

adjust such values as required by law to determine the correct assessed valuation of said district and file such redetermination with the commissioner of education. For such purposes, the committee may call upon the department of taxation to assist it in determining whether error has, in fact, been made.

Sec. 3. Minnesota Statutes 1953, Section 128.082, Subdivision 6, is amended to read:

Subd. 6. Every school district which provides instruction in other districts and which receives basic aid, and the county as provided in section 128.088, subdivisions 2 and 3, shall pay to the district furnishing elementary and secondary or area vocational-technical school instruction on account of such instruction, the actual cost thereof chargeable to maintenance exclusive of transportation costs.

There shall also be paid for capital outlay and debt service to the school district providing such instruction \$10 per pupil unit in average daily attendance for each non-resident pupil unit, *except that every school district educating non-resident pupils may charge and include in its tuition, for capital outlay and debt service, an amount per pupil unit in average daily attendance based on the amount that the average expenditure for capital outlay and debt service determined by dividing such annual expenditure by the total number of pupil units in average daily attendance in the district exceeds \$10 per pupil unit. If the district has no capital outlay or debt service the school district receiving such funds may use them for any purpose for which it is authorized to spend money.*

Approved April 27, 1955.

EXTRA SESSION

CHAPTER 2—H. F. No. 2

[Coded in Part]

An act relating to the taxation of insurance companies; the occupation tax upon the business of mining and producing iron ore or other ores and providing for labor credits and imposing an additional tax thereon; royalty taxes and an additional tax thereon; and taxes on and measured by net income, by imposing an additional privilege and income tax on individuals, trusts, estates and corporations; amending Minnesota Statutes 1953, Sections 60.63, Subdivision 2, 298.01, 298.02, Subdivision 1, and 299.01, and amending Minnesota Statutes 1953, Chapter 290 by adding new sections thereto; and relating

to a tax upon tobacco products and upon distributors thereof, providing for its collection, prescribing the powers and duties of the Commissioner of Taxation in relation thereto, providing for the licensing of certain persons dealing in tobacco products, providing for the disposition of the tax and license fees collected, appropriating money for the administration of the act, and providing penalties for its violation.

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

ARTICLE I

Section 1. Minnesota Statutes 1953, Section 60.63, Subdivision 2, is amended to read :

Subd. 2. Every domestic and foreign company, except town and farmers' mutual insurance companies and domestic mutual insurance companies other than life, shall pay to the state treasurer on or before April 30th annually a sum equal to two percent of the gross premiums less return premiums on all direct business received by it in this state, or by its agents for it, in cash or otherwise, during the preceding calendar year, excepting premiums written for marine insurance as specified in subdivision 6. *Premiums as used in this section shall be deemed to include considerations paid for annuities.* If unpaid by such date a penalty of ten percent shall accrue thereon, and thereafter such sum and penalty shall draw interest at the rate of one percent per month until paid.

Sec. 2. **Application of article.** *The provisions of this article relating to taxes on annuity considerations shall apply to the taxes due on gross considerations received for two calendar years beginning after December 31, 1954.*

ARTICLE II

Section 1. Minnesota Statutes 1953, Section 298.01, is amended to read :

298.01 **Mining or producing ores.** *Subdivision 1.* Every person engaged in the business of mining or producing iron ore or other ores in this state shall pay to the state of Minnesota an occupation tax equal to 11 percent for the year 1947, and for each year thereafter of the valuation of all ores mined or produced. Said tax shall be in addition to all other taxes provided for by law *and shall be due and payable from such person on May 1 of the year next succeeding the calendar year covered by the report thereon to be filed as hereinafter provided.*

Subd. 2. There is hereby imposed an additional tax on

all persons and companies engaged in the business of producing or mining iron ore or other ores (except taconite) at the rate of 15 percent of the tax required to be paid pursuant to the provisions of Minnesota Statutes 1953, Section 298.01, Subdivision 1, on the ore to be mined or produced for each of two taxable years, the first of which shall commence with the taxpayer's first taxable year commencing after December 31, 1954, which tax shall be in addition to all other taxes required by law.

Sec. 2. Minnesota Statutes 1953, Section 298.02, Subdivision 1, is amended to read:

298.02 Low grade ore. Subdivision 1. **Credit for labor cost.** For the purpose of increasing employment and the utilization of low-grade, underground, and high labor cost ores any taxpayer on whom a tax is imposed by reason of the provisions of section 298.01, shall be allowed a credit against the occupation tax as computed in said section because of the mining or production of ore from any mine, in an amount calculated as follows:

(a) In the case of underground mines or *that tonnage of merchantable ore produced in open pit mines in the year in question which tonnage has resulted from beneficiation at an ore beneficiation plant within the state by jigging, heavy media, cyclone process, roasting, drying by artificial heat, sintering, magnetic separation, flotation, agglomeration or any process requiring fine grinding, ten percent of that part of the cost of labor employed by said mine or in the beneficiation of all ore mined or produced in said calendar year in excess of 70 cents and not in excess of 90 cents per ton of the merchantable ore produced during the year at said mine, and 15 percent of that part of the cost of such labor in excess of 90 cents per ton; provided, however, that in no event shall the credit allowed hereunder be in excess of 75 percent, as applied to underground and taconite operations, and 60 percent as applied to all other operations, of the total of the tax computed under the provisions of section 298.01, subdivision 1. The expression "merchantable ore produced" as used herein means ores which as mined or as mined and beneficiated, are ready for shipment as a merchantable product. The provisions of this subparagraph (a) shall be applicable to all ores mined or produced subsequent to December 31, 1954.*

(b) The aggregate amount of all credits allowed under this subdivision to all mines shall not exceed 6.2 percent of the aggregate amount of occupation taxes, excluding such taxes levied for the veterans compensation fund under section 298.011, assessed against all mines in the state for said year.

prior to the deduction of such credits, *provided, that after December 31, 1954, labor credits to underground mines or taconite operations shall not be subject to such percentage limitation and both the occupation taxes of such underground mines or taconite operations and the labor credits allowed thereto shall be excluded in calculating such percentage limitations.* At the time of his final determination of occupation tax pursuant to section 298.09, subdivision 3, the commissioner shall reduce the credit otherwise allowable to each mine hereunder by such equal percentage as will bring the total within such limitation. *If an equal percentage reduction is made in the labor credits of mines pursuant to this subparagraph (b) at the time of certification to the state auditor as set forth in section 298.10, the same percentage will be used where changes are made pursuant to section 298.09, subdivision 4, subsequent to June 1. Also if no reduction is made at the time of certification to the state auditor on or before June 1, pursuant to this subdivision and section 298.10, no reduction will be made subsequent to June 1, due to changes made pursuant to section 298.09, subdivision 4. This subparagraph (b) shall apply to occupation tax calculations in calendar years subsequent to December 31, 1952.*

Sec. 3. [298.025] Collection of additional taxes. *The additional taxes imposed by reason of this act shall be collected by the commissioner of taxation and deposited in the state treasury to the credit of the General Revenue Fund so far as is permitted by the Constitution of the State of Minnesota, and all of the powers and duties with relation to the taxes referred to in the various chapters herein mentioned are hereby conferred upon the commissioner of taxation in the collection of all of the additional taxes provided for in this act and the commissioner is authorized to make refunds of taxes illegally or erroneously collected in the same manner as is provided for by Minnesota Statutes 1953, Chapters 60, 298, and 299.*

ARTICLE III

Section 1. Minnesota Statutes 1953, Section 299.01, is amended to read:

299.01 Tax on royalties. *Subdivision 1. There shall be levied and collected upon all royalty received during the year ending December 31, 1947, and upon all royalty received during each calendar year thereafter, for permission to explore, mine, take out and remove ore from land in this state, a tax of 11 percent.*

Subd. 2. There is hereby imposed as an additional tax

at the rate of 15 percent of the taxes required to be paid upon all royalty received for the permission to explore, mine, take out and remove ore from land pursuant to the provisions of Minnesota Statutes 1953, Section 299.01, except taxes upon royalties received because of the actual production of taconite, for each of two taxable years, the first of which shall commence with the taxpayer's first taxable year commencing after December 31, 1954, which tax shall be in addition to all other taxes required by law.

ARTICLE IV

1957E Section 1. **Additional privilege and income tax.** There is hereby imposed an additional privilege and income tax for each of the two taxable years, the first of which starts after December 1, 1954, as follows:

(a) On all individuals, estates and trusts, other than those taxable as corporations, a surtax of five percent of the tax determined under section 290.06, subdivision 2, less the credits allowable under section 290.06, subdivision 3.

(b) On all corporations required to file a return under the provisions of Minnesota Statutes 1953, Chapter 290, an additional tax equal to one percent on all taxable net income attributable to this state less credit allowed by section 290.21, and section 290.06, subdivision 3 (6).

1957E Sec. 2. **Collection.** The said additional taxes imposed by this act shall be collected by the commissioner of taxation as all other income and privilege, excise and gross earnings taxes are collected and shall be deposited in the state treasury to the credit of the general revenue fund. All refunds of taxes illegally or erroneously collected under the provisions of this act from taxpayers shall be repaid from the general revenue fund.

Sec. 3. **Powers of commissioner of revenue.** The commissioner of taxation shall have the same powers and authority in connection with the collection of the taxes imposed by this act and the making of refunds as is provided for in Minnesota Statutes 1953, Chapters 290 and 295.

ARTICLE V

1957E Section 1. **Definitions.** Subdivision 1. When used in this act, unless the context clearly indicates otherwise, the following terms shall have the meanings, respectively, ascribed to them in this section.

Subd. 2. "Tobacco products" means cigars; cheroots; stogies; periques; granulated, plug cut, crimp cut, ready rubbed, and other smoking tobacco; snuff; snuff flour; cavendish; plug and twist tobacco; fine-cut and other chewing tobaccos; shorts; refuse scraps, clippings, cuttings and sweepings of tobacco, and other kinds and forms of tobacco, prepared in such manner as to be suitable for chewing or smoking in a pipe or otherwise, or both for chewing and smoking; but shall not include cigarettes as defined in Minnesota Statutes, Section 297.01, Subdivision 2.

Subd. 3. "Person" means any individual, firm, association, partnership, joint stock company, joint adventure, corporation, trustee, agency, or receiver, or any legal representative of any of the foregoing.

Subd. 4. "Manufacturer" means a person who manufactures and sells tobacco products.

Subd. 5. "Distributor" means any and each of the following:

(1) Any person engaged in the business of selling tobacco products in this state who brings, or causes to be brought, into this state from without the state any tobacco products for sale;

(2) Any person who makes, manufactures, or fabricates tobacco products in this state for sale in this state;

(3) Any person engaged in the business of selling tobacco products without this state who ships or transports tobacco products to retailers in this state, to be sold by those retailers.

Subd. 6. "Subjobber" means any person, other than a manufacturer or distributor, who buys tobacco products from a distributor and sells them to persons other than the ultimate consumers.

Subd. 7. "Retailer" means any person engaged in the business of selling tobacco products to ultimate consumers.

Subd. 8. "Sale" means any transfer, exchange, or barter, in any manner or by any means whatsoever, for a consideration, and includes and means all sales made by any person. It includes a gift by a person engaged in the business of selling tobacco products, for advertising, as a means of evading the provisions of this act, or for any other purposes whatsoever.

Subd. 9. "Wholesale sales price" means the established

price for which a manufacturer sells a tobacco product to a distributor, exclusive of any discount or other reduction.

Subd. 10. "Business" means any trade, occupation, activity, or enterprise engaged in for the purpose of selling or distributing tobacco products in this state.

Subd. 11. "Place of business" means any place where tobacco products are sold or where tobacco products are manufactured, stored, or kept for the purpose of sale or consumption, including any vessel, vehicle, airplane, train, or vending machine.

Subd. 12. "Retail outlet" means each place of business from which tobacco products are sold to consumers.

Subd. 13. "Commissioner" means the state commissioner of taxation.

Sec. 2. **Tax on tobacco products.** Subdivision 1. For the period commencing July 1, 1955, and continuing through June 30, 1957, a tax is hereby imposed upon all tobacco products in this state and upon any person engaged in business as a distributor thereof, at the rate of 15 percent of the wholesale sales price of such tobacco products. Such tax shall be imposed at the time the distributor (1) brings, or causes to be brought, into this state from without the state tobacco products for sale; (2) makes, manufactures, or fabricates tobacco products in this state for sale in this state; or (3) ships or transports tobacco products to retailers in this state, to be sold by those retailers.

Subd. 2. A floor stocks tax is hereby imposed upon every person engaged in business in this state as a distributor of tobacco products, at the rate of 15 percent of the wholesale sales price of each tobacco product in his possession or under his control at 12:01 o'clock a.m. on July 1, 1955.

Each distributor, on or before July 20, 1955, shall file a report with the commissioner, in such form as the commissioner may prescribe, showing the tobacco products on hand at 12:01 o'clock a.m. on July 1, 1955, and the amount of tax due thereon.

The tax imposed by this subdivision shall be due and payable on or before August 20, 1955, and thereafter shall bear interest at the rate of one percent per month.

Subd. 3. Any tobacco product with respect to which a tax has once been imposed under this act shall not again be subject to tax under this act.

Subd. 4. The tax imposed by this section shall not apply with respect to any tobacco products which under the constitution and laws of the United States may not be made the subject of taxation by this state.

Subd. 5. The tax imposed by this section shall be in addition to all other occupation or privilege taxes or license fees now or hereafter imposed by any city, village, borough or township.

Subd. 6. The tax imposed by this section shall not be construed as a cost of doing business or an overhead expense under Minnesota Statutes, Section 325.01, Subdivision 7.

Sec. 3. **Licenses; distributors, subjobbers.** Subdivision 1. From and after 12:01 o'clock a.m. on July 1, 1955, no person shall engage in the business of a distributor or subjobber of tobacco products at any place of business without first having received a license from the commissioner to engage in that business at that place of business.

Subd. 2. Every application for such a license shall be made on a form prescribed by the commissioner and shall state the name and address of the applicant; if the applicant is a firm, partnership, or association, the name and address of each of its members; if the applicant is a corporation, the name and address of each of its officers; the address of its principal place of business; the place where the business to be licensed is to be conducted; and such other information as the commissioner may require for the purpose of the administration of this act.

Subd. 3. A person without this state who ships or transports tobacco products to retailers in this state, to be sold by those retailers, may make application for license as a distributor, be granted such a license by the commissioner, and thereafter be subject to all the provisions of this act and entitled to act as a licensed distributor, provided he files proof with his application that he has appointed the secretary of state for service of process relating to any matter or issue arising under this act. A foreign corporation applying for a distributor's license need not qualify as such if it files the proof of appointment of the secretary of state for service of process as provided in this subdivision.

Subd. 4. Each application for a distributor's license shall be accompanied by a fee of \$25. The application shall also be accompanied by a corporate surety bond issued by a surety licensed to do business in this state, conditioned for the payment when due of all taxes, penalties and accrued interest aris-

ing in the ordinary course of business or by reason of any delinquent money which may be due the State of Minnesota. This bond shall be in an amount to be determined by the commissioner, and in a form to be fixed by the commissioner and approved by the attorney general. An initial applicant for a distributor's license shall furnish a bond in a minimum sum of \$1,000 for the first year. Whenever it is the opinion of the commissioner that the bond given by a licensee is inadequate in amount to fully protect the state, he shall require an additional bond in such amount as he deems sufficient. If any applicant for license desires to be exempt from furnishing such bond, he shall furnish an itemized financial statement showing the assets and liabilities of the applicant and such other or further information as the commissioner may require, and if it shall appear to the commissioner, from the financial statement or otherwise, that the applicant is financially responsible, then the commissioner may exempt such applicant from furnishing such bond until the commissioner otherwise orders. The bond required by this subdivision, or a reissue thereof, or a substitute therefor, shall be kept in full force and effect during the entire period covered by the license.

A separate application for license shall be made for each place of business at which a distributor proposes to engage in business as such under this act.

Subd. 5. Each application for a subjobber's license shall be accompanied by a fee of \$10.

Subd. 6. A distributor or subjobber applying for a license between January 1st and June 30th of any year shall be required to pay only one-half of the license fee provided for herein.

Subd. 7. The commissioner, upon receipt of the application (and bond, in the case of the distributor) in proper form, and payment of the license fee required by subdivision 4 or subdivision 5, shall, unless otherwise provided by this act, issue the applicant a license in form as prescribed by him, which license shall permit the applicant to whom it is issued to engage in business as a distributor or subjobber at the place of business shown in his application. The commissioner shall assign a permit number to each person licensed as a distributor at the time of issuance of his first license, which shall be inscribed upon all licenses issued to that distributor.

Subd. 8. Each license shall expire on June 30th following its date of issue unless sooner revoked by the commissioner or unless the business with respect to which the license was

issued is transferred. In either case the holder of the license shall immediately surrender it to the commissioner.

Subd. 9. Each license shall be prominently displayed on the premises covered by the license.

Subd. 10. No license shall be transferable to any other person.

Subd. 11. The commissioner may revoke, cancel, or suspend the license or licenses of any distributor or subjobber for violation of any of the provisions of this act, or any other act applicable to the sale of tobacco products, or any rule or regulations promulgated by the commissioner in furtherance of this act. No license shall be revoked, cancelled, or suspended except after notice and a hearing by the commissioner as provided in section 7.

Subd. 12. No license shall be issued under this act to any person within one year of the date of final determination of a revocation of any previous license held by him.

Subd. 13. When the surety upon any bond issued pursuant to the provisions of this act shall have fulfilled the conditions of such bond and compensated the state for any loss occasioned by any act or omission of the person bonded under this act, such surety shall be subrogated to all the rights of the state in connection with the transaction wherein such loss occurred.

Sec. 4. **Licensees, duties.** Subdivision 1. Every distributor shall keep at each licensed place of business complete and accurate records for that place of business, including itemized invoices, of tobacco products held, purchased, manufactured, brought in or caused to be brought in from without the state, or shipped or transported to retailers in this state, and of all sales of tobacco products made, except sales to the ultimate consumer.

These records shall show the names and addresses of purchases, the inventory of all tobacco products on hand at 12:01 o'clock a.m. on July 1, 1955, and other pertinent papers and documents relating to the purchase, sale, or disposition of tobacco products. When a licensed distributor sells tobacco products exclusively to the ultimate consumer at the address given in the license, no invoice of those sales shall be required, but itemized invoices shall be made of all tobacco products transferred to other retail outlets owned or controlled by that licensed distributor. All books, records, and other papers and documents required by this subdivision to be kept shall be preserved for a period of at least one year after the date of the

documents, as aforesaid, or the date of the entries thereof appearing in the records, unless the commissioner, in writing, authorizes their destruction or disposal at an earlier date. At any time during usual business hours the commissioner, or his duly authorized agents or employees, may enter any place of *business of a distributor, without a search warrant, and inspect the premises, the records required to be kept under this subdivision, and the tobacco products contained therein, to determine whether or not all the provisions of this act are being fully complied with. If the commissioner, or any such agent or employee, is denied free access or is hindered or interfered with in making such examination, the license of the distributor at such premises shall be subject to revocation by the commissioner.*

Subd. 2. Every person who sells tobacco products to persons other than the ultimate consumer shall render with each sale itemized invoices showing the seller's name and address, the purchaser's name and address, the date of sale, and all prices and discounts. He shall preserve legible copies of all such invoices for one year from the date of sale.

Subd. 3. Every retailer and subjobber shall procure itemized invoices of all tobacco products purchased. The invoices shall show the name and address of the seller and the date of purchase. The retailer and subjobber shall preserve a legible copy of each such invoice for one year from the date of purchase. Invoices shall be available for inspection by the commissioner or his authorized agents or employees at the retailer's or subjobber's place of business.

Subd. 4. Records of all deliveries or shipments of tobacco products from any public warehouse of first destination in this state which is subject to the provisions of and licensed under Minnesota Statutes, Chapter 231, shall be kept by the warehouse and be available to the commissioner for inspection. They shall show the name and address of the consignee, the date, the quantity of tobacco products delivered, and such other information as the commissioner may require. These records shall be preserved for one year from the date of delivery of the tobacco products.

Sec. 5. **Distributors, monthly returns.** Subdivision 1. On or before the twentieth day of each calendar month every distributor with a place of business in this state shall file a return with the commissioner showing the quantity and wholesale sales price of each tobacco product (1) brought, or caused to be brought, into this state for sale; and (2) made, manufactured or fabricated in this state for sale in this state, during the preceding calendar month. Every licensed distributor

outside this state shall in like manner file a return showing the quantity and wholesale sales price of each tobacco product shipped or transported to retailers in this state to be sold by those retailers, during the preceding calendar month. Returns shall be made upon forms furnished and prescribed by the commissioner and shall contain such other information as the commissioner may require. Each return shall be accompanied by a remittance for the full tax liability shown therein, less four percent of such liability as compensation to reimburse the distributor for his expenses incurred in the administration of this act.

Subd. 2. As soon as practicable after any return is filed, the commissioner shall examine the return and correct it, if necessary, according to his best judgment and information. If the commissioner finds that any amount of tax is due from the distributor and unpaid, he shall notify the distributor of the deficiency, stating that he proposes to assess the amount due together with interest and penalties as hereinafter provided. If a deficiency disclosed by the commissioner's examination cannot be allocated by him to a particular month or months, he shall notify the distributor of the deficiency, stating his intention to assess the amount due for a given period without allocating it to any particular month or months. If any distributor making any return shall die or shall become incompetent at any time before the commissioner issues his notice that he proposes to assess an amount due, that notice shall be issued to the administrator, executor, or other legal representative, as such, of that distributor.

Subd. 3. If, within 20 days after mailing of notice of the proposed assessment, the distributor or his legal representative shall file a protest to said proposed assessment and request a hearing thereon, the commissioner shall give notice to that distributor or legal representative of the time and place fixed for the hearing, shall hold a hearing on such protest, and shall issue a final assessment to the distributor or legal representative for the amount found to be due as a result of the hearing. This hearing shall be held within 45 days after filing of the protest. If a protest is not filed within the time herein prescribed, the commissioner shall issue a final assessment to the distributor or legal representative, as such. Any such assessment made by the commissioner shall be prima facie correct and valid, and the taxpayer shall have the burden of establishing its incorrectness or invalidity in any action or proceeding in respect thereto.

Subd. 4. If any distributor required by this act to file any return shall fail to do so within the time prescribed by

this act, he shall, on the written demand of the commissioner, file such return within 20 days after the mailing of such written demand and at the same time pay the tax due on the basis thereof. If such distributor shall fail within that time to file such return, the commissioner shall make for him a return, from his own knowledge and from such information as he can obtain through testimony, or otherwise, and assess a tax on the basis thereof, which tax shall be paid within ten days after the commissioner has mailed to such distributor a written notice of the amount thereof and demand for its payment. Any such return or assessment made by the commissioner on account of the failure of the distributor to make a return shall be prima facie correct and valid, and the distributor shall have the burden of establishing its incorrectness or invalidity in any action or proceeding in respect thereto.

Subd. 5. Except as provided in section 2, subdivision 2, all taxes shall be due and payable not later than the twentieth day of the month following the calendar month in which they were incurred, and thereafter shall bear interest at the rate of one percent per month.

Where, under the provisions of subdivisions 2 and 3 of this section, the amount of tax due for a given period is assessed without allocating it to any particular month or months, the interest shall commence to run from the date of such assessment.

The commissioner shall have power to reduce or abate interest when in his opinion the facts warrant such reduction or abatement. The exercise of this power shall be subject to the approval of the attorney general.

Subd. 6. The commissioner in issuing his final assessment pursuant to subdivision 3 shall add to the amount of tax found due and unpaid a penalty of ten percent thereof, except that, if he finds that the distributor has made a false and fraudulent return with intent to evade the tax imposed by this act, the penalty shall be 25 percent of the entire tax as shown by the return as corrected. The commissioner in assessing a tax on the basis of a return made pursuant to subdivision 4 shall add to the amount of tax found due and unpaid a penalty of 25 percent thereof.

The commissioner shall have power to abate penalties, when in his opinion their enforcement would be unjust and inequitable. The exercise of this power shall be subject to the approval of the attorney general.

Subd. 7. The commissioner may recover the amount of

any tax due and unpaid, interest, and any penalty in a civil action. The collection of such a tax, interest, or penalty shall not be a bar to any prosecution under this act.

Sec. 6. Refunds, credits. Where tobacco products upon which the tax imposed by this act has been reported and paid, are shipped or transported by the distributor to retailers without the state, to be sold by those retailers, or are returned to the manufacturer by the distributor or destroyed by the distributor, refund of such tax or credit may be made to the distributor in accordance with regulations prescribed by the commissioner. The state auditor shall cause any such refund of tax to be paid out of the general revenue fund, and so much of said fund as may be necessary is hereby appropriated for that purpose.

Sec. 7. Investigations and hearings, testimonial powers.
Subdivision 1. The commissioner, or his duly authorized agents, may conduct investigations, inquiries, and hearings for the purpose of enforcing the provisions of this act, and, in connection with such investigations, inquiries, and hearings, he and his duly authorized agents shall have all the powers conferred upon him and his examiners by Minnesota Statutes, Sections 290.56 to 290.58, and the provisions of those sections shall apply to all such investigations, inquiries and hearings.

Subd. 2. Every hearing conducted under this act shall be preceded by ten days' notice in writing of the subject of the hearing, including, in the case of suspension or revocation of a license, a statement of the nature of the charges against the licensee. The notice shall be sent by registered mail to the last known address of the licensee or other person involved in the hearing, and service shall be complete upon mailing. After every hearing the commissioner shall make his findings and his order in writing. The findings and order shall be filed in the office of the commissioner, and a copy sent by mail or otherwise to the person to whom the notice was directed.

Subd. 3. The commissioner may exchange information with the officers and agencies of other states administering laws relating to the taxation of tobacco products.

Subd. 4. No person shall be excused from testifying or from producing, pursuant to a subpoena, any books, papers, records, or memoranda in any investigation or upon any hearing, upon the ground that the testimony or evidence, documentary or otherwise, may tend to incriminate him or subject him to a criminal penalty, but no person shall be prosecuted or subjected to any criminal penalty for or on account of any transaction made or thing concerning which he may testify or produce evidence, documentary or otherwise, before the

commissioner or an employee or agent thereof; provided that such immunity shall extend only to a natural person who, in obedience to a subpoena, gives testimony under oath or produces evidence, documentary or otherwise, pursuant to a subpoena. No person so testifying shall be exempt from prosecution and punishment for perjury committed in so testifying.

Subd. 5. Any person aggrieved by an order of the commissioner fixing a tax, penalty, or interest under section 5 of this act may, within 30 days from the date of notice of the order, appeal to the board of tax appeals in the manner provided by law. Any other order of the commissioner under this act shall be subject to review by certiorari.

Sec. 8. **Enforcement.** Subdivision 1. The commissioner shall enforce the provisions of this act. He may prescribe rules and regulations not inconsistent with the provisions of this act for its detailed and efficient administration. In the enforcement of this act the commissioner may call upon any county attorney or the attorney general for assistance. He may appoint such additional employees as may be required to administer this act. The commissioner may bring injunction proceedings to restrain any person from acting as a distributor or subjobber without complying with the provisions of this act.

Subd. 2. Expenses of the administration of this act to be paid out of appropriations to the commissioner for the administration thereof shall include fees and expenses incurred by the attorney general and any county attorney in litigation in connection with the enforcement of this act and all court costs and expenses.

Sec. 9. **Violations, penalties.** Subdivision 1. Any person who in any manner knowingly attempts to evade the tax imposed by this act or who knowingly aids or abets in the evasion or attempted evasion of the tax or who knowingly violates the provisions of section 3, subdivision 1, or this act, shall be guilty of a gross misdemeanor.

Subd. 2. Any person who otherwise violates any provision of this act shall be guilty of a misdemeanor.

Sec. 10. **Revenues credited to general revenue fund.** All revenues derived from taxes, penalties, interest and license fees under this act shall be deposited by the commissioner in the state treasury and credited to the general revenue fund.

Sec. 11. **Appropriation.** There is hereby appropriated to the commissioner from the general revenue fund for the administration of this act, the sum of \$7,000.00 for the fiscal

year ending June 30, 1955, the sum of \$63,000 for the fiscal year ending June 30, 1956, and \$63,000 for the fiscal year ending June 30, 1957.

Approved April 27, 1955.

EXTRA SESSION

CHAPTER 3—H. F. No. 3

[Not Coded]

An act to appropriate money for State Department of Education, state educational institutions, including University of Minnesota, University Agricultural Schools and Experiment Stations and Branches, Teachers Colleges, aid to high, graded and rural schools, aid to distressed school districts, aid to school districts pursuant to Minnesota Statutes 1953, Section 360.133; aid to school districts affected by gross earnings taxation, certain appropriations for experiments and investigations, aid to agricultural agents and for other purposes; prescribing present and future regulations relative to the expenditure of certain portions thereof; conferring upon the Board of Regents of the University of Minnesota the power of eminent domain in certain cases; and by transferring certain moneys from the income tax school fund for the payment of certain appropriations herein made, and for adjusting the salaries of certain state officers and employees; providing for supplying certain deficiencies in the general revenue and income tax school funds.

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

Section 1. **EDUCATIONAL PURPOSES, APPROPRIATIONS.** Except as herein otherwise provided, the sums hereinafter set forth in the columns designated "APPROPRIATIONS", or so much thereof as may be necessary, are hereby appropriated out of the general revenue fund in the state treasury for the purposes specified in the following sections of this act, to be available for the fiscal years indicated for each purpose. The figures "1955", "1956", and "1957" wherever used in this act, shall mean that the appropriation or appropriations listed thereunder shall be available for the year ending June 30, 1955, 1956 and 1957, respectively.