

CHAPTER 350—H. F. No. 1075

An act providing for a central mailing station for state departments and other state agencies.

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

Section 1. Central mailing station established in Capitol.—Upon the erection of a state office building the Commission of Administration and Finance shall cause to be established a central mailing station in the State Capitol, or in such office building, under the direct supervision of the custodian of State Capitol buildings.

Sec. 2. Mail to be delivered unstamped.—All official mail of any state department or other state agency occupying quarters either in the State Capitol, or in adjoining state buildings, shall be delivered unstamped to the central mailing station. Account shall be kept of the postage required on such mail, which shall be a proper charge against the department or agency delivering such mail.

Sec. 3. Custodian to make use of labor saving devices.—In the handling of mail at the central mailing station the custodian shall make use of labor saving devices and machines when it is found economical to do so.

Sec. 4. Department to advance money for expenses.—To provide funds for the payment of postage each department or agency shall make advance payments from time to time to the custodian sufficient to cover its postage obligations for at least thirty days.

Approved April 24, 1929.

CHAPTER 351—S. F. No. 717

An act relating to indebtedness, obligations and expenditures of certain counties, towns, school districts and other municipalities; authorizing the funding or refunding and payment of outstanding indebtedness and obligations thereof; validating certain indebtedness so to be funded or refunded; limiting and controlling future expenditures thereof; and prescribing penalties for violation of its provisions.

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

Section 1. Definitions.—Who may issue bonds.—The term “municipality” as used in this act shall include any county, town, school district, city, village or borough. Any such municipality, whose bonded, judgment and floating indebtedness exceeds twenty-five per cent of the assessed valuation of all taxable property therein, exclusive of moneys and credits, or in which taxes on more than 25 per cent of the lands on the tax lists have been delinquent for three years or more, may issue, negotiate and sell its bonds, at one time or from time to time, for the purpose of funding and/or refunding such indebtedness or any part thereof and/or of paying its outstanding obligations, in the manner and under the conditions hereinafter prescribed.

Sec. 2. May vote to issue bonds for certain purposes.—The governing body of any such municipality may by resolution, of their own motion, and shall, on petition of voters thereof to the number of ten per cent, of those who voted therein at the last preceding general or municipal election, submit to the voters thereof a proposition to fund and/or refund and/or pay its existing indebtedness and obligations, or any part or class thereof, and may include therein outstanding warrants or orders, and outstanding bonds or certificates or other evidence of indebtedness or liability, whether due or to become due, and the interest thereon, or any thereof. Upon the adoption of such resolution or filing of such petition, there shall be prepared forthwith by the recording officer, by direction of the governing body, and kept on file in his office a complete, itemized list of all warrants, orders, bonds, certificates and other indebtedness and liability so to be funded and/or refunded, specifying the dates, names of payees, and holders, if known, purposes, amounts, maturities, rates of interest, and dates from which interest remains unpaid, of each item thereof, with such other information as the governing body shall prescribe, classifying said items according to the purposes for which tax levies may be made and indebtedness incurred. Such list shall be at all times open to public inspection, and copies thereof shall be furnished on request, certified if desired, on payment of a fee not exceeding five cents per folio.

Sec. 3. Bonds.—Maturity.—Rate of interest.—Said proposition shall contemplate the issuance of bonds payable serially in annual installments, as specified therein, the first thereof (except in cases of bonds to be sold to the state) 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, except such as are payable within five years from the date of issue, and except as hereinafter provided, shall exceed the installment of principal

payable in any preceding year; but, 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, with such provisions as to calling and notice thereof as shall be deemed advisable; bids for said bonds may be in the alternative for such bonds with or without the "on or before" privilege, and the most favorable bid or bids may be accepted. None of said bonds shall be sold for less than their full face value and accrued interest, nor bear interest in excess of six per cent. per annum, payable annually or semi-annually.

Sec. 4. Obligations not matured to be taken into consideration.—If there be any outstanding bonds or other evidences of indebtedness or contract obligations, not yet due and not refunded or to be refunded by the proceedings herein authorized, the amounts and maturities of such outstanding bonds and other evidences and obligations shall be taken into consideration in determining the maturities of the bonds issued hereunder, so that, as nearly as may be, after the issuance of the bonds herein authorized, the maturities of the installments of all such indebtedness of the county, town, school district or municipality shall comply with the provisions hereof. Provided, the funding and/or refunding and/or payment of any or all of such indebtedness and/or obligations, not yet due, may be contemplated in the proposition aforesaid, in which event the issuance and sale of at least so much of the bonds as equal such items not yet due shall be deferred until required from time to time to pay same.

Sec. 5. Bond election to be called.—Upon the completion and filing of such list, it shall be approved or revised by the governing body, who shall thereupon cause notice to be given of an election to vote on said proposition, specifying that such election is called pursuant to and for the purposes of this act, and that the list aforesaid, and the approval or revision thereof, are on file, open to public inspection, and otherwise complying in detail with the procedure otherwise required by law for an election to authorize funding bonds of such municipality; provided, if the purpose, amount, maturities and other incidents of such proposed bond issue be of the character of such bonds which may be purchased by the State of Minnesota, the notice, in addition to the details specifically above provided, and the further procedure thereon may comply with the provisions of law applicable to bonds issued to said state; provided, further, the governing body, in their discretion, may submit said proposition at the next election or meeting thereafter regularly held for the election of officers of such municipality, for which notice thereof may be given in the manner so required by law.

Sec. 6. Must receive majority of all votes cast.—If the proposition so submitted to the voters shall receive the affirmative votes of a majority of the qualified electors voting on the same, the bonds may be advertised for sale and issued and sold in accordance with the provisions of Section 1943, General Statutes 1923, and acts amendatory thereof. In lieu of, or in addition to, receiving bids for such bonds, or any thereof, if the proposition submitted to the voters shall have specifically so authorized, the governing body may cause same to be offered for and sold by public subscription from time to time, and may permit the holder of outstanding bonds or other indebtedness herein contemplated to use and apply same and any interest or other items legally accrued thereon in payment, in whole or in part, for bonds herein authorized, purchased by him.

Sec. 7. Tax levy.—Before the issuance of any of the bonds herein authorized, except in cases of bonds sold to the state, the governing body shall levy for each year, until the principal and interest are paid in full, a direct annual tax in an amount not less than five per cent. in excess of the sum required to pay the principal and interest thereof and of the other outstanding indebtedness and obligations mentioned in Section 4 hereof, when and as such principal and interest mature. Thereupon and thereafter the other provisions of Sections 5, 6, 7, 8, 9 and 10 of Chapter 131, Laws of 1927, shall apply.

Sec. 8. Outstanding warrants, etc., legalized.—Any and all outstanding warrants, orders and other indebtedness and obligations of any such municipality which shall be funded or refunded in the manner authorized by this act, and which have been issued or incurred for purposes for which public moneys thereof might lawfully be expended, are hereby declared to have been valid and enforceable obligations thereof; and the favorable action of the voters at the election on the funding or refunding proposition shall finally and conclusively bind the municipality to the validity of the items in the list provided for in Section 2, approved or revised as provided in Section 5; provided, if at the time of the election an action is pending involving or affecting the validity of any or all of such indebtedness, the item or items in controversy shall not be paid unless and until the validity thereof is upheld. In any case, no bonds sold by authority of this act more than thirty days after such election shall be questioned by reason of the invalidity of any indebtedness included in the list aforesaid, nor of any informality, irregularity or defect in the proceedings.

Sec. 9. Levy to be fixed by voters.—The proposition submitted to the voters as aforesaid may contemplate and specify that the

amount which may be included by any such municipality in its annual tax levy in the year in which the bonds herein authorized shall be issued, and in each year thereafter, shall not in the aggregate exceed the amount otherwise authorized by law, less all or such part, as is in said proposition specified, of the amount hereinbefore required to be levied for the same year to pay principal and interest on bonds herein authorized, and/or that the amount levied for any of the classes of purposes for which the funded or refunded indebtedness was incurred shall not exceed the amount otherwise authorized by law for that class of purposes, less all, or such part, as is so specified, of that proportion of the amount levied for the same year to pay such principal and interest which is chargeable, pro rata, to funded or refunded indebtedness incurred for that class of purposes; provided, the amount of principal of such bonds payable in each of the first five years after the issuance thereof which is in excess of the average amount of principal payable in each of the years thereafter shall not be deducted from the amount of such authorized tax levies for current purposes, unless the proposition approved by the voters shall expressly so require.

Sec. 10. Governing body to make budget.—*The governing body of each municipality issuing bonds under this act shall annually at its first meeting in each fiscal year determine the amount of funds which will be available during the current year for all and each of its public purposes, from the proceeds of the tax levy lawfully made therefor in the preceding year and from state aid and from other sources known or reasonably anticipated to be due and payable into its treasury during such year, and shall thereupon, at such meeting, make and spread on its minutes a definite budget of the expenditures made and to be made and indebtedness incurred and to be incurred by it for all and each of such purposes during such year, which expenditures and indebtedness shall in no case exceed the aggregate amount of revenues so determined to be available for all and each of such purposes for such year. Such budget shall first allot, and there shall be first set aside and payable, out of the receipts for such year, the amount required to meet principal and interest due in that year on the bonds herein authorized and on any outstanding bonds and items not funded or refunded, contemplated by Section 4 hereof. There shall then be allotted, respectively, such amounts as shall be required and appropriable to pay outstanding warrants or orders and for each of the necessary current purposes, and such amount as shall be deemed necessary for an emergency fund, and what remains may be allotted to be expended on new undertakings of construction, improvement, extension or otherwise to which it is lawfully appropriable. As nearly as may be, a specific program of expenditures shall be determined upon and the amount to be expended on each item*

determined and allotted; and no change in such program shall be made, nor additional expenditures made nor indebtedness incurred, which shall cause to be diverted to other purposes any part of the amount herein required to be allotted for payment of principal and interest, and for payment of outstanding warrants or orders and for necessary current purposes and for the emergency fund, nor which shall cause the expenditures made or indebtedness incurred in any year to exceed the total revenues determined, as aforesaid, to be available for such year. The emergency fund may be used to pay extraordinary items of lawful expenditures occasioned by emergency which could not be anticipated when the budget was made.

Sec. 11. Recording officer to keep records.—The recording officer shall keep a record showing accurately the amount allotted to each item of the budget for each year and the amounts incurred and expended from time to time on account of each of such items, which record shall be presented and examined at each meeting of the governing body and show the true condition of affairs at the date of such meeting. No indebtedness shall be incurred for any purpose except pursuant to action of the governing body while in meeting assembled, specifying, as nearly as may be, the purposes and the amount thereof.

Sec. 12. Claims must be filed.—All claims against any such municipality must be filed with the recording officer within thirty days after the accrual thereof; if not so filed, no liability shall exist therefor unless and until funds shall be appropriable therefor without disturbing the preferred funds specified in Section 10 hereof and without increasing expenditures or indebtedness beyond the limits therein prescribed. It shall be the duty of the recording officer after any such claims has been filed with him to present same to the governing body at its next meeting, and at such meeting such claim shall be acted upon; provided, in case of counties, all expenditures for constructing, improving, maintaining or repairing any public road or bridge by day labor may be paid for by the time check method as provided by Section 30, of Chapter 323, Laws of 1921, and acts amendatory thereof; but no such time check shall be honored by the auditor, nor shall any claim thereon be valid against the county, unless the duplicate thereof be duly filed in the office of the county auditor within thirty days after the date of the issuance thereof, or unless and until funds shall be appropriable therefor as provided in the first sentence of this section.

Sec. 13. Violation a misdemeanor.—Any member of the governing body or other officer or employee of such municipality knowingly authorizing or participating in any violation of this act shall

be guilty of a misdemeanor, punishable by a fine not exceeding one hundred dollars or imprisonment in the county jail not exceeding three months for each offense. Every contract entered into or indebtedness or pecuniary liability attempted to be incurred in violation of the provisions of this act shall be null and void in respect to any obligation sought thereby to be imposed upon the municipality; and no claim therefor shall be allowed by the governing body, nor shall any officer issue or pay any warrant, order or other evidence of debt on account thereof. Each member of the governing body or other officers or employee so knowingly participating in or authorizing any violation of this act shall be individually liable to the corporation or to any other person for any damages caused thereby; and for the purpose of enforcing such liability without impairing any other remedy, one-fourth of the salary of each such officer and employee shall be withheld from him and applied towards reimbursing the corporation or any other such person for such damages, until all claims by reason thereof have been paid. Each member of the governing body present at a meeting thereof when any actions is taken with reference to paying money or incurring indebtedness or entering into any contract shall be deemed to have participated in and authorized the same unless he shall cause his dissent therefrom to be entered on the minutes of the meeting.

Sec. 14. Provisions may be modified by voters.—Except so far as the rights of creditors shall be substantially impaired thereby, the voters of any such municipality may at any regular or special election, upon due submission of the question to them, modify the application of any provision of this act to the extent that its application in the first instance was discretionary with them; and, with like exception as to impairing substantial vested rights, nothing herein shall preclude amendment or repeal of this act, or any part of it.

Sec. 15. Provisions severable.—If any section, part or provision hereof be found unconstitutional, such determination shall not affect the validity of the remaining provisions not clearly dependent thereon.

Sec. 16. Application.—This act shall not be construed to repeal or modify any other act or part of act having similar import or purpose to any part hereof but shall be deemed to provide an additional cumulative and optional remedy for the financial situation of municipalities within the class defined in Section 1. No limitations of net indebtedness prescribed in any other act, except as herein expressly provided, shall affect the validity of any bonds issued by authority hereof.

Sec. 17. **Exceptions.**—This act shall not apply to any county whose assessed valuation, exclusive of moneys and credits, is in excess of \$100,000,000, nor to any other municipality whose per capita assessed valuation, exclusive of moneys and credits, is in excess of \$500.

· Approved April 25, 1929.

CHAPTER 352—H. F. No. 135

An act to amend Sections 1413 and 1414, General Statutes 1923, to provide for the annexation of all or any part of the territory of certain villages and cities to adjoining cities of the first class.

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

Section 1. **Annexation of territory.**—That Section 1413, General Statutes 1923, be amended to read as follows:

"1413. *All or any portion of the territory of any incorporated village or city of the fourth class may be annexed to an adjoining village or city of the first class as follows: The council of any village or city of the fourth class shall, on the petition of one hundred freeholders, submit the proposition of annexing all or any portion of the territory of such village or city of the fourth class to an adjoining city of the first class to the voters of such village or city of the fourth class for their approval or rejection at the next regular village or city election, or at a special election called for the purpose. Notice of any election to vote on such proposition shall be given by posting three written or printed notices thereof in three of the most public places within said village or city, and shall state the time and place, when and where within said village or city of the fourth class such election will be held, and shall also state the proposition on which the said electors will vote. Ten days notice of such election shall also be published for one full week prior to the date of said election in a newspaper printed or published in said village or city of the fourth class, and, if there be no newspaper printed or published in said village or city of the fourth class, then in a newspaper printed and published at the county seat of the county in which such village or city is located. The ballots shall have upon them the proposition to be voted upon, together with the words "for detaching" and "against detaching," and the said special election shall be held, conducted and the results*