

withdrawing from sale and providing for the leasing and use of state lands bordering on or adjacent to meandered lakes and other public waters and water courses; and defining certain offenses and prescribing penalties therefor.

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

Section 1. State land on meandered lakes to be withdrawn from sale.—That Section 11 of Chapter 430, Laws of 1923, be and the same is hereby amended so as to read as follows:

“Section 11. All state lands bordering on or adjacent to meandered lakes and other public waters and watercourses and the live timber growing or being thereon hereby are withdrawn from sale.

Of all such lands bordering on or adjacent to meandered lakes and other public waters and watercourses and so withdrawn from sale, a strip two rods in width, the ordinary high water mark being the water side boundary thereof, and the landslide boundary thereof being a line drawn parallel to the ordinary high water mark and two rods distant landward therefrom, hereby is reserved for public travel thereon, and where ever the conformation of the shore line or conditions require, the auditor shall reserve a wider strip for such purposes.

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

Approved April 20, 1927.

CHAPTER 331—S. F. No. 213

An act authorizing and providing for the issuance and sale by certain villages, towns and school districts of bonds for funding, refunding and other purposes, and prescribing the conditions thereof; authorizing the investment of a portion of the proceeds thereof in certain tax certificates and deeds, removing certain limitations upon such certificates and deeds so acquired; and prescribing the conditions of holding and dealing with same; and authorizing and providing for supervision and control by the courts of the affairs of such villages, towns and school districts and of the enforcement of their obligations, in certain cases.

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

Section 1. Municipalities may issue funding bonds.—Any village, town or school district in this state, whose existing bonded judgment and floating indebtedness exceeds forty per cent of the assessed valuation of all taxable property, exclusive of moneys and credits, in the village, town or district, may issue, negotiate and sell its bonds, for the purpose of funding

and refunding, such indebtedness or any part thereof, and for the other purposes hereinafter stated, in the manner and under the conditions hereinafter prescribed.

Sec. 2. Governing body to adopt resolutions.—The governing body of such village, town or district at any regular or duly called special meeting thereof, may adopt, by majority vote, a resolution stating the authority of law under which the right is claimed to issue such bonds, the purpose for which it is proposed to issue the same, the number and the face value of each thereof, and the time when each bond to be issued thereunder shall mature, and direct that the same be issued, negotiated and sold as hereinafter provided. A list of the items of indebtedness so to be funded and refunded may be made and certified by the presiding and recording officers and the treasurer of the village, town or district, and kept on file for public examination in the office of the recording officer, and may be referred to in the resolution so adopted. Said resolution may be published not less than one nor more than three weeks successively in a legal newspaper published in said village, town or district, or in the county seat of the county, if there be no such newspaper in said village, town or district, and proof of the publication thereof filed in the office of the recording officer. The governing body may and, on petition of ten or more voters and taxpayers of the village, town or district, filed with the recording officer within ten days after the first publication of such resolution, or prior thereto, shall submit to the legal voters of the village, town or district, at a regular or special election, the proposition so to issue, negotiate and sell said bonds, and, in such case, the affirmative vote of a majority of those voting on the proposition shall be sufficient to authorize same. In any case, no bonds sold by authority of this act more than thirty days after the publication of the governing body's authorizing resolution, or after the vote of the electors authorizing same, shall be questioned by reason of the invalidity of any indebtedness included in the list aforesaid funded or refunded thereby nor of any informality, irregularity or defect in the proceedings.

Sec. 3. Bonds—maturity—interest rate.—The bonds authorized hereunder shall be payable serially in annual installments, as determined by the governing body, the first thereof to become due and payable in not more than three years from the date thereof, and the last installment thereof to become due and payable not more than fifty years from their date. No annual maturing installment of principal shall be more than two-and-one-half times the amount of the smallest installment thereof maturing in any one year; provided, in the discretion of the governing body, exercised by resolution at any time

before the issuance and sale of said bonds, any or all thereof may be made payable on or before their respective maturity dates; and bids for said bonds may be in the alternative for such bonds with or without the "on or before" privilege. None of said bonds shall be sold for less than their full face value, nor bear interest in excess of six (6) per cent, per annum, payable annually or semi-annually. The procedure for advertising for, receiving and accepting bids for said bonds shall be that provided for in Section 1943, General Statutes 1923, and any amendments thereof.

Sec. 4. Bonds may be sold—how.—In lieu of, or in addition to, receiving bids for such bonds, or any thereof, the governing body may cause same to be offered for and sold by public subscription from time to time; and in any case the holder of outstanding bonds or other indebtedness of the village, town or district may use and apply the same and any interest or other items legally accrued thereon in payment, in whole or in part, for bonds herein authorized purchased by him. But no bonds shall be issued or sold in any manner hereunder unless all indebtedness to be funded and refunded is due, or unless the holders thereof shall have consented to accept payment thereof, with interest and other items legally accrued thereon, and surrender and satisfy same, such consent to be by written instrument, filed with the recording officer; provided that outstanding bonds having not over $4\frac{1}{4}\%$ interest per annum, not yet due, need not be so surrendered as a condition to the issuance of bonds hereunder to fund or refund the other obligations of the village, town or district, but, in such event, such outstanding, unsurrendered bonds shall be considered in determining the maturities of the bonds issued hereunder.

Sec. 5. Tax levy.—In each year in which bonds are sold pursuant to this act the governing body shall levy and certify to the county auditor a direct annual tax in an amount not less than 5% in excess of the sum required to pay the principal and interest thereof, when and as the same mature, which tax shall be irrevocable until all such indebtedness shall be paid. No further authority for the extending and collection of such tax shall be required, and no part of the proceeds shall be diverted to any other use until all obligations herein authorized shall have been fully paid.

Sec. 6. May create revolving fund.—The governing body in their discretion and with the approval of the state board of investment may include in the amount of said bonds a sum not exceeding 10% of the obligations to be funded and refunded, and use the proceeds of such excess fund as a revolving fund for the following purposes: From time to time the same or any part thereof, with the approval of said state board,

may be used to purchase taxable real property in said village, town or district at any tax sale thereof, or state assignment certificates thereof, and to pay subsequent delinquent taxes thereon, and to take proper proceedings to cause elimination of the right to redeem from such tax sales, in the same manner and with the same rights as in case of a private purchaser, except that no law limiting the time for giving notice of expiration of redemption or recording the tax certificate or deed, as conditions for keeping alive the validity and lien of any such certificate or deed, shall apply. The proceeds of any such certificate or deed, whether upon redemption or otherwise, as well as of any property acquired by virtue thereof, may be likewise invested; but all such certificates, deeds, property and proceeds shall be held and dealt with by the village, town or district as trustee, as additional security for each and all of the bonds issued and sold by virtue of this act, so long as the same or any thereof remain unpaid.

Sec. 7. Defaulted bonds.—If heretofore or hereafter, prior to the issuance and sale of the bonds herein authorized, default shall have occurred in the payment or in any of the conditions of any of the outstanding bonded indebtedness of such village, town or district, or of any of the interest thereon, or any personal judgment for money shall have been obtained against such village, town or district, and the welfare of the village, town or district and the security of its creditors shall be jeopardized thereby, the village, town or district, through its presiding and recording officers, by authority of the governing body, may apply to the district court of the county and district in which such village, town or district is situated, for the relief herein authorized, whereupon the court may forthwith, on such conditions as to it shall seem proper, order that any and all proceedings, pending or otherwise, to enforce the obligations of such village, town or district be stayed until further order of the court, and may fix a time and place for hearing on the question whether such stay be continued, and the supervision and control hereinafter mentioned exercised, during the embarrassed financial condition of said village, town or district, and such other relevant questions as to it shall seem proper, and shall cause notice of such hearing to be given, at least ten days prior to the date thereof, by publication for at least one week in a legal newspaper published in said village, town or district, or, if there be none in such village, town or district, in the county seat, and by mailing to each creditor whose name and address are known. Upon such hearing the court may award such relief, or so much thereof as to it shall seem proper. During any proceedings herein authorized the affairs of said village, town or district shall be conducted under the

supervision and control of the court, consistently with the reasonable protection of the interests of all the creditors and with the performance of such public duties and functions of the village, town or district as shall be feasible. Such proceedings shall not preclude the issuance and sale of the bonds, nor the exercise of any of the other powers and functions, hereinbefore authorized, but, during the pendency of such proceedings, the same shall be done and performed under the supervision of the court, and that of the state board of investment shall not be required. Any final order of the court in proceedings authorized by this act shall be subject to appeal and review as in other like cases.

Sec. 8. Act remedial.—This act shall be construed as remedial and consistently with the constitutional rights and duties of each village, town, school district, taxpayer and creditor affected. If any section, part of provision hereof be found unconstitutional, such determination shall not affect the validity of the remaining provisions not clearly dependent thereon.

Sec. 9. Act not restrictive.—Nothing in this act contained shall be construed to prohibit any such village, town or district's agreeing with its creditors, or any of them, to a compromise and settlement of any or all of its indebtedness for less than the amount thereof, nor its borrowing money, to affect such settlement, under this or any other statute authorizing the borrowing of money by villages, towns or school districts, as the case may be.

Sec. 10. Construction.—No statute heretofore or hereafter enacted shall be construed to prohibit or impair the right to issue and sell the bonds with the maturities herein authorized, unless the purpose so to do shall be expressly declared.

Sec. 11. This act shall take effect and be in force from and after its passage.

Approved April 20, 1927.

CHAPTER 332—S. F. No. 300.

An act amending Section 6277, General Statutes 1923, relating to the appraisal and sale of state lands.

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

Section 1. Appraisal of state lands to be made by state appraisers.—That section 6277, General Statutes 1923, be and same hereby is amended so as to read as follows:

"6277. Whenever in the opinion of the land commissioner of the State of Minnesota it will be for the public interest that an appraisal of any of the school or other state lands