

CHAPTER 134.

S. F. No. 428.

An Act to authorize and empower the city council or common council of cities in this state of over fifty thousand inhabitants to issue and sell municipal bonds and to use the proceeds thereof for defraying the cost of making certain local improvements in advance of the collection of the special assessment levied therefor.

Cities with
over 50,000
population.

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

SECTION 1. The city council or common council of each and every city in this state now or hereafter having over fifty thousand inhabitants, in addition to all the rights and powers heretofore granted thereto by law, is hereby authorized and empowered, for the purposes herein designated, to issue from time to time as needed the negotiable bonds of their respective city to an amount in the aggregate not to exceed \$150,000.00, said bonds to be made in such denominations and payable at such places and at such times not to exceed thirty years from the date thereof, as may be deemed best, and to bear interest at a rate not to exceed four per cent per annum, payable semi-annually, and to have interest coupons attached, payable at such place or places as shall be designated therein; and said city council or common council, as the case may be, is further authorized to negotiate and sell such bonds from time to time to the highest bidder or bidders therefor, and upon the best terms that can be obtained for said bonds. Provided, that no such bonds shall be sold for a less amount than the par value thereof and accrued interest thereon; and provided further, that said bonds shall not be issued until the issuance thereof is authorized by resolution or ordinance duly passed by a unanimous vote of all the members of the city council or common council proposing to issue the same. And provided further that no bonds shall be issued under the provisions of this act after the expiration of six months from the time of the approval of this act.

City councils
may issue
bonds, not
exceeding
\$150,000.

Act valid
prior to
Oct. 4, 1901.

SEC. 2. Nothing herein contained shall authorize the issue at any time of the bonds of any such city to such an amount that the whole amount of the principal of the bonds actually issued by such city and still outstanding, together with the proposed issue, less the amount of the bonds of such city which shall be in and constitute a part of the sinking fund of such city for the payment of bonds, shall exceed ten per cent of the assessed valuation of the

Limit 10 per
cent of
valuation.

taxable property of such city, as shown by the last preceding assessment.

SEC. 3. All bonds issued under authority of this act shall be sealed with the seal of the city issuing them and signed by the mayor and attested by the clerk or recorder, and countersigned by the city comptroller, if such officer exists in such city. The proceeds of any and all bonds issued and sold under authority of this act shall be placed in the city treasury of the city issuing the same, and shall constitute a special fund, and shall be kept distinct from all other funds of the city, and shall be used only for the purposes of paying, to the amount of the special assessment duly assessed and levied therefor and in advance of the collection of such assessments, (1) the cost of paving, repairing or macadamizing any public street, lane or alley in such city; (2) the cost of any gutter or gutters along any such street, lane or alley; (3) the cost of laying any curb stone along any such street, lane or alley (not including the sidewalk proper on any such street, lane or alley); (4) the cost of laying, relaying or extending any sewer pipes in or through any such street, lane or alley or other public grounds or any portion thereof; and the proceeds of said bonds or any thereof shall not be used for any other purposes than those hereinbefore specified.

Disposition
of such
funds.

Receipts
from assess-
ments to be
credited to
said fund.

All said assessments, the amounts of which have been advanced from the special fund hereby created and used pursuant to the provisions of this act for paying the cost of local improvements for which such assessments are levied, shall, together with all penalties and accrued interest thereon, when collected, be paid into the city treasury to the credit of the special fund hereby created, and the same shall be and become a part of said special fund and shall be used only for the purposes of said special fund hereinbefore expressly provided.

SEC. 4. This act shall take effect and be in force from and after its passage.

Approved April 4, 1901.