

estate acquired in the cases contemplated in clauses 2, 3, and 4, shall be carried as an asset for a longer period than five years, unless such time has been extended by certificate of the commissioner of banks, except that a certificate shall not be required in cases where real estate has been sold on contract for deed providing the vendee has paid at least 25 percent of the purchase price in cash, or where real estate has been charged down to \$1.00, or charged off entirely.

Approved March 4, 1955.

CHAPTER 105—S. F. 602

[Coded]

An act to provide for a policemen's pension association in each city of the second class and for the creation, maintenance, and administration of a policemen's pension fund by the association; repealing Minnesota Statutes 1953, Sections 423.12 to 423.203.

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

Section 1. [423.801] **Definitions.** Subdivision 1. For the purposes of this act the terms defined in this section have the meanings ascribed to them.

Subd 2. "Member" means a policeman, police woman, police matron, radio engineer clerk, or other person duly appointed and regularly entered on the police payroll and on active duty.

Subd. 3. "Unit" means that fractional part of the average monthly salary of a first grade patrolman for the 12 months of the previous fiscal year as determined in the articles of incorporation of the association which fractional part shall never be less than one-nineteenth nor greater than one-seventy-fifth of such average monthly salary.

Subd. 4. "Disability" means a physical or mental incapacity of a member to perform the duties of his position in the service of the police department.

Subd. 5. "Pensioner" means a former member who has qualified for and is receiving a pension.

Subd. 6. "Deferred pensioner" means a member who has completed not less than 20 years of service and retires before reaching the age of 50 years who is entitled to receive

a pension when he attains the age of 50 years, upon a written request therefor.

Sec. 2. [423.802] Policemen's relief association. Subdivision 1. The members of the police department of each city of the second class shall organize a policemen's relief association or maintain the relief association now existing.

Subd. 2. This association shall create, maintain, and administer a policemen's pension fund for the benefit of its members, their widows, and their children.

Sec. 3. [423.803] Incorporation, governing board. The association shall become incorporated. It shall be governed by a board of eight members. The mayor, chief of police, and treasurer of the city shall be ex officio members. The other members shall be elected by the members of the association. Those elected to the first board shall be elected for terms of one, two, three, four, five years respectively; thereafter election shall be for a term of five years. Each elective member shall hold office until his successor is elected and has qualified. Any vacancy in the office of an elective member shall be filled by a special election called for that purpose. Any member so elected shall hold office for the balance of the term for which his predecessor was elected.

Sec. 4. [423.804] Regulation. The affairs of the association shall be regulated by its articles of incorporation and by-laws.

Sec. 5. [423.805] Policemen's pension fund. The association shall established a policemen's pension fund or continue to maintain the police pension fund now existing in the city and shall have the management and control of any such fund.

Sec. 6. [423.806] Sources of funds. Subdivision 1. These funds are derived from the following sources:

- (a) Gifts made for such purpose;
- (b) Rewards received by members;
- (c) Moneys coming into the hands of members remaining unclaimed for six months;
- (d) Proceeds from sales of property coming into the hands of members and remaining unclaimed for six months, which property shall be sold by the chief of police;
- (e) An amount equal to two percent of the monthly salary of a first grade patrolman deducted from the monthly salary of each member; or in the event that the pension fund

becomes less than \$75,000 an amount equal to four percent of the monthly salary of a first grade patrolman deducted from the monthly salary of each member until the pension fund again reaches \$75,000 or more; but in no event shall any such deduction be less than two percent or more than four percent of the monthly salary of a first grade patrolman;

(f) All moneys derived from taxations, as provided by section 7;

(g) Moneys now in any police fund continuing to be maintained by the association and all interest thereon or gains therefrom;

(h) Any other income allowed by law.

Subd. 2. Any surplus remaining in these funds at the close of any fiscal year shall continue therein.

Sec. 7. [423.807] **Tax levy.** Subdivision 1. Except as provided in subdivision 2, in addition to all other taxes it may levy, the city shall levy a tax of one mill at the time and in the manner it levies other taxes, and the proceeds of this tax shall be paid into the policemen's pension fund.

Subd. 2. At any time that the balance in the policemen's pension fund reaches \$100,000 any levy in an ensuing year shall be only such as will be calculated to maintain this amount, but in no event shall any levy exceed one mill, or be less than three-tenths of one mill.

Subd. 3. The amount necessary to extend or reduce tax levies as herein provided shall not be included as a part of the general tax levy for city purposes or in the calculation of any limitation of any percent of the assessed valuation upon which taxes are required to be extended.

Subd. 4. Any appropriation made to this fund from this tax levy is not to be considered a part of the cost of government as defined in the charter of the city.

Sec. 8. [423.808] **Uses of pension fund.** The policemen's pension fund shall be used only for the payment of:

- (a) service, disability, or dependency pensions;
- (b) salaries, in an amount not in excess of \$500 per year;
- (c) expenses of officers and employees of the association in connection with the protection of the fund; and
- (d) all expenses of operating and maintaining the association.

Sec. 9. [423.809] Pensions. Subdivision 1. The association shall grant pensions payable from the policemen's pension fund in monthly installments, in the manner and for the following purposes:

(1) Any member of the age of 50 years or more, who performs duty as a member of the police department of the city for 20 years or more, upon his written application after retiring from such duty, shall be paid monthly during his lifetime a pension equal to 35 units and an additional unit for each year of such service in excess of 20 years, but not to exceed 42 units.

(2) Any member who performs duty as a member of the police department of the city for 20 years or more who retires from such duty before he attains the age of 50 years, upon his written application after reaching the age of 50 years shall be paid monthly during his lifetime a pension equal to 35 units and an additional unit for each year of such service in excess of 20 years, but not to exceed 40 units.

(3) Any member who, after ten years service but with less than 20 years' service with the police department of the city, becomes superannuated so as to be permanently unable to perform his duties, shall be paid monthly during his lifetime a pension equal to 16 units and an additional two units for each completed year of such service over ten years and less than 20 years.

(4) Any member not eligible for a service pension who, while a member of the police department of the city, becomes diseased or sustains an injury which permanently unfits him for the performance of police duties, shall be paid monthly during his lifetime a pension equal to 36 units while so disabled.

Subd. 2. If a member of the police department of the city is separated from the service under such circumstances that no pension benefits are payable to him or to his widow or to his children, the treasurer of the city shall return to him 75 percent of the amount he has paid in without interest. In the event the member is reinstated to police duty all moneys paid him shall be returned to the pension fund within six months from the date of the reinstatement. Failure to do so relieves the association from any liability as to prior years of service credit as to reinstatement date. In case of the death of the member any such sums shall be paid to his heirs, executors, or administrators.

Subd. 3. In the case of any applicant for a pension pursuant to subdivision 1, clauses (1), (2), or (3), who, following admission to membership in the association has served in the

military forces of the United States in any war or national defense emergency subsequent to January 1, 1940, and thereafter returned honorably discharged from such service and resumed membership in the association, the period that the applicant spent in such military service shall be counted in computing period of service required for benefits under this section. During such period of military service or defense emergency service, any such person is not considered a member of the association and is not entitled to any pension provided by subdivision 1, clauses (3) and (4). If the member does not return to his employment in the police department of the city within one year from the time peace is declared or within one year from the termination of the period of emergency, whichever is the later, the provisions of this subdivision shall not apply.

Subd. 4. No member shall be awarded, granted, or paid a pension pursuant to subdivision 1, clauses (3) and (4), except upon the certificate of two or more physicians or surgeons chosen by the governing board. This certificate shall set forth the cause, nature, and extent of the disability, disease, or injury of the member. No member shall be awarded, granted, or paid a pension pursuant to subdivision 1, clause (4), unless the certificate states the disability, disease, or injury. Each such certificate shall be filed with the association.

Subd. 5. A member who has been finally convicted of a felony is not entitled to any pension.

Sec. 10. [423.81] **Benefits.** Subdivision 1. The association shall grant pensions or benefits payable from the policemen's pension fund to any member or to any widow or to any child under 18 years of age or any member from the time and for the following purposes:

When a service pensioner, disability pensioner, or deferred pensioner, or an active member of a relief association dies, leaving

(1) a widow, who was his legally married wife, residing with him, and who was married while or prior to the time he was on the payroll of the police department; and who, in case the deceased member was a service or deferred pensioner, was legally married to the member at least one year before his retirement from the police department; or

(2) a child or children, who were living while the deceased was on the payroll of the police department or born within ten months after the decedent was withdrawn from such payroll, the widow and child, or children, shall be entitled to a pension, or pensions, as follows:

(a) To the widow, a pension of 18 units per month, for her natural life; but if she remarry the pension shall cease as of the date of the remarriage.

(b) To each child, a pension of six units per month until the child reaches the age of 18 years.

The total pensions hereunder for the widow and children of a deceased member shall not exceed 36 units per month.

Subd. 2. A widow or child under 18 years of age of any member convicted of a felony shall not be deprived of a pension by reason of the conviction unless the widow or child was a party to the commission of the felony. When such member is receiving a pension at the time of his conviction, his wife or children under 18 years of age who were not parties to the commission of the felony shall receive the pension provided for herein, in the event of the member's death.

Subd. 3. Any member who becomes disabled from performing his duties as a member of the police department of the city by reason of sickness or accident, if off the payroll of the police department, having exhausted all sick leave and other benefits due him, is entitled to receive from the association during his disability such benefits as the by-laws of the association provide, but such benefits shall not extend beyond a six-months period. The by-laws may provide that such a member shall have completed a minimum number of years of service in order to be entitled to such benefits. Before any such benefits shall be paid or allowed, notice of the disability and application for benefits on account thereof shall be made to the secretary of the association within 90 days after such sickness or disability.

Sec. 11. [423.811] **Persons not entitled to pensions.** No person is entitled to any pension after removing his residence from the United States. Any person receiving any pension is not entitled to receive any further benefit or relief from the association.

Sec. 12. [423.812] **Suit for benefits.** No person shall sue for any benefits provided in section 8, subdivision 1, clauses (3) or (4), unless he shall post a bond in a sufficient amount to defray the cost to the governing board of defending the action. In the event the governing board is sustained the portion of the bond necessary to defray these costs shall be forfeited.

Sec. 13. [423.813] **Payments exempt from process; assignment forbidden.** Any payment made by the associa-

tion under any provision of this act is exempt from any legal process. No person entitled to any such payment may assign the same. The association may not recognize any assignment or pay any sum on account thereof.

Sec. 14. [423.814] **Rights of members now receiving pensions.** Any member of the association who received a pension for the month of June, 1954, and who is eligible to receive a pension thereafter shall receive a pension each month thereafter, during the time he is so eligible to receive a pension, equal to not less than 32 units nor more than 35 units.

Sec. 15. **Repealer.** Minnesota Statutes 1953, Sections 423.12 to 423.203, are hereby repealed.

Sec. 16. **Effective.** This act becomes effective July 1, 1955.

Approved March 4, 1955.

CHAPTER 106—S. F. No. 177

[Not Coded]

An act relating to the tax levy for county purposes in certain counties; amending Laws 1941, Chapter 270, Section 1, as amended.

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

Section 1. Laws 1941, Chapter 270, Section 1, as amended by Laws 1947, Chapter 269, Section 1, is amended to read:

Section 1. **Tax levy, county purposes, certain counties.** In any county of this state having in excess of 13,000 and not to exceed 15,000 inhabitants, and having not less than 12 and not more than 15 full and fractional congressional townships, there shall be levied annually on each dollar of taxable property, except such as is by law otherwise taxable, as assessed and entered upon the tax lists, for county purposes, such amount as may be levied by the county board, the rate of which tax shall not exceed 14 mills.

Approved March 7, 1955.
