

thousand (3,000) dollars for the year ending July thirty-first (31st), eighteen hundred and ninety-eight (1898), and the sum of three thousand (3,000) dollars for the year ending July thirty-first (31st), eighteen hundred and ninety-nine (1899), for the use of the state board of corrections and charities in carrying out the provisions of this act; *provided*, that the said state board of corrections and charities shall not be required to proceed further under this act than appropriation will permit.

SEC. 14. Agreement with Other States—The state board of corrections and charities is hereby authorized and empowered to enter into agreement with the authorities of other states which shall adopt legislation consistent with this act for the arbitration of disputed questions between such states and the state of Minnesota respecting the residence of insane persons, paupers, and other dependents, and for the return of such persons to their proper residence.

Agreement  
with other  
states.

SEC. 15. This act shall take effect and be in force from and after its passage.

Approved April 23, 1897.

## CHAPTER 292.

H. F. No. 852.

*An act relating to mortgages and conveyances of personal property and contracts creating or reserving a lien thereon.*

Conveyance  
of personal  
property.

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

SECTION 1. Every mortgage of personal property shall be void as against the creditors of the mortgagor and subsequent purchasers and incumbrancers of the property in good faith, unless it appears that such mortgage was executed in good faith and not for the purpose of hindering, delaying or defrauding any creditor of the mortgagor, and unless, in addition thereto, the giving of such mortgage is accompanied by an immediate delivery and followed by an actual and continued change of possession of the things mortgaged, or in lieu of such delivery and change of possession the mortgage is filed as hereinafter provided.

Mortgage  
void as  
against cred-  
itors of mort-  
gagor and  
subsequent  
purchasers.

SEC. 2. Every such mortgage shall be filed in the office of the clerk or recorder of the town, city or village where the mortgaged property, or any part thereof, is situate at the time of the execution of the mortgage, and every such mortgage shall be absolutely void

Filing of  
mortgage.

as against the creditor or creditors of the mortgagor and subsequent purchasers of the property in good faith, until such mortgage has been duly filed as herein provided, and shall be void as to any subsequent mortgagee in good faith whose mortgage of the same property, or any part thereof, shall be duly filed in the proper office prior to the filing of such first mentioned mortgage.

Location of property in transit.

For the purposes of this section, property in transit from the possession of the mortgagee or a vendor to the place of the residence of the mortgagor or to a location for use, is, during a reasonable time for transportation, to be taken as situate in the town, city or village in which the mortgagor resides or where it is intended to be used if the mortgagor be not a resident of this state.

If in unorganized county.

Whenever the county wherein such mortgage of personal property is required by the provisions of this section to be filed is an unorganized county of this state, then and in such case the mortgage shall be filed in the office of the register of deeds of the county to which the same may be attached for record purposes.

If in two or more cities or towns.

Whenever by virtue of the provisions of this section it shall be necessary to file such mortgage of personal property in two or more towns, cities or villages, such mortgage is only valid in respect to the things as to which it is duly filed, but a copy of the original mortgage may be authenticated by the officer in whose office it is filed, and such a copy or a duplicate of the original mortgage be filed in any other town, city or village with the same effect as the filing of such original would have.

Duties of recording officers.

SEC. 3. It is hereby made the duty of all township clerks, village recorders, city clerks or other officers in whose custody the records of the city or village are kept in this state to receive such chattel mortgages and all other contracts and instruments in this chapter referred to, when presented to him for filing, and to immediately number, file and index the same; such township clerks, village recorders, city clerks or other officer filing the same shall be entitled to charge and collect from the person so filing such mortgage, contract or other instrument, a fee of ten (10) cents, which shall be in full for receiving, numbering and indexing any such mortgage, contract or other instrument; and such officer so filing such mortgage shall also certify on the back of any such mortgage, contract or other instrument, the time and date of receiving the same, together with the number thereof, which certificate is hereby made *prima facie* evidence of the facts therein contained; such mortgage, contract or other instrument when so filed shall not be re-

moved from said office until canceled, released or satisfied.

SEC. 4. Each township clerk, village recorder, city clerk or other officer in whose custody such records are kept in this state shall keep in his office an index book or books in which he shall enter the number given to any such mortgage, contract or other instrument, together with the names in alphabetical order, of the mortgagee and mortgagor or the vendee or vendor and the particular sum secured thereby and the time and date of filing therefor, together with a brief statement of the time and date of the satisfaction of such mortgage, contract or other instrument, when made, and all such mortgages, contracts and other instruments when so filed shall be full and complete notice to all persons of the facts therein contained, from and after the time and date of such filing, and the lien of the mortgage upon the property therein described shall continue until paid or until the debt thereby secured is barred by the statute of limitations.

*Provided, however,* that as against the creditors of the mortgagor and subsequent purchasers or mortgagees of the property in good faith the lien of such mortgage shall in no event continue beyond the term of six (6) years from the date of the filing of such mortgage.

No mortgage of personal property shall be notice of any fact as against the creditors of the mortgagor or subsequent purchasers or mortgagees of the property in good faith unless the same is attested by two (2) witnesses and acknowledged before some officer authorized to take acknowledgments.

SEC. 5. No mortgage, pledge or other incumbrance of personal property which may be held exempt from execution or attachment under any of the provisions contained in the first (1st), second (2nd), fifth (5th) or ninth (9th) subdivisions of section three hundred and ten (310) of chapter sixty-six (66) of the general laws of eighteen hundred and seventy-eight (1878), given or made by a married man or woman shall be of any validity whatever unless the same be by written instrument executed and acknowledged as hereinbefore provided, and unless the husband and wife, if both are living, concur in and sign and acknowledge the same joint instrument.

SEC. 6. Upon the payment of the amount due on any mortgage of personal property it shall be the duty of the person owing the same to make and deliver to the person paying the debt, a receipt stating therein that the same has been paid in full and is thereby satisfied, and he shall further execute and file at his own expense a

Recording officers shall keep an index book. Contents of same.

Limit of lien of mortgage.

Mortgage not a notice as against creditors of mortgagor, except.

Mortgage of exempted property by married person not valid unless husband and wife concur.

Upon payment of mortgage, owner must file satisfaction.

full and complete satisfaction of such mortgage, which shall be filed in the office where such mortgage is filed, and every owner of any such mortgage who fails so to execute and record such satisfaction within sixty (60) days from such payment shall be liable to the mortgagor or the person owning the property or any subsequent creditor of the mortgagor or person owning the property, or any person having a lien on the property, in a penalty of treble damages.

Redemption  
of mortgaged  
property.

SEC. 7. When any condition of a mortgage of personal property is broken, the mortgagor or any person lawfully claiming under him, may redeem the same at any time before the property is sold or the right of redemption is foreclosed, pursuant to the terms of the contract between the parties, as hereinafter provided; and any subsequent purchaser or mortgagee of the property, or any creditor of the mortgagor or owner of the property having or claiming a lien thereon, may in like manner redeem the same from such mortgage.

Payment for  
redemption.

SEC. 8. A person entitled to redeem shall pay or tender to the holder of such mortgage, his authorized agent or attorney, the sum due on the debt secured thereby, or offer performance of the thing to be done together with all reasonable charges and expenses incurred in the care and custody of the property lawfully arising under the mortgage, and such payment, or tender, if kept good, shall have the effect to discharge the lien of such mortgage when made by the owner of the property; when such redemption shall be made by any subsequent purchaser, mortgagee or creditor having or claiming a lien on the property, it shall have the effect of subrogating such person redeeming to all the rights of the mortgagee or holder of such mortgage.

Foreclosure  
of chattel  
mortgage for  
default.

SEC. 9. Whenever the mortgagee in a chattel mortgage has a remedy by sale of the property authorized by the terms of the mortgage, in case of default, such mortgaged property shall not be sold at private sale, but only upon notice, as herein provided, and no mortgagee, nor any one claiming under him, shall have the right arbitrarily or without just and sufficient cause, based upon actual facts, to declare any of the conditions or stipulations of a mortgage broken prior to the time of default in the payment of such mortgage, or prior to the time when the conditions thereof should be performed. When any condition of a mortgage of personal property is broken the same may be foreclosed by a sale of the mortgaged property upon notice and in the manner following. The notice shall contain:

Conditions  
for sale on  
default.

First—The names of the mortgagor and mortgagee and of the assignee, if any.

Second—The date of the mortgage.

Third—The nature of the default and the amount due at the date of the notice.

Fourth—A description of the mortgaged property, conforming substantially to that contained in the mortgage.

Fifth—The time and place of sale.

Sixth—The name of the party, agent or attorney foreclosing the same, and if an attorney, for whom.

Such sale shall be made at some convenient place within the county where such mortgaged property, or some part thereof, to be sold, is located at the time of the commencement of the foreclosure proceedings, or in the county wherein such mortgage is filed, and the property sold shall be in view at the time of the sale.

SEC. 10. Such notice shall be served upon the person in possession of the property and upon the mortgagor, if he resides or can be found in the county where the foreclosure is had, in the manner provided for services of summons in actions in the district court, and shall be posted in three (3) public places in such county at least ten (10) days prior to the date of sale, and at the time and place stated in such notice the person conducting such sale shall proceed to sell the mortgaged property or so much thereof as shall satisfy the debt secured thereby and the costs and expenses of foreclosure, and any surplus of property not sold shall be delivered back to the owner.

Notice of sale.

SEC. 11. Within three (3) days after such sale the person making the same shall make a report, in writing, of all the proceedings in such foreclosure, specifying therein the property sold and the property returned, if any, the amount received from such sale, together with an itemized statement of all costs and expenses and the distribution of all moneys and the amount applied upon the mortgage debt, which statement shall be verified by his oath, or if he be an officer then by his official certificate attached thereto, and when so made shall be forthwith filed in the office wherein such mortgage is filed, and when so filed such certificate or certified copy thereof shall be *prima facie* evidence in all courts of this state of the facts therein stated.

Detailed report of sale to be filed in office of record.

SEC. 12. Whenever an attorney's fee for the foreclosure of such mortgage of personal property is provided for and stipulated in the mortgage, such amount as is therein specified, and no more, may be deducted and paid from the proceeds of the sale of such property to the attorney foreclosing such mortgage. But such attorney's fee shall in no case be retained, deducted or allowed unless a regularly admitted attorney at law of this state shall make and file in the office where such

Attorney's fee to be deducted from proceeds of sale.

mortgage is filed, his affidavit stating that he foreclosed said mortgage and that such fee has been paid to him for such services, which affidavit shall be filed within ten days after the date of the sale of the mortgaged property.

SEC. 13. Any person mentioned in section seven (7) of this act shall have the absolute right to redeem such mortgaged property or any portion thereof which may have been sold separately and for a separate and independent price at any time within two (2) days after the making of such sale, upon paying to the purchaser thereof or his assigns the amount for which the same was sold, with costs and expenses of keeping such property during the time allowed for redemption, and such purchaser at such sale shall thereupon deliver up the custody of such property to such person entitled to redeem the same, executing to him the proper release from such sale, and if notice of intention to redeem be given the person conducting the same at or before the time such sale is made, he shall retain possession of such property for such period, unless sooner redeemed.

SEC. 14. The mortgagee, his representatives or assigns, may fairly and in good faith purchase any property sold under the provisions of this act, provided the same is conducted by the sheriff, his deputy, or any constable of the county where such sale is made.

SEC. 15. The interest of the mortgagor or of his assigns in the mortgaged property may be subjected to garnishment proceedings or levied upon under execution or attachment, and when levied upon the officer executing the writ may take the mortgaged property into his possession, but he, or the creditor in the writ, shall forthwith cause a notice to be served upon the mortgagee or the owner of the mortgage or his agent, demanding therein a written statement of the amount remaining due on the debt secured by said mortgage, and such mortgagee or assignee of the mortgagee shall within three days thereafter furnish to the person making the demand a verified statement which shall contain the amount originally secured, the rate of interest, the amount and date of all payments and the balance then due, together with a further statement of all costs and expenses incurred, if any, and such attaching creditor shall within twenty-four (24) hours after the delivery of such statement pay over to the person entitled thereto the amount then due upon such mortgage, and in default thereof his levy shall be deemed released and the property returned, but if he pays such amount then such creditor shall be subrogated to all the rights of such mortgagee or his assigns in respect to the property, and

Redemption of property within 2 days, and who may redeem.

Mortgagee may purchase, if sale by an officer.

Mortgaged property subject to garnishment, execution or attachment.

Verified statement required of mortgagee.

shall be entitled to demand and receive the evidence of the indebtedness secured by such mortgage; but if the debt secured by said mortgage be not due at the time of making of such statement, and the owner thereof declines to receive payment of the same with interest to that date in satisfaction and discharge of the mortgage lien, then and in that case the property may nevertheless be held subject to the levy or garnishment and sold subject to the lien of such mortgage.

SEC. 16. Any provision in a mortgage given on crops to be thereafter planted and grown, which provision shall, by its terms, mortgage or convey any crop to be grown later than during the season commencing on the first (1st) day of May next subsequent to the date of the mortgage, shall be void, except where such mortgage shall be given to secure a part of all of the purchase price of lands upon which such crop is to be grown; but such provision shall in no way affect the validity of any other stipulation or provision in such mortgage.

Mortgage  
on crops.

SEC. 17. Every note of hand, or other evidence of indebtedness or contract, the conditions of which are that the title or ownership of the property for which said note, or other evidence of indebtedness, or contract, is given shall remain in the vendor, shall be absolutely void as against the creditors of the vendee and as against subsequent purchasers and mortgagees of the property in good faith unless the note, or other evidence of indebtedness, or contract, or true copies thereof, or if said contract be oral, then a memorandum, expressing the terms and conditions thereof, be filed as hereinafter provided.

Statement to  
be filed when  
title of prop-  
erty is to re-  
main in the  
vendor.

SEC. 18. Every such note or other evidence of indebtedness or contract, or copy thereof, shall be filed in the office of the township clerk, village recorder, city clerk or other officer in whose custody the records of the city or village are kept, of the town, city or village where the vendee resides at the time of the making thereof, or in case the vendee is not a resident of this state, then the same shall be filed in the office of the town clerk, village recorder or city clerk where the property is situate. Such instrument, or copy thereof, shall remain on file for the inspection of all persons interested.

Filing with  
records at  
residence of  
vendee.

SEC. 19. Every note or other evidence of indebtedness, or contract, filed pursuant to the provisions of this act, shall be held and considered to be full and sufficient notice to all parties interested of the existence and conditions thereof, but shall cease to be notice as against the creditors of the vendee and subsequent purchasers and mortgagees of the property in good faith after the expiration of one (1) year from the day on which

Limit of time  
when record  
is notice to  
creditors.

such note or other evidence of indebtedness, or contract, or the last installment of the sum secured thereby becomes due.

Notice of  
payment of  
note or evi-  
dence of  
record.

SEC. 20. When any note, or other evidence of indebtedness, or contract, filed under the provisions of this act has been paid, or the conditions thereof satisfied, the vendor or his assignee or personal representatives shall give the vendee, or the person making such payment or performing such condition, a statement in writing under his hand, stating the date of the instrument and that the same has been paid and discharged in full, and shall also make and file with the officer with whom such note or other evidence of indebtedness, or contract, is filed a like statement at his own expense. The said officers shall deliver to the person entitled thereto such instrument, the conditions whereof have been so performed, and shall file said certificate of satisfaction in his office in the same manner as is by this act provided for the filing of satisfactions of mortgages of personal property.

Seed loan and  
lien on crop.

SEC. 21. Any person who desires to secure a loan or a purchase of sowing seed at any time may, at the time of receiving such seed, give a note or contract for the same to the party from whom he secures it, stating the amount and kind of seed, the terms of the loan or purchase and the time and manner of return or payment; the party furnishing such seed and receiving such note or contract therefor may acquire a just and valid lien upon the crop grown or raised from such seed by filing, as hereinafter provided, said note or contract, or a true copy thereof, or a statement of the amount and kind of seed furnished and the terms, time and manner of payment.

Seed note or  
contract  
must be filed  
within 30  
days to effect  
a lien.

SEC. 22. The note, contract or statement, or copy thereof, mentioned in the preceding section, shall, within thirty (30) days from the date of the execution and delivery thereof, in order to constitute such lien, be filed in the office of the town clerk, village recorder or city clerk of the town, city or village wherein the land upon which such seed is sown is situated, and from the time of filing such note, contract or statement, or copy thereof, the party loaning the seed, or his assigns, shall have a valid lien and claim upon the growing crops and the crops grown from such seed to the amount and according to the terms of the contract, against all creditors and purchasers, as well as against the owner; and such lien shall not be affected by any exemption laws, and such lien shall take precedence of all others upon such crops, and such filing shall constitute a sufficient notice to all persons of the existence of such lien; but such lien

shall cease after one (1) year from the date of filing such instrument.

SEC. 23. The party owning such note or contract, and having such lien, may, at any time after condition (is) broken, proceed to take possession of the crop raised from the seed for which it was given, or so much thereof as he may be entitled to take or receive, according to the terms of such note or contract, and to reimburse him for the necessary expense of taking the same, and upon the receipt of such payment or satisfaction the lien shall become discharged.

May take possession of crop.

SEC. 24. All the provisions of this act relating to chattel mortgages so far as the same may be consistent, are hereby made applicable to the provisions hereof relative to conditional sale contracts and seed grain liens.

SEC. 25. All chattel mortgages, bills of sale, leases, seed grain notes and other instruments by which a lien upon or right in or to any personal property is reserved or claimed, which have heretofore been filed in the office of any town clerk, village recorder or city clerk, shall hereafter be subject to all the provisions of this act; and the liens thereof shall continue and be extended in all respects as hereinbefore provided.

Records of liens previously filed continued in force.

SEC. 26. Chapter thirty-nine (39) of the general statutes of eighteen hundred and seventy-eight (1878), chapter fifty-nine (59) of the general laws of eighteen hundred and seventy (1870), chapter fifty-three (53) of the general laws of eighteen hundred and seventy-one (1871), chapter sixty-two (62) of the general laws of eighteen hundred and seventy-two (1872), chapter sixty-five (65) of the general laws of eighteen hundred and seventy-three (1873), chapter fifty (50) of the general laws of eighteen hundred and seventy-five (1875), chapter ninety-three (93) of the general laws of eighteen hundred and seventy-five (1875), chapter fifty-three (53) of the general laws of eighteen hundred and seventy-six (1876), chapter sixty-five (65) of the general laws of eighteen hundred and seventy-nine (1879), chapter twenty-three (23) of the general laws of eighteen hundred and eighty-three (1883), chapter thirty-eight (38) of the general laws of eighteen hundred and eighty-three (1883), chapter seventy-six (76) of the general laws of eighteen hundred and eighty-five (1885), chapter one hundred and seventy-one (171) of the general laws of eighteen hundred and eighty-five (1885), chapter fifty-eight (58) of the general laws of eighteen hundred and eighty-seven (1887), chapter one hundred and seventy-six (176) of the general laws of eighteen hundred and eighty-seven (1887), chapter seventy-nine (79) of the gen-

Former acts repealed.

erallaws of eighteen hundred and eighty-nine (1889), and chapter two hundred and fifteen (215) of the general laws of eighteen hundred and ninety-five (1895), and all other acts in conflict with or that contravene any of the provisions of this act, be and the same are hereby repealed.

SEC. 27. This act shall take effect and be in force from and after its passage.

Approved April 23, 1897.

H. F. No. 4.

CHAPTER 293.

Tax on inheritances, bequests and legacies.

*An act for a tax on gifts, inheritances, devises, bequests and legacies in certain cases.*

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

Tax on transfer of property valued at \$5,000 or over.

SECTION 1. A tax shall be and is hereby imposed upon the transfer of any personal property, of the value of five thousand (5,000) dollars or over, or of any interest therein or income therefrom, in trust or otherwise, to persons or corporations not exempt by law from taxation on real or personal property, in the following cases:

Resident of state.

First—When the transfer is by will or by the intestate laws of this state from any person dying seized or possessed of the property while a resident of the state.

Non-resident of state.

Second—When the transfer is by will or intestate law, of property within the state, and the decedent was a non-resident of the state at the time of his death.

Transfer in contemplation of death of grantor.

Third—When the transfer is of property made by a resident or by a non-resident, when such non-resident's property is within this state, by deed, grant, bargain, sale or gift, made in contemplation of the death of the grantor, vendor or donor, or intending to take effect, in possession or enjoyment, at or after such death. Such tax shall also be imposed when any such person or corporation becomes beneficially entitled, in possession or expectancy, to any property or the income thereof, by any such transfer, whether made before or after the passage of this act. Such tax shall be at the rate of five (5) per cent. upon the clear market value of such property, except as otherwise prescribed in the next section.

5% of market value.

Exemption except in transfer of personal

SEC. 2. When the property or any beneficial interest therein passes by any such transfer to or for the use of father, mother, husband, wife, child, brother, sister, wife