

H. F. No. 254.

CHAPTER 24.

Municipal
bonds.

An act to authorize and empower the city council or common council of cities in this state of over 50,000 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 and to provide for ascertaining, reporting and supplying any impairment or depletion of the fund into which the proceeds of said bonds come.

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

City council
in cities of
over 50,000
may issue
bonds in cer-
tain cases.

SECTION 1. The city council or common council of each and every city in this state now or hereafter having over 50,000 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 three hundred and fifty thousand dollars (\$350,000.00), said bonds to be made in such denominations and payable at such places and at such times, not to exceed ten years from the date thereof, as may be deemed best, and to bear interest at a rate not to exceed three and one-half ($3\frac{1}{2}$) 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 duly passed by a five-sixths vote of all the members of the city council or common council proposing to issue the same; and no bonds shall be issued under the provisions of this act after six months from the date of its passage.

Sale of
bonds, not
less than
par and
interest.Resolution
requires 5-6
vote.

Limitations.

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, including water and light bonds, 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 non-exempt 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 the same 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 except from funds used for the same purpose, and shall be used only for the purpose of paying to the amount of the special assessment duly assessed and levied therefor and in advance of the collection of such assessment, (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 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, 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.

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 as hereinbefore expressly provided

SEC. 4. It shall be the duty of the city comptroller of said cities, or other officer having like duties in case there

Under seal and proper execution.

Proceeds of sale to constitute special fund.

Used for special purposes.

Assessments when collected to be paid into city treasury - special fund.

Duty of comptroller or like officer.

be no city comptroller, to ascertain annually, at the end of each calendar year, to what extent, if any, the whole special fund in which said proceeds of said bonds is placed and of which fund said proceeds form all or any part, has been impaired or depleted by the annulment of assessments or other cause, and shall state in his annual report the amount of cash in the city treasury belonging to said fund, the amount of uncollected and unimpaired assessments due and to become due to said fund, together with the amount of said impairment or depletion of said fund, if any, the same to be itemized under the respective causes of such impairment or depletion. In case said impairment or depletion of said fund, or any part thereof, arose by reason of any such special assessment being less than the actual cost of the improvement for which the assessment was made, it shall be the duty of the proper officer or officers of such city, and they are hereby empowered to cause a new and additional special assessment to be made against the property which was underassessed, so as to bring the whole assessment against said property up to the actual cost of such improvement. In case any portion of said impairment or depletion so ascertained arose from other cause than such underassessment, it shall be the duty of the city comptroller or other proper officer or officers of such city, to transfer from the permanent improvement funds of such city to said impaired or depleted fund the amount of such impairment and depletion arising from such other cause. In case any such city has no fund designated as a permanent improvement fund, then such transfer shall be made from any funds of such city available for public improvements, and if there should not then be sufficient permanent improvement funds or other such funds available for such transfer, then such transfer shall be made out of the first funds thereafter coming into the fund from which said transfer is herein required to be made; *provided, however*, that this act shall not be construed to require any such reassessment nor any such transfer except for such impairment or depletion as arises after the proceeds of any of said bonds have come into said special fund.

Special
assessments.

Transfer of
funds.

SEC. 5. This act shall take effect and be in force from and after its passage.

Approved March 3, 1903.