

one year exceed 5.25 mills on the assessed valuation, without authority conferred by a vote of the voters of said county.

Sec. 4. **Repeals.** Laws 1923, Chapter 101, amended by Laws 1939, Chapter 167, by Laws 1945, Chapter 433, and by Laws 1947, Chapter 598, are hereby repealed.

Approved April 25, 1949.

CHAPTER 707—S. F. No. 361

An act relating to the adoption of zoning regulations by certain town boards; amending Minnesota Statutes 1945, Section 366.10, as amended.

Be it enacted by the Legislature of the State of Minnesota :

Section 1. Minnesota Statutes 1945, Section 366.10, as amended by Laws 1947, Chapters 236 and 500, is amended to read :

366.10. Certain town boards may adopt zoning regulations. The board of supervisors of any town in this state located within a county having a population of more than 450,000 and an assessed valuation, exclusive of money and credits, of over \$280,000,000, and the board of supervisors in any town of this state *bordering on any city of the first, second or third class or located within a county bordering on any county containing any city of the first, second, or third class*, is hereby authorized and empowered to submit to the legal voters of the town for their approval or rejection at any annual town meeting or at any special town meeting called for that purpose, the question as to whether or not such board shall adopt building and zoning regulations and restrictions in the town.

Approved April 25, 1949.

CHAPTER 708—S. F. No. 417

An act relating to the Minnesota State Teachers Retirement Fund Law, amending Minnesota Statutes 1945, Section

135.04, Section 135.05, as amended by Laws 1947, Chapter 398, and Sections 135.06, 135.09, 135.10 and 135.13.

Be it enacted by the Legislature of the State of Minnesota :

Section 1. Minnesota Statutes 1945, Section 135.04, is amended to read as follows :

135.04. Powers of board. The board shall have, and it is hereby granted, power to frame by-laws for its own government and for the management of the fund not inconsistent with the laws of the state and to modify them at pleasure; to adopt, alter, and enforce reasonable rules and regulations not inconsistent with the laws of the state for the administration and management of the fund, for the payment and collection of payments from members, and for the payment of withdrawals and benefits; to pass upon and allow or disallow all applications for membership in the fund and for credit for teaching service; to pass upon and allow or disallow all claims for withdrawals, pensions, or benefits payable from the fund; to provide for the payment out of the fund of all necessary expenses for the administration thereof and of all claims for withdrawals, pensions, or benefits allowed.

In passing upon all applications and claims, the board may summon, swear, hear, and examine witnesses and, in the case of claims for disability benefits, may require the claimant to submit to a medical examination by a physician of the board's choice, at the expense of the claimant, as a condition precedent to the passing on the claim, and, in the case of all applications and claims, may conduct investigations necessary to determine the validity and merit of the same.

The board may sue or be sued in the name of the board of trustees of the teachers retirement fund and in all actions brought by or against it the board shall be represented by the attorney general.

It shall be the duty of the board from time to time to certify to the state board of investment for investment as much of the funds in its hands as shall not be needed for current purposes. The state board of investment shall thereupon invest the sum so certified in such securities as are now or may hereafter be duly authorized legal investments for savings banks and trust companies and all such securities so pur-

chased shall be deposited with the state treasurer; but in case of necessity such securities shall be sold by the state board of investment upon request of the board in order to raise money for current purposes. All interest from this investment shall be credited to the fund and used for current purposes, except as hereinafter provided.

The board shall keep a record of the receipts and disbursements of the fund and a separate account with each member of the fund. It shall determine annually the net annual interest earnings of the fund by deducting the expenses of the fund from the gross interest earnings. Five per cent of the net annual interest earnings shall annually be set aside as a contingency reserve until the contingency reserve equals five per cent of the assets of the fund. The contingency reserve so created shall be disbursed only by specific direction of the board. The remaining portion of the net annual interest earnings, *computed to the last full quarter per cent interest upon members' accounts and not in excess thereof*, shall be apportioned and credited to the separate accounts of the members of the fund in proportion to the total amount to their credit therein. *Any excess remaining shall be added to the reserve accounts of the fund.*

The board shall present annually to the members of the fund at its annual meeting a report of the condition of the fund for the last preceding fiscal year, which shall include a statement of the receipts and disbursements of the fund, a list of the securities in which the fund is invested, and such other information as may be necessary or desirable. One copy of the report shall be filed in the office of the commissioner of education, one with the governor, and other copies filed or distributed as the board may determine. The report shall be published in the biennial report of the commissioner of education.

Sec. 2. Minnesota Statutes 1945, Section 135.05, as amended by Laws 1947, Chapter 398, is amended to read as follows:

135.05. **Members of fund.** Subdivision 1. Members of the fund shall include all teachers who render any teaching service after August 1, 1931, in any of the schools or institutions to which Sections 135.01 to 135.15 apply, except:

(1) Those who at the time of rendering such service have not attained the age of 25 years; but any such teacher who renders any teaching service after September first after attaining that age shall automatically become a member, any such teacher who has not attained that age shall be admitted as a member upon written application to the board, and any member of the fund who rendered teaching service before attaining the age of 25 years and who has not received credit therefor may, upon written application, receive credit for such service and may pay into the fund five per cent of the annual salary received during such service, with interest at four per cent per annum from the time of rendering such service;

(2) Those who have rendered teaching service prior to August 1, 1931, in any of the schools or institutions to which Sections 135.01 to 135.15 apply, but any such teacher shall be admitted as a member upon written application to the board made within two years after rendering the first teaching service subsequent to August 1, 1931.

Subd. 2. Any teacher who has rendered teaching service since August 1, 1931, in schools or institutions to which Sections 135.01 to 135.15 apply, and who had rendered teaching service in schools or institutions subject to Laws 1915, Chapter 199, and all acts amendatory thereof, prior to August 1, 1931, but who did not become a member of the fund within two years after resuming teaching service after August 1, 1931, as required by Subdivision 1, shall have the right to become a member of the fund if application for such membership is made to the board in writing within two years after rendering the first teaching service in any of the schools or institutions to which Sections 135.01 to 135.15 apply subsequent to August 1, 1947. Teachers who so become members of the fund shall pay into the fund the amount of assessments provided for in Section 135.06, and shall have the right to pay into such fund, and receive similar credit therefor at the time paid, an additional sum, either in cash or in installments, prior to August 1, 1952, which payment or payments shall not be in excess of five per cent of the teacher's average yearly salary, *but not more than \$100 for any year*, for the five years of service immediately preceding 1947, multiplied by the number of years of previous service for which the teacher has been given credit, together with interest on the same at the rate of four per cent per annum from the time of first rendering that previous service until July 1, 1947. All cash and

installment payments herein provided for shall be paid in full prior to August 1, 1952. Those members shall have the rights provided for and be subject to the provisions of Sections 135.06 and 135.10 (except as hereinafter provided), and Section 135.11.

All teachers who were members of the fund on July 1, 1947, shall have the right to pay into such fund and receive credit therefor at the time paid an additional sum, either in cash or installments, prior to August 1, 1952, which payment or payments shall not be in excess of five per cent of the teacher's average yearly salary, but not more than \$100 for any year, for the five years immediately preceding 1947 multiplied by the number of years of previous service for which the teacher has been given credit, together with interest on the same at the rate of four per cent per annum from the time of first rendering the previous service until July 1, 1947, less any amount to their credit in the fund on said date, and less any amount that may be paid into the fund by the state on any teacher's account under Section 135.08 subsequent thereto. All cash and installment payments herein provided shall be paid in full prior to August 1, 1952.

Subd. 3. If the proceeds of the sales of the certificates of indebtedness shall in any year be insufficient to pay the state's obligation in full, said proceeds shall first be used to pay the state's obligation to those annuitants who became members as provided in Subdivision 1, and those members who, on January 1, 1932, were drawing annuities under Laws 1915, Chapter 199, as provided in Section 135.07.

Subd. 4. In order to meet the state's increased obligation due to the admission of the teachers who may become members of the fund under the provisions of Subdivision 2, the board is hereby authorized to certify to the state auditor, in addition to the amounts provided in Section 135.13, not to exceed during the next biennium, 1947-1949, \$30,000, and subsequently, not to exceed in any one year thereafter the sum of \$50,000, and the state auditor is hereby directed to include in the levies provided for in said section the additional amounts so certified to him by the teachers retirement fund board.

Sec. 3. Minnesota Statutes 1945, Section 135.06, is amended to read as follows:

135.06. Payment by members. Each member of the fund *except teachers who have resumed teaching after drawing an annuity* shall pay into the fund a sum equivalent to five per cent of her annual salary, no payment to exceed \$100 per year, *but for not more than 40 years*, payable in the manner and at the times hereinafter provided. The payments shall be credited to the account of the teachers paying the same.

Teachers who ceased paying into the fund after teaching 35 years but who have continued to teach shall have the right to pay into the fund an additional sum, either in cash or installments, prior to August 1, 1952, which payment or payments shall not be in excess of five per cent of their annual salary, but not more than \$100 for any year, for each year of teaching service beyond 35 years, but not beyond 40 years, together with interest thereon at the rate of four per cent per annum from the time of rendering such additional teaching service until July 1, 1949. All cash and installment payments herein provided for shall be paid in full prior to August 1, 1952.

It is hereby made the duty of each person, officer, board of education, or managing body required by law to draw the warrants or orders for payment of salaries to teachers to deduct and withhold from each month's salary due to every teacher who is a member of the fund *except teachers who have resumed teaching after drawing an annuity* the amount which such teacher is required to pay into the fund and, at the time of such deduction, a statement showing the amount thereof shall be furnished to such teacher. Such officer, board of education, or other managing body of each school district or institution shall, between the first and fifteenth days of January and between the fifteenth and thirtieth days of June, each year, forward to the treasurer of the county in which such school or institution is situated a statement, verified by the secretary or clerk thereof, showing the amount of money so retained from each teacher in accordance with the provisions of Sections 135.01 to 135.15 and, with the statement, shall transmit the entire amount so retained to the treasurer of the county; and, in case any school district is situated in more than one county, the report and remittance shall be sent to the senior county. Such board of education or other managing body shall, on or before the thirtieth day of June, each year, transmit to the county superintendent of schools a statement showing the name of each teacher, the number of months of school taught by her during the year for which the state-

ment is made, the number of months which constitutes a school year in the district or institution, and such other information as the board may require. If no teacher in such public school or other institution comes under the provisions of Sections 135.01 to 135.15, the report shall state such fact. Each of the foregoing reports shall be verified by the person making the same; provided, that if the drawing of the warrant or order for the payment of any teacher's salary devolves upon any state officer or board, such officer or board shall make the reports herein required directly to the board of trustees and remit the money so deducted to the state treasurer.

Each county superintendent shall, on or before the first day of September, each year, report under oath to the board giving an itemized summary of the statements received by him from the school boards and other managing bodies, including a statement of the total amount withheld from the salaries of teachers as shown by these reports.

Between the fifteenth and twenty-eighth days of February and between the fifteenth and thirtieth days of July, each year, the treasurer of each county shall transmit to the state treasurer all moneys received from the board of education and other managing bodies of schools or institutions to which Sections 135.01 to 135.15 apply and certify under oath to the correctness of the amount so received and transmitted, and furnish such other information as the board shall require. The state treasurer shall credit all money received or withheld pursuant to the provisions of Sections 135.01 to 135.15 to the fund and the reports and data received by him from the county treasurer shall be available for the board. Any person willfully failing to perform any of the duties imposed upon him by this section shall be guilty of a misdemeanor.

The state treasurer, the several county treasurers, and the treasurers of the various school districts and institutions to which Sections 135.01 to 135.15 apply shall be officially liable for the receipt, handling, and disbursement of all moneys coming into their hands belonging to the fund and the sureties on the official bonds of each of these treasurers shall be liable for such moneys the same as for all other moneys belonging to the school funds of this state.

Sec. 4. Minnesota Statutes 1945, Section 135.09, is amended to read as follows:

135.09. Teachers from other states or other schools. Teachers from other states or from *the* public schools of this state to which Sections 135.01 to 135.15 do not apply, *or from the University of Minnesota*, who become members of the fund, may be given credit for such previous teaching service by the board; and, after having acquired credit for 15 years of teaching service in schools or institutions to which Sections 135.01 to 135.15 apply, such teachers may then pay into the fund an amount equal to five per cent of the average yearly salary, not exceeding \$2,000, received during the five years immediately before making such payments, multiplied by the number of years of previous teaching service for which credit is given, together with interest thereon at the rate of four per cent per annum from the time of rendering such previous service.

The board shall provide in its rules and regulations the method and means for reinstatement as members of the fund of teachers who have withdrawn therefrom and who afterwards reenter teaching service. In computing the time of service of a teacher, the length of a legal school year in the district or institution where such service was rendered shall constitute a year under Sections 135.01 to 135.15, provided such year is not less than the legal minimum school year of this state. No person shall be allowed credit for more than one year of teaching service for any calendar year. If a teacher teaches for only a fractional part of any year, credit shall be given for such fractional part of the year as the term of service rendered bears to the legal school year in such district or institution, but in no case shall the legal year be less than the minimum school year of this state. *Commencing July 1, 1949, if a teacher teaches for only a fractional part of any year, credit shall be given for a year of teaching service if the period of teaching within the year be not less than 120 days. No credit shall be given thereafter for teaching service within a year where such teaching service is less than the minimum prescribed above.*

Sec. 5. Minnesota Statutes 1945, Section 135.10, is amended to read as follows:

135.10. May withdraw fund, when. When any teacher who is a member of this fund shall cease to render teaching service in any school or institution to which Sections 135.01 to 135.15 apply, all moneys to the credit of such teacher as teachers' savings shall, upon written application to the board,

be paid to such teacher in cash. In case of the death of a member before an annuity shall have been drawn, the amount to her credit as teachers' savings shall be payable to any beneficiary designated in writing and filed with the board and, if no beneficiary be so designated, to her estate.

A teacher ceasing to render teaching service, *as hereinbefore provided*, who shall have at said time to her credit 30 years or more of teaching service or has at such time attained the age of 55 years, may, in lieu of this cash payment, use the moneys to her credit as teachers' savings as follows:

(1) To purchase from the fund a life annuity in such an amount as the teacher's age, the amount to her credit as teachers' savings, and the mortality tables in use by the board *and interest at the rate of four per cent per annum* shall permit, *which annuity shall be guaranteed by the state; or*

(2) To purchase from the fund an annuity for a term of 15, 20, or 25 years in such an amount as the teacher's age, the amount to her credit as teachers' savings, and the mortality tables in use by the board *and interest at the rate of four per cent per annum* shall permit, *which annuity shall be guaranteed by the state.*

If such teacher shall elect to purchase a life or term annuity, as hereinbefore provided, the state shall, at the time of the payment of such annuity, pay to the teacher an amount equivalent to such annuity, to be paid from state funds hereinafter provided; provided, that in case of a term annuity such payments by the state shall not continue after the death of such teacher, and the amount of the annuities so paid by the state shall not exceed in amount the term or life annuities which such annuitant could purchase with the moneys to her credit as teachers' savings for the first 40 years of teaching service, if she has a teaching service credit in excess of 40 years.

Annuities to be paid under the provisions hereof shall be payable quarterly on the first days of January, April, July, and October.

If, during the fifteenth or any subsequent year of teaching service, any member of the fund shall become totally disabled and the board shall determine that such member is per-

manently disqualified to render teaching service, as herein provided, such member shall, on written application to the board, be paid the amount to her credit as teachers' savings or may use this amount to purchase from the fund a life or term annuity, as above provided. If such teacher shall elect to purchase a life or term annuity, as hereinbefore provided, the state shall at the time of the payment of such annuity pay to the teacher an amount equivalent to such annuity to be paid from the state funds hereinafter provided; provided, that in case of a term annuity such payments by the state shall not continue after the death of such teacher.

Every teacher retired under the total disability provision shall, if required by the board, submit to an annual physical examination by a physician designated by the board, who shall report his findings to the board, and the board's decision as to the teacher's continued total disability and right to further benefits under the total disability provision shall be final. A teacher who receives total disability benefits, as hereinbefore provided, shall have the amount of the benefits, exclusive of the payments from state funds, charged against the amount credited to her account as teachers' savings.

Sec. 6. Minnesota Statutes 1945, Section 135.13, is amended to read as follows:

135.13. Board to certify to state auditor. The board shall from time to time determine the amount of money necessary and presently needed to meet the state's obligations as provided in Sections 135.01 to 135.15 and certify the amount so determined to the state auditor. In so certifying the board shall certify separately the amount required to pay annuities to annuitants whose accredited teaching service was rendered for and in behalf of the state at large, together with the amount necessary to meet any operating cost for which the state is liable, and the amount required to pay annuities to annuitants whose accredited teaching service was rendered for and in behalf of the schools and institutions located outside of the cities of the first class. In case any annuitant has rendered accredited teaching service in part for the state at large and in part for the schools and institutions located outside of the cities of the first class, the amount certified for the payment of her annuity shall be prorated on the basis of the respective amounts contributed by such annuitant to her teachers' savings while rendering such respective teaching

service. *The amount so certified shall be adjusted by the deficit or surplus of the preceding year.*

The auditor is hereby directed to include in each annual state tax levy the amounts so certified and not included in a previous levy, which amounts are hereby annually levied against the taxable property of the state, as herein provided. In certifying the rate to the several county auditors, the state auditor shall certify, subject to the maximum levy hereinbefore prescribed, the amount required for annuities for teaching service rendered for the state at large, together with the amount required for the state's share of operating costs, against all the taxable property of the state, and shall certify the amount required for annuities for teaching services rendered for the schools and institutions outside of cities of the first class against all of the taxable property located outside of the cities of the first class. The proceeds of the tax levies so made are hereby appropriated for the payment of the certificates provided for in Section 135.14.

Sec. 7. **Effective date.** This act shall take effect July 1, 1949.

Approved April 25, 1949.

CHAPTER 709—S. F. No. 678

[Not Coded]

An act authorizing certain villages to issue bonds in the amount of not more than \$5,000 for the purpose of building a village hall.

Be it enacted by the Legislature of the State of Minnesota :

Section 1. Certain villages may issue bonds for erection of village hall. Any village in this state, now or hereafter having an assessed valuation of more than \$20,000 and less than \$25,000, may issue and sell its negotiable, promissory, full faith and credit coupon bonds in an amount not exceeding \$5,000 for the purpose of building and erecting a village hall in such village without regard to statutory debt limitations which would otherwise be applicable.