

fair grounds and the buildings and equipment thereon. Provided that no levy for such purpose in any one year shall exceed one-half mill; successive levies, not exceeding one-half mill, may be made until such sum, not exceeding \$25,000.00, shall have been raised for that purpose."

Approved April 17, 1933.

CHAPTER 293—H. F. No. 1323

An act relating to the financial affairs of certain towns; authorizing the funding of certain indebtedness and providing penalties for violations thereof.

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

Section 1. Certain towns not to draw orders without funds in treasury.—That from and after January 1st, 1934, no organized town which in the year 1933 had a population (including the population of villages within such town not separated from the town for election and assessment purposes) exceeding 2,000 and not exceeding 10,000 inhabitants, and an assessed valuation of taxable property, exclusive of moneys and credits, such that a tax levy of 17 mills upon the dollars of such assessed taxable valuation would produce a total levy in excess of an average of \$1,000 per government section of the entire area of such town, according to the government survey thereof, shall draw any order or warrant on any fund until there is sufficient money in such fund to pay the same, together with all orders previously issued against said fund.

Sec. 2. Last preceding census to determine.—In determining the application of this law to any such town, the population thereof shall be determined by the last preceding state or federal census and the valuation shall be that used as a basis for spreading the 1932 taxes of said town.

Sec. 3. Indebtedness in excess of limit to be personal claim against officials creating same.—Whenever from and after January 1st, 1934, the expense and obligations incurred, chargeable to any particular fund of such town in any calendar year, are sufficient to absorb 85 per cent of the entire amount of the tax levy payable in that year, including such amount as may remain in the fund from the levy of the prior year or years, no officer or board of such town shall have the power, and no power shall exist, to create any additional indebtedness (save as the remaining 15 per

cent of said tax levy is collected) which shall be a charge against that particular fund or shall be in any manner a valid claim against such town, but such additional indebtedness attempted to be created shall be a personal claim against the officer or members of the board voting for or attempting to create the same.

Sec. 4. May issue certificates of indebtedness.—At any time after the annual tax levy has been certified to the county auditor, and not earlier than October 10th in any year, the governing body of such town may, for the purpose of meeting the obligations of the succeeding year, by resolution issue and sell as many certificates of indebtedness as may be needed in anticipation of the collection of taxes so levied for any fund named in said tax levy for the purpose of raising money for any such fund, but no certificate shall be issued for any of said separate funds exceeding 50 per cent of the amount named in said tax levy as spread by the county auditor, to be collected for the use and benefit of said fund, and no certificate shall be issued to become due and payable later than December 31st of the year succeeding the year in which said tax levy, certified to the county auditor as aforesaid, was made. The said certificates shall not be sold for less than par and accrued interest and shall not bear a greater rate of interest than 6 per cent per annum. Each certificate shall state upon its face for which fund proceeds of said certificate shall be used, the total amount of said certificates so issued, the whole amount embraced in said tax levy for that particular purpose. They shall be numbered consecutively and be in the denominations of \$100 or a multiple thereof and may have interest coupons attached, and shall be otherwise of such form and terms and be made payable at such place as will best aid in their negotiation. The proceeds of the tax assessed and collected, as aforesaid, on account of said fund, and the faith and credit of such town shall be irrevocably pledged for the redemption of the certificates so issued. Such certificates shall be paid from the moneys derived from the levy for the year against which such certificates were issued, or if they be not sufficient for such purpose, from other funds of the town. The money derived from the sale of said certificates shall be credited to such fund or funds for the calendar year immediately succeeding the making of such levy and shall not be used or spent until such succeeding year. No certificates for any year shall be issued until all certificates for prior years have been paid, nor shall any certificate be extended; provided that money derived from the sale of the certificates for any one year may, if necessary, be used to redeem unpaid certificates issued in a prior year.

Sec. 5. To be on cash basis after January 1, 1934.—From and after January 1st, 1934, such town shall be deemed for all

purposes to be on a cash basis and shall thereafter remain on a cash basis. All taxes levied in 1933 shall be considered as the tax revenues for the year 1934 and thereafter in any such town taxes shall be levied as now provided by law, but for the succeeding year.

Sec. 6. Bond issue to retire existing indebtedness.—If any such town prior to January 1st, 1933 has incurred by proper authority a valid indebtedness, excluding bonds, in excess of its cash on hand, such town may for the purpose only of paying and discharging such valid indebtedness (except bonds) and interest thereon, issue its bonds in the manner now provided by law, upon approval of the proposition of the issuance of said bonds by the electors of the town in the manner now provided by law; provided, that if any moneys received from taxes levied in 1932 and payable in 1933, or income from local sources received since January 1st, 1933, have been used prior to the passage of this Act for the retirement of indebtedness existing January 1st, 1933, such bond issue may include the amount of such payments for the purpose of reimbursing the funds from which such moneys were so paid.

Sec. 7. Tax levy to retire bonds.—The town board of any such town issuing bonds pursuant to the authority of this act shall at the time of the issuance thereof by resolution provide for a levy for each year until the principal and interest of said bonds are paid in full, of a direct annual tax in an amount sufficient to pay the principal and interest thereon when and as such principal and interest become due. Such tax levy shall be within the limitations provided by Laws 1927, Chapter 110, and other laws, upon the tax levies of said town, and the county auditor at the time of spreading the annual tax levy of said town shall reduce the same so that the total levy shall be within the limitations of such laws.

Sec. 8. Violation a misdemeanor.—Any member of the town board of such town or any other town officer or employee knowingly participating in or authorizing any violation of this Act shall be guilty of a misdemeanor, punishable by a fine not exceeding \$100, or by imprisonment in the county jail not exceeding three months, for each offense; and each contract attempted to be 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 regard to any obligation thereby sought to be imposed upon the town, and no claim therefor shall be allowed by the town board of said town; nor shall the claim of said town or any other town officer or employee issue or execute, nor shall the town treasurer pay, any warrant or certificate of indebtedness issued on account thereof. Each member of the town board and each other town officer or employee participating in or authorizing any violation of this Act

shall be individually liable to the town 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 town or any such other person for such damages until all claims by reason thereof have been fully paid. Every member of the town board present at a meeting of the board when any action 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 have caused his dissent therefrom to be entered upon the minutes of the meeting.

Sec. 9. Officers may be suspended from office for violation of act.—Any member of the town board knowingly participating in or authorizing the violation of this Act shall be liable to suspension from office. Any vacancy created thereby shall be filled according to law.

Sec. 10. Shall continue under provisions of act.—When a town has once come under the provisions of this Act, it shall continue under its provisions notwithstanding any subsequent change in assessed valuation or population.

Sec. 11. Provisions separable.—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, provided that the funding of the indebtedness existing on January 1, 1933, is necessary to the functioning of this law and if any town shall find it impossible to sell the bonds herein provided for the purpose of funding such indebtedness prior to January 1, 1934, or if the voters of such town should refuse to authorize the issuance of such bonds, this act shall not take effect therein.

Sec. 12. This Act shall take effect and be in force from and after its passage, except as herein otherwise provided, and all Acts and parts of Acts inconsistent herewith are hereby repealed and declared of no effect insofar as they may be inconsistent with this Act.

Approved April 17, 1933.

CHAPTER 294—H. F. No. 1348

An act to amend Mason's Minnesota Statutes of 1927, Section 3069, relating to tuition to be charged in State Teachers' Colleges.