

17-629. Power of corporations to hold stock in and aid similar corporations. Any corporation or association which has power to construct, maintain or operate a dam, reservoir, sluices, ditches or canals, or either of them, for the purpose of irrigation, shall have the power to acquire, hold and dispose of shares of stock in any corporation or association organized for the same or similar purposes; and to aid such other corporation, association, or any county or other municipality or public corporation of any kind which has similar powers, in the construction, maintenance or operation of such works, by lending it money, or by guaranteeing, or acting as surety, for its indebtedness, or any part thereof, or by agreeing to pay in any manner or on any conditions, its indebtedness, or any part thereof, contracted for the purpose aforesaid, and shall have power in furtherance of any such guarantee, suretyship or agreement, to pledge its property, real or personal, and its franchises to secure the payment of any such debt, or any part thereof, of such other party.

The making of any such guarantee, suretyship, agreement, pledge or mortgage by the obligor shall be required to be authorized by a majority vote in favor of the proposition of the shares of stock in the corporation, or of the members of the corporation or association, if there be no shares of stock therein, making the same as such obligor, and also by a majority vote of its board of directors, at meetings called, upon at least ten days' notice, for the purpose of passing upon the proposition.

History: L. 1933, ch. 156, § 1; March 21.