

## CHAPTER 432—S. F. No. 712.

*An act providing for the payment of bonded, and other indebtedness of any school district that has been heretofore included in a consolidated school district.*

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

**Section 1. How indebtedness of old school district is to be paid when consolidated school district is formed.**—Whenever any school district has heretofore been included in a consolidated school district, the bonded and floating indebtedness of such old school district existing at the time of the going into effect of such consolidation shall be paid in the manner following:

A. Each year the county auditor shall extend a tax against the territory chargeable with the payment of any outstanding bond for an amount sufficient to pay the interest or instalment of principal due upon such bond in the year following. Such tax when so collected shall be turned over by the county treasurer to the treasurer of the consolidated school district, who shall keep the same in a separate fund and use the money so received for the payment of such interest or instalment of principal. In case, either because all of said taxes so levied are not paid or for any other reason, the amount so raised by such tax levy shall not be sufficient to pay such interest or instalment of principal, then the amount so remaining unpaid for such year shall be included in the levy to be made the following year.

B. The county auditor shall also levy a sufficient tax against the territory which was included in the old school district at the time of the consolidation to pay the outstanding liability of such old district, excepting bonded indebtedness, as such outstanding liability may be represented by school district orders duly issued prior to such consolidation. The money collected from such tax levy shall be by the county treasurer paid over to the treasurer of the consolidated school district, who shall keep the same in a separate fund and therefrom pay such outstanding school district orders with interest thereon. In case the money so collected shall not be sufficient to pay all of such outstanding orders with interest thereon, then the county auditor shall the following year levy a tax sufficient to pay such residuum so unpaid, and so continue from year to year until full payment has been made.

C. In case any such old school district included in a consolidated school district has outstanding obligations not represented by bonds or school district orders, the claims against such old school district may be presented to the board of the

consolidated district, and if found correct may be allowed by said board and school district orders issued therefor against the territory included in such old school district to be so designated, and money to pay the same shall be provided by tax levy, and the county auditor, county treasurer and consolidated district treasurer shall take the same procedure and perform the same duties and acts as in paragraph B hereof provided.

D. The school board of a consolidated district in which was included any school district having a bonded indebtedness may refund such bonded indebtedness by a three-fourths vote of the members of such school board and issue refunding bonds therefor which shall be chargeable against the territory that was chargeable with the payment of the bonds so proposed to be refunded. Such refunding bonds shall not run for a period shorter than five years nor longer than twenty years. The first refunding bond shall be due six years from the date of its issuance and shall be for not less than one-tenth of the bond issue in question nor more than one-fifth thereof, and each subsequent bond shall be for a like amount and shall be payable one year from the due date of the bond to be paid the preceding year. The county auditor shall extend a tax against all the territory chargeable in the first instance with the payment of the old bonds sufficient to pay the interest on such refunding bonds and any instalment of principal that may be due in the following year. Such tax for the first year shall be fifty per cent in excess of the amount to be due the succeeding year, and thereafter each yearly levy shall be in such amount in excess, not exceeding fifty per cent, of the amount to be due the succeeding year, as the auditor may deem necessary. The county treasurer, upon the collection of such tax, shall apply the proceeds thereof to the payment of such interest or instalment of principal, and shall file with the county auditor receipts therefor, together with the cancelled bonds so taken up. The state board of investment may invest the funds under its control in refunding bonds so issued under the provisions of this paragraph.

E. Whenever any person has a claim against a school district which has been included in a consolidated district, which claim is not represented by a bond or school district order and which claim the consolidated district school board will not allow and issue a school district order therefor as provided in paragraph C hereof, such person may institute action in the proper court against the territory included in such old school district at the time of the consolidation by serving a summons and complaint upon the consolidated district school board, which board shall defend such action in behalf of the territory affected. In case judgment is secured by any such person on any such claim, then upon filing a certified copy of such judgment with

the county auditor, such county auditor shall proceed by tax levy substantially as provided in paragraph B hereof and the money so received from such tax levy shall be paid by the county treasurer in payment of such judgment.

**Sec. 2. Care and distribution of moneys received by county treasurer and treasurer or district.**—Such moneys so received by the county treasurer and by the treasurer of the consolidated district shall be considered as county and school district moneys so received by them respectively, and such treasurers and their bondsmen shall be liable for the proper care and distribution thereof to the same extent as they are liable for other county and school district funds that may be received by them.

**Sec. 3.** This act shall take effect and be in force from and after its passage.

Approved April 20, 1917.

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CHAPTER 433—S. F. No. 750.

*An act providing that state roads, in counties having, or which may hereafter have, a population of 150,000, or more, inhabitants, and a county superintendent of highways, or other county officer to superintend the construction or improvement of roads therein, shall, when it shall have been determined by the county board to ask for federal aid in the construction or improvement thereof, be constructed or improved under the direct supervision and control of the state highway commission.*

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

**Section 1. State highways in Hennepin county to be reported to secretary of agriculture for receiving federal aid.**—That whenever the county board of any county now or hereafter having a population of 150,000, or more, inhabitants, and a county superintendent of highways or other county officer, to superintend the construction or improvement of roads within its confines, desires to construct or improve any state road or part thereof, and receive aid on account thereof from the United States government under the provisions of the act of Congress entitled, "An act to provide that the United States shall aid states in the construction of rural post roads and for other purposes," approved July 11, 1916; the said county board shall by resolution designate the road or part thereof which it desires to so construct and improve and also set forth in said resolution, in a general way, the general nature of the construction or improvement which it desires to make thereon, and also in and by such resolution request the commissioner of highways to submit a project statement thereon setting forth such proposed