

GENERAL LAWS

, OF -

MINNESOTA.

PASSED AND APPROVED AT THE EXTRA SESSION OF THE LEGISLATURE, COMMENCING OCTOBER ELEVENTH, ONE THOUSAND EIGHT HUNDRED AND EIGHTY-ONE, AND TERMINATING NOVEMBER NINETEENTH, ONE THOUSAND EIGHT HUNDRED AND EIGHTY-ONE (1881.)

CHAPTER I.

AN ACT PROVIDING FOR THE ADJUSTMENT OF CERTAIN ALLEGED CLAIMS AGAINST THE STATE.

WHEREAS, There have for a long time existed, and still remain outstanding certain controverted claims against the State, commonly known as Minnesota State Railroad Bonds, and certain other claims referred to in this act, the validity of all which claims has ever been and still is disputed by the State; and

WHEREAS, Certain holders of such disputed claims have recently made propositions for the compromise and settlement of the said claims held by them, which propositions are now pending, and the substance of which propositions is embraced within the provisions hereinafter contained; and

WHEREAS, It is considered to be desirable, and for the best interests of the State and of all the people thereof that all such controverted claims, if possible, should be compromised, settled and extinguished; therefore

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

SECTION 1. Any holder of said Minnesota State Railroad Bonds who desires to avail himself of the provisions of this act, must deposit his bonds and coupons with the State Auditor, accompanied by an agreement in writing obligating himself to accept in lieu of said bonds and coupons, and in full payment and satisfaction thereof, fifty (50) per cent. of the amount nominally due upon said bonds and coupons less any deductions hereinafter provided for, in cash, or in new bonds of the State, as provided for in this act.

Preamble.

Bonds to be deposited with State Auditor

Provided, however, that where there has been a compliance with the requirements of section one (1) of the act entitled "An Act providing for the adjustment of the Minnesota State Railroad Bonds," approved March second (2d), A. D. one thousand eight hundred and eighty-one (1881), the same shall stand and be considered as a compliance with the provisions of this section.

SEC. 2. It shall be the duty of the Governor and State Auditor to cause to be prepared new bonds of the State, which new bonds shall be styled Minnesota State Railroad Adjustment Bonds, and bear date July first (1st), A. D. one thousand eight hundred and eighty-one (1881), and shall be of the denomination of one thousand dollars (\$1,000) each, and shall be, and on their face shall be made payable after ten (10) years and not more than thirty (30) years from their date, at the option of the State of Minnesota, in the city of New York, with interest after January first (1st), A. D. one thousand eight hundred and eighty-four (1884), payable semi-annually in the city of New York, at a rate not exceeding five (5) per cent. per annum, and shall have coupons attached for such interest, and shall pledge the faith and credit of the State to the payment thereof. Said new bonds shall be signed by the Governor and attested by the Secretary of State under the great seal of the State, and the coupons shall have the names of the Governor and Secretary of State thereto, and the bonds shall be countersigned and registered by the State Auditor, and upon being so executed, countersigned and registered and as soon as practicable after the passage of this act, the Governor shall deliver to the several owners of the Minnesota State Railroad Bonds, their heirs or legal representatives, who shall have deposited their bonds with the State Auditor aforesaid, such an amount of the new bonds as shall be equal to (50) fifty per cent. of the par value of principal and interest of said Minnesota State Railroad Bonds and the coupons thereto attached, on the first (1) day of January, one thousand eight hundred and eighty-four (1884), less any deduction resulting from other provisions of this act, said interest to be computed at five (5) per cent. per annum after the passage of this act, and take from said several owners and holders of said Minnesota State Railroad Bonds so deposited as aforesaid, a release under seal, reciting the number and denomination of the State Railroad Bonds which said new bonds are taken in payment and settlement for, and acknowledging full satisfaction from the State of all liability on said Minnesota State Railroad Bonds so owned and deposited by such person, which release shall be filed in the State Auditor's office. The first coupons shall be made payable on the first (1st) day of July, A. D. one thousand eight hundred and eighty-four (1884), and thereafter on the first (1st) days of January and July in each year, until the maturity of said bonds; *provided*, that at its election the State may, and in case said bonds shall draw a less rate of interest than five (5) per cent. shall, in lieu of said bonds, pay cash (less any deduction aforesaid) to the several holders of said Minnesota State Railroad bonds so deposited as

New bonds to be prepared.

Where payable.

How signed.

Deductions.

Release.

First coupons when payable.

The State may pay cash.

aforesaid, or any of them, a sum equal to fifty (50) per cent. of the par value of principal and interest of said Minnesota State Railroad Bonds and coupons on the day when said payment is made, taking the release under the seal from the holder, as in the case of delivery of bonds hereinbefore provided; and to that end the Governor, Auditor and Treasurer of the State are hereby empowered in their discretion to negotiate, at not less than par, the bonds to be issued under the provisions of this act and apply the proceeds to the payment of said holders of Minnesota State Railroad Bonds, as hereinbefore provided. And for the purpose of carrying out the provisions of this proviso, said bonds may be made to bear interest from January first (1st), A. D. one thousand eight hundred and eighty-two (1882), payable semi-annually thereafter; and in case of the delivery of said new bonds, any fractional sum less than one thousand (1,000) dollars, may be paid in cash; and whenever any of said Minnesota State Railroad Bonds or the coupons thereof, or any bond of the State is paid under the provisions of this act or otherwise, the Treasurer or officer paying the same, shall stamp or cause to be stamped thereon, in large letters, the words, "cancelled and paid;" and on the first (1st) Monday in each month the State Treasurer shall, in the presence of the Governor and State Auditor, burn up all bonds and coupons that shall have been cancelled and paid by him during the preceding month or any previous time, and said Treasurer shall keep the number and description of the bonds so destroyed which shall be certified to be correct by said officers present at their destruction, and be included in the annual report of the State Treasurer.

Bonds may be negotiated at not less than par.

Date of bonds.

How cancelled and destroyed

SEC. 3. The judgments mentioned and referred to in chapter one hundred and fifty-two (152) page three hundred and eighty-eight (388) of the special laws of one thousand eight hundred and sixty-seven (1867) with interest thereon computed in the same manner and at the same rate as upon said Minnesota State Railroad bonds and coupons shall be adjusted and settled by the payment to the plaintiffs therein, their heirs, attorneys, executors or administrators, of fifty (50) per cent. of the amount so due thereon, either in new bonds of the State or in money, in manner as provided in the preceding section for the settlement of said Minnesota State Railroad Bonds, provided the plaintiffs in said judgments, their heirs or legal representatives shall accept the same in full settlement and satisfaction of all claim and demand against the State on account thereof.

How judgments shall be adjusted.

SEC. 4. Any person having a subsisting, legal and valid claim against either of the land grant railroad companies which received any of said Minnesota State Railroad Bonds from the State, or against any contractor, sub-contractor, or other person, which accrued for work, labor or services performed in the location or construction of either of the lines of railroads of said companies, or for boarding engineers, contractors, sub-contractors, workmen or others while engaged in the location or construction of said lines of road or any

Claims of contractors, how adjusted and settled.

Petition to be
filed with state
auditor.

part thereof, or for hire of teams, or for provisions for men or teams, goods, or other supplies, ties, piles, timber, lumber, stone, or other material furnished for actual use in the location or construction of either or any part of said lines of railroads, and which claim so accrued prior to the time when the State acquired said lines of railroad and transferred the same to other companies, may have the same adjusted and settled, as herein provided. Such claimant shall file a petition with, and addressed to the State Auditor within thirty (30) days after the passage of this act, verified by himself, agent or attorney, to be true, to the best of his knowledge, information and belief, setting forth the nature and character of his claim and against whom it accrued and subsists, and asking for an adjustment of the same under the provisions of this act.

Errors and
mistakes.

Any error, mistake or defect in any such petition, may be remedied by an amendment, in the discretion of the commissioners hereinafter mentioned.

Petitions un-
der previous
acts.

The petitions which have been filed with the State Auditor under chapter one hundred and two (102) of the General Laws of A. D. one thousand eight hundred and eighty-one (1881), entitled "An act providing for the adjustment of the Minnesota State Railroad Bonds," may stand and be considered and treated as filed under this act.

Commission
on claims, how
constituted.

The Governor, Attorney General and State Auditor are hereby constituted a commission to consider and pass upon said claims, any two of whom may act, and the determination of any two shall be considered as the act of the commission. They shall fix upon a time and place for hearing the same, and may appoint a clerk, and adjourn from time to time, in their discretion.

Evidence.

It shall be incumbent upon the claimant to establish his claim, and that it is of the character herein contemplated, by the same legal evidence as would be required to establish the same facts in an action against the party primarily liable therefor.

Report to be
filed.

If said commission finds any of said claims, or any part thereof to be of the character and description hereinbefore mentioned, they shall report the amount thereof, with interest up to December first (1st), A. D. one thousand hundred and eighty-one (1881), and in connection with which road it accrued, and file their report in the office of the State Auditor.

Statute of
Limitations
inoperative.

The Statute of Limitations shall not be allowed to defeat or operate against any such claims.

Said commission may embrace its determinations upon all the claims in one report, or may make and file two or more reports.

Aggregate to
be paid on ac-
count of claims
not to exceed
\$150,000.

There shall be paid by the Governor to the owners of such claims as shall be found by said commission to be of the character and description hereinbefore in this section mentioned, their heirs or assigns, agent or attorney, either in cash or in new bonds of the State, of the tenor and effect mentioned in section two (2) of this act, an amount equal to fifty (50) per cent. of the amount of principal and interest as shall

be found due thereon by said commission. *Provided*, that no bonds or coupons thereof, issued by either of said land grant railroad companies, nor the claim or demand for on account of which the same were issued, nor any claim or demand for money loaned to, or advanced for either of said companies, shall be considered or taken to be claims provided for or within the meaning of this section, and no such claim shall be allowed by said commission. *And provided further*, That the aggregate amount of money or new bonds to be paid on account of the claims provided for in this section, shall not exceed the sum of one hundred and fifty thousand dollars (\$150,000), which sum, if insufficient there for in full, shall be divided pro rata on the same. *And provided further*, That the amount which shall be so allowed on said claims shall be respectively apportioned pro rata upon such of said bonds as were issued on account of the line of railroad in connection with which said allowed claims respectively accrued, and shall be deducted from the percentage to be paid on such bonds under the provisions of section two (2) of this act; and provided further, that the amount so to be paid to each claimant as provided, shall be less the pro rata share of such of the Minnesota State Railroad Bonds issued to the road out of the construction of which such claims arose as have not at the time of such payment been filed for cancellation under the provisions of this act; and such pro rata share shall be deducted from the amount payable to the owners of such bonds under the provisions of this act, and paid to the respective claimants whenever, and not before, the holder of such bonds shall file them and receive new bonds therefor.

Amount due on claims to be apportioned pro rata.

SEC. 5. The Governor, Auditor of State and Attorney General shall be and they are hereby constituted a board of commissioners under this act, whose duty it shall be to set apart annually from the sum received by the State from the various railroad companies in this State, in payment of taxes upon their gross earnings, a sufficient sum to meet the semi-annual payments of interest on said bonds to be issued under the provisions of this act.

Board of commissioners, how constituted.

SEC. 6. It shall be the duty of the Treasurer of State to pay the semi-annual maturing interest coupons attached to said bonds as they mature, at the place in the city of New York which shall be designated in said bonds, upon the warrant of the Auditor of State, out of the funds so set apart for said purposes aforesaid.

State Treasurer to pay semi-annual interest.

SEC. 7. All acts and parts of acts inconsistent with this act are hereby repealed.

SEC. 8. This act shall take effect and be in force on and after its passage.

Approved November 4, 1881.