

able to the building and construction of any such improvement shall be and remain in full force and effect and shall not be superseded by any other provision of this act.

Approved April 23, 1949.

CHAPTER 642—H. F. No. 1504

[Coded as Sections 197.80 to 197.97,
273.131, 290.061, 298.011, 299.011]

An act relating to the payment of adjusted compensation to certain persons who served in the armed forces of the United States between December 7, 1941, and September 2, 1945, or to the beneficiaries of such persons, prescribing penalties for violations thereof, levying certain taxes to provide funds therefor, authorizing the issuance and sale of certificates of indebtedness in anticipation of the collection of such taxes, appropriating moneys for the purposes of this act, and amending Minnesota Statutes 1945, Chapters 290, as amended, 298, as amended, 299, as amended, and Sections 290.361, as amended, 290.06, as amended, and 340.47, as amended.

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

[197.80] Section 1. **Definitions.** Subdivision 1. For the purposes of this act, unless the context clearly indicates otherwise, the words, terms and phrases defined in this section shall have the meanings ascribed to them.

Subd. 2. "Applicant" means a veteran or his guardian, or a beneficiary or his guardian, eligible for adjusted compensation payments, who has filed an application therefor with the commissioner.

Subd. 3. "Armed forces" means the following: The United States Army, Army of the United States, United States Navy, United States Naval Reserve, United States Coast Guard, Women's Army Corps, Women's Auxiliary Army Corps, United States Navy Women's Reserve, United States Marine Corps Women's Reserve, United States Coast Guard Women's Reserve, Army Nurses' Corps, and Navy Nurses' Corps, United States Coast Guard Reserve, which shall not include the United States Coast Guard Temporary Reserve.

Subd. 4. "Beneficiary" means in relation to a deceased veteran the surviving spouse if not remarried, the children of the veteran if no surviving spouse or if surviving spouse has remarried, the remarried surviving spouse if veteran left no children surviving, the surviving mother, the surviving father, a surviving person standing in loco parentis, surviving brothers and sisters, in the order named.

Subd. 5. "Board" means a Veterans Affairs Review Board appointed pursuant to this act and authorized to review determinations made by the commissioner.

Subd. 6. "Commissioner" means the Commissioner of Veterans Affairs.

Subd. 7. (1) "Domestic duty" means service by a veteran in the armed forces inside the continental limits of the United States during his period of service;

(2) "Foreign duty" means service by a veteran in the armed forces in Alaska or outside the continental limits of the United States during his period of service.

Subd. 8. "Guardian" means the legally appointed representative of a minor or incompetent, or the chief officer of any hospital or institution in which the minor or incompetent is placed if such officer is authorized to accept moneys for the benefit of the minor or incompetent, or the person determined by the commissioner to be the person who is legally charged with the responsibility for the care of the minor or incompetent or the person determined by the commissioner to be the person who has assumed the responsibility for the care of the minor or incompetent.

Subd. 9. "Honorable and faithful service" means such service in the armed forces as is evidenced by

1. An honorable discharge; or
2. In the case of an officer, a certificate of service; or
3. In the case of a veteran who has not been discharged, a certificate from appropriate service authority that his service was honorable and faithful.

Subd. 10. "Period of service" means the period of active service of a veteran in the armed forces between December 7, 1941, and September 2, 1945, both dates inclusive.

Subd. 11. "Resident" means a person who has one of the following qualifications:

(a) He was born and lived in the State of Minnesota until entrance into the armed forces; or

(b) He was born in Minnesota and was temporarily living outside of the State of Minnesota without having abandoned residence therein prior to entrance into the armed forces; or

(c) He was born elsewhere, or had abandoned his residence in Minnesota and then returned thereto but had resided within the State of Minnesota for at least six months prior to entrance into the armed forces, and prior to or during such six months period

1. He had registered for voting in the State of Minnesota; or

2. Being an unemancipated minor he had lived with a parent or a person standing in loco parentis, who had acquired a residence as set forth in Subparagraphs (a), (b), (c), (c) 1, or (c) 3 of Subd. 11, except that the provisions relating to entrance into the armed forces shall relate to the entrance of the minor into the armed forces; or

3. He had not registered for voting in the State of Minnesota and was not registered for voting in any other state.

No person shall be deemed to have ceased to be a resident by reason of his absence from the State of Minnesota while serving in the armed forces, while engaged upon the waters of this state or of the United States, while a student in any seminary of learning, while kept at any state hospital, or, while confined in any public prison, but no person in the armed forces shall be deemed to have become a resident of the State of Minnesota in consequence of being stationed therein.

Subd. 12. "Veteran" means a man or woman who served honorably and faithfully for 30 consecutive days or more in

the armed forces of the United States of America between December 7, 1941, and September 2, 1945, both dates inclusive, and who was a resident of the State of Minnesota at the time of entering such service and for at least six months prior thereto, but does not include a person who was on continuous active duty in the armed forces for a period of five years or more, immediately prior to December 7, 1941, which includes any duty for which he received or is entitled to receive credit for any privilege, emolument or other benefit from the United States.

[197.81] **Sec. 2. Adjusted compensation.** Each veteran shall be paid adjusted compensation by the State of Minnesota for domestic duty during his period of service at the rate of \$10.00 per month for each month thereof or major fraction of a month and for foreign duty during his period of service at the rate of \$15.00 per month for each month thereof or major fraction of a month. The total adjusted compensation paid to a veteran hereunder shall not exceed \$270 for domestic duty or \$400 for foreign duty or a combination of domestic and foreign duty. If the veteran is deceased, payment shall be made to his beneficiary. No payment shall be made to any veteran or beneficiary who has applied for or received, or is eligible to receive, a similar payment from another state unless his application to another state has been denied.

[197.82] **Sec. 3. Deceased veterans.** In the event the payments to a beneficiary under Section 2 are less than \$400, there shall be paid to the beneficiary of each veteran heretofore deceased from service-connected causes arising during his period of service, upon application by the beneficiary, a sum equal to the difference between any payments received by the beneficiary under Section 2 and the sum of \$400. The foregoing provision of this section shall apply to any veteran who died during his period of service from service-connected causes regardless of the length of his service.

[197.83] **Sec. 4. Applications.** Each veteran or his beneficiary entitled to adjusted compensation may make application therefor to the commissioner, which shall be made upon such form as he may prescribe and duly verified by the applicant; provided that if the veteran be incompetent or his beneficiary be a minor or an incompetent application shall be made by his guardian. Each application shall be accompanied by such evidence of honorable and faithful service during the

period of service, and such other information and evidence, all as the commissioner may require.

[197.84] **Sec. 5. Allowances.** Subdivision 1. Upon submission of proof satisfactory to the commissioner that an applicant is entitled to payment under this act, the commissioner shall compute the amount of the adjusted compensation and pay the same to the person entitled thereto. Payment of the adjusted compensation shall not be made by the commissioner until the expiration of the time for demanding a review provided by Sec. 8 of this act, unless the applicant shall file with the commissioner an acceptance, in writing, of the amount of adjusted compensation due the applicant as determined by the commissioner. The filing of the acceptance shall be a waiver of the applicant of his right of review. If a demand for review is made by the applicant, the commissioner shall not pay any adjusted compensation to him until the board has made its order as provided by Sec. 9, Subd. 3, of this act.

Subd. 2. Any payment of adjusted compensation to a guardian shall be held and used solely for the benefit of the minor or incompetent.

[197.85] **Sec. 6. Veterans compensation fund.** All payments of adjusted compensation and expenses of administering this act shall be paid from the veterans compensation fund, which is hereby created in the state treasury. All money appropriated or made available from any source for the purpose of paying adjusted compensation shall be deposited to the credit of such fund. All moneys in the veterans compensation fund are hereby appropriated for the purposes of this act.

[197.86] **Sec. 7. Commissioner of veterans affairs; powers and duties.** Subdivision 1. The commissioner shall administer the provisions of this act.

Subd. 2. The commissioner is empowered to and shall determine, as required by Section 1, Subd. 4, hereof, who is the beneficiary of a deceased veteran, and determine, as required by Section 1, Subd. 8, hereof, who is the person who has assumed the responsibility for the care of a minor or incompetent. This subdivision does not limit the authority of the commissioner to make any other determination incident to the administration of this act.

[197.87] **Sec. 8. Appeals.** Whenever the commissioner has determined the amount of adjusted compensation to be due an applicant, or that the claim of any applicant be disallowed, he shall promptly notify the applicant thereof. Any applicant aggrieved by any such determination of the commissioner may demand of the commissioner that the claim be reviewed by a board. Any such demand for review shall be filed with the commissioner, in writing, within 60 days after the commissioner has mailed notice to the applicant of his determination. Upon receipt of such demand for review, the commissioner shall certify the demand, together with all files and records relating to the claim, to a board. Unless a demand for review as hereinabove provided is filed with the commissioner by an applicant, all orders, decisions and acts of the commissioner with reference to the claim of the applicant shall be final and conclusive upon the applicant.

[197.88] **Sec. 9. Board of review.** Subdivision 1. The governor is authorized to appoint a board and such additional boards as may be recommended to him by the commissioner. Each board shall consist of three veterans, one of whom shall be designated as chairman at the time of appointment. Each member shall hold office at the pleasure of the governor. Each board shall sit during such times and at such places as may be determined by the commissioner. Each member of a board shall be paid as compensation \$15.00 per day and actual and necessary subsistence and traveling expenses, while actually engaged in his duties as a board member.

Subd. 2. When a determination of the commissioner comes before a board for review, the board is empowered to examine and determine the claim of the applicant for adjusted compensation. The board may hold public hearings and an applicant shall have the right to a public hearing if he so requests. The board may conduct its own investigations and may require any applicant to submit evidence in support of his claim.

Subd. 3. Upon receipt from the commissioner of the files and records relating to the claim of an applicant, the board shall fix a time and place for hearing thereon, shall notify the applicant thereof, and shall inquire of him whether he desires a public hearing. At the hearing upon the claim of the applicant for adjusted compensation, the board shall consider the results of its investigations, if any, the evidence submitted by the applicant in support of his claim, and as soon thereafter

as possible make its order granting or disallowing the claim of the applicant, and, if the claim is granted, fixing the amount to which the applicant is entitled. The decision and order of the board shall be final and conclusive. The board shall mail copies of said order to the applicant and to the commissioner. The commissioner, upon receipt of an order of the board allowing a claim, shall forthwith pay the same.

[197.89] **Sec. 10. Notices.** All notices and correspondence to the applicant shall be directed to him by mail at the address listed in his application, and all notices and correspondence to the commissioner shall be addressed to him at his office in the City of St. Paul.

[197.90] **Sec. 11. Bonds.** Subdivision 1. Subject to the limitations herein prescribed, the state auditor, with the approval of the executive council, is authorized and empowered to issue and sell bonds of the State of Minnesota in an amount not exceeding \$84,000,000. Payment of the bonds and the interest thereon shall be made from the veterans compensation fund. The bonds shall be in a form approved by the attorney general and shall pledge the full faith and credit of the State of Minnesota to the payment of the same according to the terms thereof. The bonds shall be in the form of serial bonds numbered consecutively, one-tenth of the total principal amount of which shall be payable each year beginning with the year 1950. The bonds shall be known as the veterans adjusted compensation bonds, shall be signed by the state treasurer, attested by the state auditor and the secretary of state, and sealed with the great seal of the state, but the facsimile signatures of the state treasurer, state auditor and secretary of state shall be sufficient upon interest coupons. Before issuance, the state auditor shall make a record of all bonds showing the number, amount, date of issue, date of maturity and the state auditor or his deputy shall certify thereon that such record has been made. The state auditor, with the approval of the executive council, shall determine the date or dates of issue of the bonds, the denominations thereof, and the place or places at which the principal thereof and semi-annual interest thereon shall be payable. All bonds maturing more than three years after their date must be made redeemable at par at the expiration of such three years and on each interest payment date thereafter upon such notice as the state auditor, with approval of the executive council, shall determine prior to their issuance. The state auditor, with the approval of the executive council, shall fix the rate of interest on the

bonds, which shall not exceed an average rate thereon of two per cent per annum.

All expenses incident to the printing and the sale of the bonds, including actual and necessary travelling expenses of state officers and employees for such purpose, shall be paid from the veterans compensation fund and the amounts therefor are hereby appropriated from said fund.

Subd. 2. Prior to issuance of any bonds, the state auditor, with the approval of the executive council, may offer them at not less than their par value to the state board of investment, without prior advertisement for bids, upon such terms as to interest rates and prices as the state auditor, with the approval of the executive council, may determine, but the rate of interest shall not be more than the prevailing market interest rate upon similar bonds. The state board of investment is authorized to invest in the bonds any funds under its control, notwithstanding any limitation imposed by Laws 1949, Chapter 110, or any other provision of law, and is requested but not directed to purchase the bonds offered to it to the extent that it has funds available therefor. If the state board of investment does not purchase within 10 days from the date of the offer thereof all or part of the bonds offered to it, or if the bonds are not offered to the state board of investment, the bonds or the portion thereof not purchased by the state board of investment shall be sold at not less than par upon competitive sealed bids after at least two weeks' published notice.

The state auditor, with the approval of the executive council, may reject any or all bids at any public sale of the bonds.

The state auditor, with the approval of the executive council, and without complying with Laws 1945, Chapter 452, is authorized and empowered to prescribe such rules and regulations in connection with the public sale of the bonds, consistent with this act, as he finds necessary or advisable. Notwithstanding that the state board of investment shall have declined to purchase the bonds on the terms offered to it, it may bid for their purchase at the public sale at such prices as it may deem advisable.

For the purpose of supplying deficiencies in the moneys in the veterans compensation fund needed for the payment of the principal of the bonds authorized by this act and the interest

thereon, the state auditor, pending the receipt of the proceeds of the taxes levied by this act, shall transfer the amount of such deficiencies from the general revenue fund in the state treasury to the veterans compensation fund and the moneys so required are hereby appropriated for the purposes of this provision. The state auditor shall promptly, from time to time as the proceeds of such taxes are received, transfer from the veterans compensation fund to the general revenue fund sufficient moneys to reimburse the general revenue fund for the moneys transferred from it and the moneys so required are appropriated for the purposes of this provision. The state auditor and the state treasurer are authorized and directed to make the appropriate entries in their records.

Sec. 12. Minnesota Statutes 1945, Section 290.361, as amended by Laws 1947, Chapter 635, Section 12, is amended by adding a new subdivision thereto to read as follows:

290.361. Tax on income on national banks. Subd. 6. The rate of taxation fixed by Subdivision 2 as the rate to be applied in computing the privilege and income taxes imposed by this chapter upon national and state banks is increased five per cent of such rate. This subdivision shall apply to all taxable years which begin after December 31, 1948, and prior to January 1, 1959. The increase in the rate of taxation of the privilege and income taxes imposed by this subdivision shall hereafter be known as the surtax upon national and state banks. The proceeds of the surtax imposed by this subdivision are pledged to the payment of the bonds authorized by this act and the surtax shall not be reduced below four-tenths of one per cent before the expiration of this subdivision as hereinbefore provided. The proceeds of the surtax imposed by this subdivision shall be deposited in the state treasury to the credit of the veterans compensation fund.

Sec. 13. Minnesota Statutes 1945, Section 290.06, as amended by Laws 1947, Chapter 635, Section 4, is amended by adding new subdivisions thereto to read as follows:

290.06. Rates of tax. Subd. 4. The rate of taxation fixed by Subdivision 1 of this section as the rate to be applied in computing the privilege and income taxes imposed by this chapter upon corporations is increased five per cent of such rate. This subdivision shall apply to all taxable years which begin after December 31, 1948, and prior to January 1, 1959.

The increase in the rate of taxation of the privilege and income taxes imposed by this subdivision shall hereafter be known as the surtax upon corporations other than banks. The proceeds of the surtax imposed by this subdivision are pledged to the payment of the bonds authorized by this act and the surtax shall not be reduced below three-tenths of one percent before the expiration of this subdivision as hereinbefore provided. The proceeds of the surtax imposed by this subdivision shall be deposited in the state treasury to the credit of the veterans compensation fund.

Subd. 5. The rates of taxation fixed by Subdivision 2 of this section as the several rates to be applied in computing the income taxes imposed by this chapter upon individuals, estates, and trusts, other than those taxable as corporations, are increased five per cent of such respective rates; provided, however, that if the tax-payer elects to compute his tax according to the schedule of taxes contained in Subdivision 2 (b), that tax shall be increased by five per cent. This subdivision shall apply to all taxable years which begin after Decemebr 31, 1948, and prior to January 1, 1959. The increase of the rates of taxation of the income taxes imposed by this chapter upon individuals, estates, and trusts, other than those taxable as corporations, and the increase of taxes of those taxpayers who elect to compute their taxes according to the schedule of taxes contained in Subdivision 2 (b), shall hereafter be known as the surtax upon individuals other than corporations. The proceeds of the surtax imposed by this subdivision are pledged to the payment of the bonds authorized by this act and the surtax shall not be reduced below five per cent of the respective rates as they are now fixed by Subdivision 2 of this section before the expiration of this subdivision as hereinbefore provided. The proceeds of the surtax imposed by this subdivision shall be deposited in the state treasury to the credit of the veterans compensation fund.

Sec. 14. Minnesota Statutes 1945, Chapter 290, as amended, is amended by adding a new section thereto to read as follows:

[290.061] Sec. . **Veterans adjustment companies taxes.** Subdivision 1. As an addition to the privilege and income taxes imposed by this chapter upon corporations to be computed as provided by Section 290.06, Subdivision 1, as amended, an annual tax of \$5.00 for each taxable year is hereby imposed upon all corporations which are required to make returns by Section 290.37, as amended.

Subd. 2. In addition to all other taxes imposed by this chapter, an annual tax of \$5.00 for each taxable year is hereby imposed upon the taxable net income for such year of all persons except corporations, who are required to make a return by Section 290.37, as amended.

Subd. 3. As an addition to the excise tax measured by net income imposed on national and state banks by this chapter as provided in Section 290.361, as amended, an annual tax of \$5.00 for each taxable year is hereby imposed upon all national and state banks which are required to make returns by Section 290.37, as amended.

Subd. 4. This section shall apply to all taxable years which begin after December 31, 1948, and prior to January 1, 1959. The proceeds of the taxes imposed by this section are pledged to the payment of the bonds authorized by this act and the taxes so imposed shall not be reduced below \$5.00 before the expiration of this section as hereinbefore provided. The proceeds of the taxes imposed by this section shall be deposited in the state treasury to the credit of the veterans compensation fund.

Sec. 15. Minnesota Statutes 1945, Chapter 298, as amended, is amended by adding a new section to read as follows:

[298.011] Sec. . **Veterans bonus occupation tax.** Every person engaged in the business of mining or producing iron ore or other ores in this state shall pay to the state as an addition to the occupation tax levied by Section 298.01, as amended, an additional occupation tax equal to one per cent of the valuation of all ores mined and produced to be assessed, paid, and collected as a part of the occupation tax levied by Section 298.01, as amended. This section shall be effective as of January 1, 1949, and shall expire on December 31, 1958, except as to the collection of taxes theretofore levied and unpaid. The proceeds of the tax imposed by this section are pledged to the payment of the bonds authorized by this act and the tax so imposed shall not be reduced below the amount imposed by this section. Of the proceeds of the tax imposed by this section 50 per cent thereof shall be deposited in the state treasury to the credit of the veterans compensation fund.

Sec. 16. Minnesota Statutes 1945, Chapter 299, as amended, is amended by adding a new section to read as follows:

[299.011] Sec. . **Veterans bonus tax royalties.** There shall be levied and collected upon all royalty received during each calendar year after 1948, for permission to explore, mine, take out and remove ore from land in this state, as an addition to the tax levied by Section 299.01, as amended, a tax of one per cent to be levied and collected as a part of the tax levied by Section 299.01, as amended. This section shall be effective as of January 1, 1949, and shall expire on December 31, 1958, except as to the collection of taxes theretofore levied and unpaid. The proceeds of the tax imposed by this section are pledged to the payment of the bonds authorized by this act and the tax so imposed shall not be reduced below the amount imposed by this section. The proceeds of the tax imposed by this section shall be deposited in the state treasury to the credit of the veterans compensation fund.

[273.131] Sec. 17. **Veterans bonus property tax.** Subdivision 1. For the purpose of supplying deficiencies in the veterans compensation fund needed for the payment of the principal of the bonds authorized by this act and the interest thereon arising in any fiscal year from the insufficiency of the proceeds of the taxes otherwise levied by this act, there is hereby levied upon all the taxable property in the state, including, notwithstanding the provisions of Minnesota Statutes 1945, Section 273.13, Subdivisions 6 and 7, all real property which is used for the purposes of a homestead, a tax sufficient to produce the amount of such deficiency, which the state auditor is hereby authorized and directed to cause to be extended and collected in the manner in which other state taxes upon real and personal property are extended and collected, to be included in the levies spread upon the tax rolls for the year in which such fiscal year ends, plus such additional amounts sufficient to produce such sums as may be necessary to pay the interest upon certificates of indebtedness issued pursuant to the provisions of this section. The proceeds of such tax levies and of the sale of certificates of indebtedness issued hereunder shall be credited to the veterans compensation fund. After any certificates of indebtedness have been issued hereunder, the state treasurer and the state auditor shall segregate and retain in a separate account in the veterans compensation fund out of the proceeds of the tax levies made pursuant to this subdivision, all thereof levied for the payment of interest on such certificates and as much as may be necessary of the levies specifically pledged for the payment of the principal of the respective certificates of indebtedness, and shall disburse the same only in payment of the principal and interest on such

certificates of indebtedness, and such moneys are hereby appropriated for such purposes. Any moneys remaining in the veterans compensation fund after full payment of all certificates of indebtedness issued under this section and interest thereon shall be available for the purposes for which the moneys in the veterans compensation fund are appropriated by this act.

Subd. 2. The state auditor, with the approval of the executive council, is hereby authorized, in anticipation of the collection of the taxes levied in Subdivision 1 hereof, to issue and sell certificates of indebtedness in the manner and subject to the limitations herein prescribed. Such certificates shall be known as veterans adjusted compensation certificates of indebtedness and shall be issued to meet the deficiencies described in Subdivision 1 hereof. Such certificates shall be numbered consecutively and shall be issued and sold at not less than par upon sealed bids after two weeks' published notice, unless sold to the state board of investment, which is hereby authorized to invest any funds under its control or direction in any such certificates of indebtedness so issued and to purchase such certificates, notwithstanding any limitations imposed by Laws 1949, Chapter 110, at a rate of interest not exceeding two and one half per cent per annum. Such certificates shall be in such form and of such denominations and shall mature at such times as the state auditor, with the approval of the executive council, shall determine, not exceeding the time when funds shall be available for the payment thereof from the tax levies herein authorized. Such certificates shall bear such rate of interest payable semiannually, and shall contain such other terms and provisions, not inconsistent herewith, as the state auditor, with the approval of the executive council, may determine. Such certificates shall be signed by the state treasurer and attested by the state auditor under their official seals, and the state auditor and the state treasurer shall keep records thereof. Such certificates shall be a charge upon and a lien against the taxes herein authorized. The principal of such certificates shall be payable only from the proceeds of such taxes, and so much thereof as may be necessary is hereby appropriated for such payments, provided that such interest as may become due at any time when there is not on hand a sufficient amount from the proceeds of such taxes to pay the same shall be paid out of the general revenue fund, and the amount necessary therefore is hereby appropriated, to be reimbursed from the proceeds of such taxes.

Sec. 18. Minnesota Statutes 1945, Section 340.47, as amended by Laws 1947, Chapter 601, Section 1, is amended by adding thereto new subdivisions to read as follows :

340.47. **Veterans bonus excise tax.** Subd. 3. The several rates of taxation levied by Subdivision 1 of this section on all intoxicating liquors sold in this state are increased ten per cent, except on intoxicating liquors which are within the state on June 30, 1949. On or before July 10, 1949, every manufacturer, distiller, or wholesaler shall file with the commissioner a verified itemized inventory of all stamps in his possession outside of the state on June 30, 1949, which are unaffixed or affixed to containers of intoxicating liquors outside of the state and of unaffixed stamps in his possession within the state on June 30, 1949, and shall pay to the state treasurer ten per cent of the total tax value of all stamps so inventoried as payment of the increases imposed by this subdivision of the several rates of taxation on all intoxicating liquors to which such stamps are affixed levied by Subdivision 1 of this section and shall thereby increase the tax value of the stamps so inventoried by ten per cent of their face value. Every manufacturer, distiller, or wholesaler shall pay to the state treasurer for all stamps purchased after June 30, 1949, in addition to the face tax value of the stamps so purchased, a sum equal to ten per cent of the face value of the stamps so purchased. On and after July 1, 1949, all stamps sold by the state treasurer shall have a tax value which is ten per cent greater than their face tax value. This subdivision shall be effective as of July 1, 1949, and shall expire on December 31, 1958, except as to the collection of taxes theretofore levied thereunder and unpaid. The increase in the several rates of taxation levied by this subdivision on all intoxicating liquors sold in this state shall hereafter be known as the surtax on intoxicating liquors. The proceeds of the surtax imposed by this subdivision are pledged to the payment of the bonds authorized by this act and the surtax shall not be reduced below ten per cent of the respective rates as they are now fixed by law on intoxicating liquors, sold in this state. Notwithstanding the provisions of Subdivision 1 of this section, the proceeds of the surtax imposed by this subdivision shall be deposited in the state treasury to the credit of the veterans compensation fund.

Subd. 4. The several rates of taxation levied by Subd. 2 of this section on the sale, either directly or indirectly, of fermented malt beverages other than for shipment in interstate or foreign commerce are increased ten per cent, except

on fermented malt beverages which are within the state on June 30, 1949. On or before July 10, 1949, every brewer or wholesaler shall file with the commissioner a verified itemized inventory of all stamps in his possession outside of the state on June 30, 1949, which are unaffixed or affixed to containers of fermented malt beverages outside of the state and of unaffixed stamps in his possession within the state on June 30, 1949, and shall pay to the state treasurer ten per cent of the total tax value of all stamps so inventoried as payment of the increases imposed by this subdivision of the several rates of taxation on all fermented malt beverages to which such stamps are affixed levied by Subdivision 2 of this section and shall thereby increase the tax value of the stamps so inventoried by ten per cent of their face tax value. Every brewer or wholesaler shall pay to the state treasurer for all stamps purchased after June 30, 1949, in addition to the face tax value of the stamps so purchased, a sum equal to ten per cent of the face tax value of the stamps so purchased. On and after July 1, 1949, all stamps sold by the state treasurer shall have a value which is ten per cent greater than their face tax value. This subdivision shall be effective as of July 1, 1949, and shall expire on December 31, 1958, except as to the collection of taxes theretofore levied thereunder and unpaid. The increases in the several rates of taxation levied by this subdivision on the sale, either directly or indirectly, of fermented malt beverages other than for shipment in interstate or foreign commerce shall hereafter be known as the surtax on fermented malt beverages. The proceeds of the surtax imposed by this subdivision are pledged to the payment of the bonds authorized by this act and the surtax shall not be reduced below ten per cent of the respective rates as they are now fixed by law on the sale, either directly or indirectly, of fermented malt beverages other than for shipment in interstate or foreign commerce. Notwithstanding the provisions of Subd. 2 of this section, the proceeds of the surtax imposed by this subdivision shall be deposited in the state treasury to the credit of the veterans compensation fund.

[197.91] **Sec. 19. Employees.** The commissioner shall furnish each board such clerical and stenographic assistance and such supplies as are necessary for the performance of the duties imposed by this act.

[197.92] **Sec. 20. Rules and regulations.** The commissioner is authorized to adopt such rules and regulations as he deems necessary to carry out the terms of this act.

[197.93] Sec. 21. **Declaration of policy.** Subdivision 1. The payments of adjusted compensation provided for by this act are declared by the legislature to be gifts or gratuities given as a token of appreciation for the services of the eligible veterans rendered the people of the State of Minnesota in time of grave national emergency and are not compensation for services rendered. Such payment shall be exempt from taxation.

Subd. 2. The Commissioner may employ such assistance and may incur such other expense as may be necessary to carry out the provisions of this act, and the funds necessary therefor are hereby appropriated to the Commissioner from the veterans adjusted compensation fund.

Subd. 3. Whenever possible, the Commissioner shall give preference in the employment of persons to be paid from said fund to veterans, and the provisions of Minnesota Statutes, Chapter 43, shall not apply to this act.

[197.94] Sec. 22. **Non-assignable; excepted from process.** No claim for payment under this act shall be assignable, or subject to garnishment, attachment or levy of execution.

[197.95] Sec. 23. **Final date of application.** No payment of adjusted compensation shall be made unless the application therefor is received by the commissioner on or before December 31, 1950.

[197.96] Sec. 24. **Penal provisions.** Any person who shall knowingly make a false statement, oral or written, relating to a material fact in support of a claim for adjusted compensation under the provisions of this act shall be guilty of a gross misdemeanor.

[197.97] Sec. 25. **Citation.** This act shall be known and may be cited as the Veterans Adjusted Compensation Act and shall take effect and be in force on and after its final enactment.

Approved April 23, 1949.