

S. F. No. 558.

CHAPTER 319.

Cities: incor-
poration and
government of

An act to amend section one hundred and twenty-six (126), chapter eight (8), Laws of eighteen hundred and ninety-five (1895), entitled, An act to provide for the incorporation, organization and government of cities.

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

Sec. 126, c. 8,
Laws 1895,
amended.

SECTION 1. That section one hundred and twenty-six (126), chapter eight (8), Laws of eighteen hundred and ninety-five (1895), entitled, An act to provide for the incorporation, organization and government of cities, be and the same hereby is amended so as to read as follows:

City council to
control finan-
ces; limit on
bond issue.

Section 126. City Council to Control Finances, Limit on Bond Issue.—The city council shall control the property and finances of the city, and shall have the power to appropriate money for city purposes only, except as hereinafter provided; to provide for the payment of its debts and expenses; to borrow money on its credit for city purposes, and to issue bonds therefor, as herein provided; to issue bonds in the place of or supply means for paying maturing bonds or to consolidate or fund the same; *provided*, that the total indebtedness of such city, except as hereinafter provided, shall not thereby be made to exceed five (5) per cent of the total value of the taxable property of such city according to the last preceding assessment for purposes of taxation, except in cities where such limit has already been reached, or expenditures have already been authorized by vote of the people of said city, which will cause the said limit to be reached; *provided, however*, that the certificates of indebtedness issued for the creation and maintenance of the permanent improvement revolving fund shall not be considered as a portion of the indebtedness of the city for the purposes of this section. *Provided, further, however*, that in case of any such city now organized or territory hereafter to be organized the total indebtedness of which at the time of the passage of this act exceeds five (5) per cent. of the total value of the taxable property of said city, according to the last preceding assessment for purposes of taxation, when such city shall accept the provisions of this act, the city council of such city may issue bonds sufficient to pay all the floating indebtedness and judgments then existing of such city, and any certificates of indebtedness of such city then outstanding, the proceeds of which bonds shall be used solely for the purpose

of paying such indebtedness; and thereafter the city council of such city shall not be authorized to issue any bonds, except as hereinafter provided, and except for the purpose of paying maturing bonds of said city, until the total indebtedness of said city, except as hereinafter provided, shall be reduced to an amount less than five (5) per cent. of the total value of the taxable property of such city, according to the last preceding assessment for the purpose of taxation; and thereafter the city council of such city may issue bonds in accordance with the provisions hereof and within the limits herein first described.

Provided, further, that any city having a population of less than 8,000, an indebtedness of not to exceed ten per cent of the total value of the taxable property of such city may be incurred by the issuing of bonds in the same manner as above provided for the incurring of indebtedness not to exceed five (5) per cent.

Provided, further, that any ordinance or resolution authorizing the issuance of bonds that would increase the bonded indebtedness to an amount exceeding five (5) per cent. of the total value of the taxable property of the city shall be submitted for ratification to the electors of the city at the next regular city election, or at a special election called for that purpose, the form of ballot to be used at which shall be prescribed by the city council. If two-thirds of all the electors voting upon such question shall vote in favor of the issuance of such bonds, then said ordinance or resolution shall take effect and be in force; otherwise, the same shall become null and void.

Provided, further, that where any city has, prior to its becoming subject to the provisions of this act, for the purpose of constructing, erecting, maintaining, extending or improving suitable water and light plants, or either of such plants, or for the purpose of purchasing, maintaining, extending and improving any water and light plant, or either of such plants, already in existence in said city, or for the purpose of acquiring and paying for any real estate or other property needed in connection with such water and light plants, or either of them, for the protection of the purity of the water supply, or otherwise, issued or authorized to be issued bonds so that the amount of said bonds when added to the other indebtedness of said city shall cause the entire indebtedness thereof to exceed five (5) per cent of the total value of the taxable property of said city according to the last preceding assessment for purposes of taxation, then said bonds shall not be deemed to be a part of the total indebtedness of said city, which said city is hereinbefore forbidden to make to exceed five (5) per cent. of the total value of such taxable property; and thereafter said city

Not to exceed
10 per cent in
cities of less
than 8,000.

Issuance of
bonds in ex-
cess of 5 per
cent to be sub-
mitted to the
people.

Application of
act in certain
cases.

may issue such additional bonds as may be necessary to extend, enlarge or improve such water and light plant, or either of such plants; and such additional bonds so issued for such purpose shall also not be deemed to be a part of the total indebtedness of said city, which said city is hereinbefore forbidden to make to exceed said five per cent. of the total value of such taxable property. Such bonds shall be authorized, issued, negotiated and sold in the same manner as other city bonds, and shall be a first lien upon all water and light appliances and structures of every kind, if issued for both, or if for only one, then for the appliances and structures thereof, and all property acquired or used in connection therewith erected, owned or purchased by said city; and the proceeds of said bonds shall not be expended for any other purpose than that for which they are issued.

Bonds issued
in place of
outstanding
bonds.

Provided, further, that the city council by a majority vote thereof may issue such bonds in place of, or to supply means for, paying maturing bonds which have been issued for either of said purposes, or to consolidate or fund the same, and if any plant or plants acquired by the city by purchase have outstanding bonds which, by their terms, were not due at the time of such purchase, and the city has assumed said bonds or has purchased said plant or plants subject thereto, the city council may at any time exchange the bonds of said city for such outstanding bonds of said plant or plants, or any part thereof, the bonds so exchanged not to bear any greater rate of interest or to be greater in amount than the rate of interest or the amount of the par value of such outstanding bonds for which they are exchanged, and said bonds so issued for the purposes aforesaid, or either of them, shall not be deemed to be a part of the total indebtedness of said city, which said city is hereinbefore forbidden to make to exceed five per cent. of the total value of the taxable property in such city, according to the last preceding assessment for purposes of taxation.

Sinking fund
out of income
to be provided.

Provided, further, that the city council shall set aside annually such portion of the gross income from the water and light plants, or either, of the city, as they shall determine to create a sinking fund for the payment of said water and light bonds, or either, as they become due.

SEC. 2. This act shall take effect and be in force from and after its passage.

Approved April 20th, 1899.