

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

Approved June 20, 1919.

No. 281, S.]

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CHAPTER 402.

AN ACT to create section 1771b of the statutes, relating to housing corporations, and to amend subdivision (a) subsection (9) of section 1772 of the statutes.

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

SECTION 1. There is hereby created a new section of the statutes to read: Section 1771b. (1) Three or more adult persons, residents of this state, may form a corporation in the manner provided herein, for the purpose of acquiring land, platting the same, erecting houses thereon and otherwise improving and developing the same. In order to form such corporation, the persons desiring so to do shall make, sign, acknowledge and file articles of association in the same manner as articles of association of other corporations formed under this chapter are made, signed, acknowledged and filed, and containing the same information except that they shall state that they associate for the purpose of forming a housing corporation under these statutes. The articles of association shall further provide for the issuance of preferred stock by the corporation and for the payment of dividends on such preferred stock out of the profits at a specified rate, before dividends are paid upon such 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. Certificates of preferred stock and common stock shall state on the face thereof all privileges accorded to and all restrictions imposed on preferred stock.

(2) Such corporation, when formed, shall have the general powers of other corporations, enumerated in section 1748 of the statutes, excepting subdivision 8 thereof and except as herein provided. In addition thereto, said corporation shall have the following powers:

(a) To acquire land and plat the same; laying out streets, lots, playgrounds and such other subdivisions as it may deem best suited to the purposes of said corporation, provided, however, that no plat shall be finally adopted 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 three 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 in no event shall said plat be finally adopted until accepted by the common council of the city within which such land is located, or if within three miles of a city of the first class, until accepted by the common council of such city of the first class. No land shall be acquired by the corporation in or within a radius of three 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 erect dwellings on land owned by it and to otherwise improve and develop said land as may be desirable for residential districts, provided, however, that no single dwelling shall be erected the cost of which shall exceed five thousand dollars, and provided further that in the erection of dwellings 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, at terms fixed by the corporation and not inconsistent with the provisions of this section.

(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.

(3) No lands shall be sold by the corporation, except for the purposes of disposing of land not necessary or desirable for the purposes of the corporation, and then only by vote of the holders of three-fourths of the stock of the corporation then outstanding. Nothing herein shall be construed as preventing the sale of said land in proceedings to wind up the corporation or in foreclosure of mortgages or other liens thereon.

(4) No lease of any land or of the buildings thereon shall be made except to a stockholder of the corporation for the use of such stockholder, and no tenant shall hold stock of the corporation beyond the value of the premises occupied by him. Provided that leases for an indefinite period may be made to American soldiers, sailors or marines in the war with Germany and the entente, who are not stockholders of the corporation. Provided, further, that the corporation may lease land to the city or county for some 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 accordance with the laws relating to the termination of tenancies by landlords. A lease may be terminated at any time by a tenant, except that the corporation may require not to exceed ninety days' notice thereof. At the termination of a lease of a stockholder, the corporation shall cancel the stock of such stockholder and shall be liable to the stockholder for the amount paid thereon, less any lawful claims of the corporation against said stockholder. If the corporation is unable to sell said stock at the termination of the lease, it shall give to the holder thereof in lieu of said stock its promissory note for the amount due such stockholder, payable on or before one year from the date thereof, with interest at the rate of five per cent per annum. Such stock shall be sold 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 directors of the corporation may direct payment of 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.

(5) Stock may be issued and leases made to the tenant and his wife, or 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.

(6) Stock shall be sold upon such terms and conditions as may be provided in the articles of association or by-laws of the corporation, provided that no such corporation shall issue any stock or certificate of stock, except in consideration of money or of labor or property, estimated at its true money value, actually received by it, equal to the par value thereof. No dividends shall be declared thereon until a fund shall have been created equal to two per cent of the authorized capital of the corporation, nor shall any dividends ever be declared which will impair the capital or such surplus, and no dividend shall be paid in any year to a stockholder not a tenant of the corporation exceeding five per cent of the par value of the stock held by him. There shall also be set aside each and every year in which a profit is made, ten per cent of such profits for the purpose of retiring preferred stock of the corporation.

(7) The common council of any city and the board of supervisors of any county may, by resolution duly passed, subscribe

for preferred stock of any such corporation the land owned by which or to be acquired by which shall be within the limits of such city or county.

(8) The holders of stock, either common or preferred, shall be entitled to one vote for each share of stock held by them, as shown by the books of the company. If the city or county shall be the holder of any stock of such corporation, the common council of the city and the board of supervisors of the county shall designate some person who shall vote the shares held by them.

(9) The directors of such corporation shall receive no compensation until the surplus fund of two 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 the board of directors exceed five hundred dollars each per annum.

(10) When the land shall have been platted, the directors of the corporation shall fix the value of the several lots and parcels of land to be used for residential purposes, and thereafter in computing the price to be paid for the rental of said land, a valuation of the lot or parcel of land not exceeding that placed thereon shall be used.

SECTION 2. Subdivision (a) subsection (9) of section 1772 of the statutes is amended to read: (Section 1772) (9) (a) No fee for filing its articles of incorporation or amendments thereto is required to be paid by any corporation organized without capital stock or exclusively for educational, benevolent, charitable, or reformatory purposes, the articles of which provide that no dividend or pecuniary profits shall be declared or paid to the members thereof, *nor by a housing corporation formed under the provisions of section 1771b*, but fees for filings are required to be paid to the secretary of state as follows:

SECTION 3. This act shall take effect upon passage and publication.

Approved June 21, 1919.