of the corporation with any lines at such reasonable place and in such reasonable manner, either over or under the project, as the corporation may direct upon payment of damages to the corporation. In cases of dispute, utilities shall have the right to condemn easements under ch. 32 but such easements shall not conflict with the planned operation, or operation of the project.

History: 1953 c. 186.

182.38 Entry upon lands. The turnpike corporation by its authorized agents and employes may enter upon any lands in the state for the purpose of making such surveys and examinations as are necessary or proper for the purposes of ss. 182.30 to 182.48. Such entry shall not be deemed a trespass nor entry under any kind of condemnation proceedings which may be then pending. The corporation shall make reimbursement for any actual damage resulting to such lands or premises and to private property located on the same as a result of such activities.

History: 1953 c. 186; 1955 c. 10.

182.39 Use of state lands. This state, subject to the approval of the governor, hereby consents to the use of all lands owned by it, including lands lying under water which are necessary or proper for the operation and construction of any turnpike project provided adequate compensation is made for such use.

History: 1953 c. 186.

182.40 Toll exemptions. (1) The following government agencies are to be exempt from the payment of tolls: All armed forces of the United States including the Wisconsin national guards and national guard units from other states; the Wisconsin state guard; and civilian defense organizations.

(2) When not traveling on an emergency mission the corporation shall have the power to designate the time of such use, the length and timing of convoys, serials and march units, rate of march, and intervals, and make such other requirements as may be necessary to properly control traffic in the interest of general safety and convenience of travel.

(3) The corporation shall have the power to exempt law enforcement officers and those operating emergency vehicles from the payment of tolls upon such conditions as it may direct.

History: 1953 c. 186.

182.41 Corporation to be nonprofit. All turnpike corporations shall be nonprofit corporations, that is, corporations formed without capital stock, operated not for profit and exclusively for the purposes set forth in ss. 182.30 to 182.48 and which declare no

dividend, benefit or pecuniary profit to be paid to or received by any of their members, directors or officers.

History: 1953 c. 186; 1955 c. 10.

182.42 Not to be considered public utilities. Turnpike corporations are not to be subject to regulations under ch. 196 as a public utility.

History: 1953 c. 186.

182.43 Underpass authorized. Wherever a turnpike project divides the land of one owner so as to prevent ingress to and egress from said lands, the corporation is authorized to provide an underpass or culvert sufficient to provide ingress and egress between said lands. Plans for the existence of an underpass shall be admissible in evidence in condemnation proceedings.

History: 1953 c. 186.

182.44 Limitations on powers. Turnpike corporations shall not have the power to secure any of their obligations by mortgage or pledge of all or any of their properties, either real, personal or mixed, except the pledging of tolls as herein provided.

History: 1953 c. 186.

182.45 Reports. On or before the first day of February of each year, the corporation shall make an annual report of its activities for the preceding calendar year to the secretary of state. Each such report shall set forth a complete operating and financial statement covering its operations during the year. The corporation shall cause an audit of its books to be made at least once each year by certified public accountants and the cost thereof may be treated as a part of the cost of the construction or of operations of the project.

History: 1953 c. 186.

182.46 Tax exemptions. The exercise of the powers granted by ss. 182.30 to 182.48 will be in all respects for the benefit of the people of this state, for the increase of their commerce and prosperity and for the improvement of their health and living conditions, therefore the corporation shall not be required to pay any taxes or assessments upon any turnpike project or any property acquired or used by the corporation under the provisions of ss. 182.30 to 182.48 or upon the income therefrom, and the bonds issued under the provisions of ss. 182.30 to 182.48, their transfer and the income therefrom (including any profit made on the sale thereof) shall at all times be free from taxation within this state.

History: 1953 c. 186; 1955 c. 10.

182.47 Motor vehicle laws to apply. (1) The provisions of chs. 86 and 341 to 349 relative to the operation of motor vehicles on highways and the protection of public highways including the weight restriction laws shall be applicable to turnpikes and for the purpose of these laws, turnpikes shall be deemed to be public highways. Turnpikes shall be considered as class "A" highways under s. 348.15 and all limitations on the use of such class "A" highways shall be applicable. Turnpikes shall not be subject to traffic control by any local governmental ordinance or rule.

(2) The corporation is authorized to hire suitable persons to enforce the statutes referred to in sub. (1), and, upon approval of the governor, they are vested for that purpose with the powers of state traffic officers. Such authority shall be evidenced by the governor's certificate of approval.

History: 1953 c. 186; 1957 c. 260.

182.48 State may acquire. When all turnpike revenue bonds issued under the provisions of ss. 182.30 to 182.48 in connection with any turnpike project or extension or sections thereof and the interest thereon shall have been paid or a sufficient amount for the payment of all such bonds and the interest thereon to the maturity thereof shall have been set aside in trust for the benefit of the bondholders, such project or extension or sections thereof, shall become a part of the state trunk highway system and shall thereafter be maintained by the state highway commission and shall be free of tolls.

History: 1953 c. 186; 1955 c. 10.

CHAPTER 183.

UNIFORM STOCK TRANSFER ACT.

| | | | |
|---------|--|--------|---|
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| 183.125 | No attachment or levy upon shares unless certificate surrendered or transfer enjoined. | | |

183.01 Transfer of stock. (1) Title to a certificate and to the shares represented thereby can be transferred only:

(a) By delivery of the certificate indorsed either in blank or to a specified person by the person appearing by the certificate to be the owner of the shares represented thereby; or

(b) By delivery of the certificate and a separate document containing a written assignment of the certificate or a power of attorney to sell, assign, or transfer the same or the shares represented thereby, signed by the person appearing by the certificate to be the owner of the shares represented thereby. Such assignment or power of attorney may be either in blank or to a specified person.

(2) The provisions of this section shall be applicable although the charter or articles of incorporation or code of regulations or by-laws of the corporation issuing the certificate and the certificate itself provide that the shares represented thereby shall be transferable only on the books of the corporation or shall be registered by a registrar or transferred by a transfer agent.

See note to 230.43, citing *Zander v. Holly*, 1 W (2d) 300, 84 NW (2d) 87. There is a complete gift of corporate stock where the certificate has been transferred at the direction of the owner to the donee on the books of the corporation and a new certificate issued in the name of the donee, or where a certificate is issued in the first instance in the name of the donee, although the certificate is retained by the donor and not delivered to the donee. *Zander v. Holly*, 1 W (2d) 300, 84 NW (2d) 87.

183.02 Legal capacity not enlarged. Nothing in this chapter shall be construed as enlarging the powers of an infant or other person lacking full legal capacity, or of a trustee, executor or administrator, or other fiduciary, to make a valid indorsement, assignment or power of attorney.

183.03 Corporation rights reserved. Nothing in this chapter shall be construed as forbidding a corporation:

(1) To recognize the exclusive right of a person registered on its books as the owner of shares to receive dividends, and to vote as such owner; or

(2) To hold liable for calls and assessments a person registered on its books as the owner of shares.

183.04 Holder in good faith takes title. The title of a transferee of a certificate under a power of attorney or assignment not written upon the certificate, and the title of any person claiming under such transferee, shall cease and determine if, at any time prior to the surrender of the certificate to the corporation issuing it, another person, for value in good faith, and without notice of the prior transfer, shall purchase and obtain delivery of such certificate with the indorsement of the person appearing by the certificate to be the owner thereof, or shall purchase and obtain delivery of such certificate and the written assignment or power of attorney of such person, though contained in a separate document.

183.05 Delivery of certificate. The delivery of a certificate to transfer title in accordance with the provisions of section 183.01, is effectual, except as provided in section 183.07, though made by one having no right of possession and having no authority from the owner of the certificate or from the person purporting to transfer the title.

183.06 Indorsement of certificate. The indorsement of a certificate by the person appearing by the certificate to be the owner of the shares represented thereby is effectual, except as provided in section 183.07, though the indorser or transferor:

(1) Was induced by fraud, duress or mistake, to make the indorsement or delivery; or

- (2) Has revoked the delivery of the certificate, or the authority given by the indorsement or delivery of the certificate; or
- (3) Has died or become legally incapacitated after the indorsement, whether before or after the delivery of the certificate; or
- (4) Has received no consideration.

183.07 Rescission. (1) The possession of the certificate may be reclaimed and the transfer thereof rescinded:

- (a) If the indorsement or delivery of a certificate was produced by fraud or duress, or was made under such mistake as to make the indorsement or delivery inequitable; or
 - (b) If the delivery of a certificate was made without authority from the owner, or after the owner's death or legal incapacity.
- (2) The provisions of subsection (1) shall apply unless:
- (a) The certificate has been transferred to a purchaser for value in good faith without notice of any facts making the transfer wrongful, or
 - (b) The injured person has elected to waive the injury, or has been guilty of laches in endeavoring to enforce his rights.

(3) Any court of appropriate jurisdiction may enforce specifically such right to reclaim the possession of the certificate or to rescind the transfer thereof and, pending litigation, may enjoin further transfer of the certificate or impound it.

183.08 Holder in good faith takes title. Although the transfer of a certificate or of shares represented thereby has been rescinded or set aside, nevertheless, if the transferee has possession of the certificate or of a new certificate representing part or the whole of the same shares of stock, a subsequent transfer of such certificate by the transferee, mediately or immediately, to a purchaser for value in good faith, without notice of any facts making the transfer wrongful, shall give such purchaser an indefeasible right to the certificate and the shares represented thereby.

183.09 Delivery without indorsement. The delivery of a certificate by the person appearing by the certificate to be the owner thereof without the indorsement requisite for the transfer of the certificate and the shares represented thereby, but with intent to transfer such certificate or shares shall impose an obligation, in the absence of an agreement to the contrary, upon the person so delivering, to complete the transfer by making the necessary indorsement. The transfer shall take effect as of the time when the indorsement is actually made. This obligation may be specifically enforced.

183.10 Transfer without delivery. An attempted transfer of title to a certificate or to the shares represented thereby without delivery of the certificate shall have the effect of a promise to transfer and the obligation, if any, imposed by such promise shall be determined by the law governing the formation and performance of contracts.

183.11 Warranties. (1) A person who for value transfers a certificate, including one who assigns for value a claim secured by a certificate, unless a contrary intention appears, warrants:

- (a) That the certificate is genuine;
- (b) That he has a legal right to transfer it; and
- (c) That he has no knowledge of any fact which would impair the validity of the certificate.

(2) In the case of an assignment of a claim secured by a certificate, the liability of the assignor upon such warranty shall not exceed the amount of the claim.

183.12 No warranty by pledgee. A mortgagee, pledgee, or other holder for security of a certificate who in good faith demands or receives payment of the debt for which such certificate is security, whether from a party to a draft drawn for such debt, or from any other person, shall not by so doing be deemed to represent or to warrant the genuineness of such certificate, or the value of the shares represented thereby.

183.125 No attachment or levy upon shares unless certificate surrendered or transfer enjoined. No attachment or levy upon shares of stock for which a certificate is outstanding shall be valid until such certificate be actually seized by the officer making the attachment or levy, or be surrendered to the corporation which issued it, or its transfer by the holder be enjoined. Except where a certificate is lost or destroyed, such corporation shall not be compelled to issue a new certificate for the stock until the old certificate is surrendered to it.

183.13 Stock inures to creditor. A creditor whose debtor is the owner of a certificate shall be entitled to such aid from courts of appropriate jurisdiction, by injunction and otherwise, in attaching such certificate or in satisfying the claim by means thereof as is allowed at law or in equity, in regard to property which cannot readily be attached or levied upon by ordinary legal process.

183.14 Liens of corporation; restrictions on transfer. There shall be no lien in favor of a corporation upon the shares represented by a certificate issued by such corporation and there shall be no restriction upon the transfer of shares so represented by virtue of any bylaws of such corporation, or otherwise, unless the right of the corporation to such lien or the restriction is stated upon the certificate.

An agreement between a corporation and all its stockholders whereby the corporation agreed to buy the stock of a severing stockholder was void because not stated on the stock certificate, but could be treated as a continuing offer to buy, which, if accepted by a stockholder before it was withdrawn, would ripen into a binding contract. *Larson v. Superior Auto Parts, Inc.* 270 W 613, 72 NW (2d) 316.

183.15 Alterations. The alteration of a certificate, whether fraudulent or not and by whomsoever made, shall not deprive the owner of his title to the certificate and the shares originally represented thereby, and the transfer of such a certificate shall convey to the transferee a good title to such certificate and to the shares originally represented thereby.

183.16 Lost or destroyed certificates. (1) Where a certificate has been lost or destroyed, a court of competent jurisdiction may order the issue of a new certificate therefor on service of process upon the corporation and on reasonable notice by publication, and in any other way which the court may direct, to all persons interested, and upon satisfactory proof of such loss or destruction and upon the giving of a bond with sufficient surety to be approved by the court to protect the corporation or any person injured by the issue of the new certificate from any liability or expense which it or they may incur by reason of the original certificate remaining outstanding. The court may also in its discretion order the payment of the corporation's reasonable costs and counsel fees. The issue of a new certificate under an order of the court as provided in this section, shall not relieve the corporation from liability in damages to a person to whom the original certificate has been or shall be transferred for value without notice of the proceedings or of the issuance of the new certificate.

(2) Notwithstanding any other provision of the statutes the board of directors, upon receipt of evidence satisfactory to them of the loss or destruction of a certificate of stock, and upon receipt of indemnity satisfactory to them if requested, or upon surrender and cancellation of a mutilated certificate of stock, shall have the authority to cause to be executed and delivered a new certificate of stock of like tenor.

183.17 Law merchant controls. In any case not provided for by this chapter the rules of law and equity, including the law merchant, and in particular the rules relating to the law of principal and agent, executors, administrators and trustees, and to the effect of fraud, misrepresentation, duress or coercion, mistake, bankruptcy, or other invalidating cause, shall govern.

183.18 Uniformity of construction. The provisions of this chapter shall be so interpreted and construed as to effectuate its general purpose to make uniform the law of those states which enact it.

183.19 Indorsement defined. A certificate is indorsed when an assignment or a power of attorney to sell, assign or transfer the certificate or the shares represented thereby is written on the certificate and signed by the person appearing by the certificate to be the owner of the shares represented thereby, or when the signature of such person is written without more upon the back of the certificate. In any of such cases a certificate is indorsed though it has not been delivered.

183.20 Certificate owner defined. The person to whom a certificate was originally issued is the person appearing by the certificate to be the owner thereof, and of the shares represented thereby, until and unless he indorses the certificate to another specified person, and thereupon such other specified person is the person appearing by the certificate to be the owner thereof until and unless he also indorses the certificate to another specified person. Subsequent special indorsements may be made with like effect.

183.21 Definitions. (1) In this chapter, unless the context or subject matter otherwise requires:

(a) "Certificate" means a certificate of stock in a corporation organized under the laws of this state or of another state whose laws are consistent with this chapter.

(b) "Delivery" means voluntary transfer of possession from one person to another.

(c) "Person" includes a corporation or partnership or two or more persons having a joint or common interest.

(d) To "purchase" includes to take as mortgagee or as pledgee.

(e) "Purchaser" includes mortgagee and pledgee.

(f) "Shares" means a share or shares of stock in a corporation organized under the laws of this state or of another state whose laws are consistent with this chapter.