

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

Section 1. Liquor receipts to be paid into State Treasury. All taxes, penalties, license fees and receipts of every kind, character and description, provided for and payable to the state under the terms and provisions of Chapters 46 and 58, Special Session Laws of 1933, including all moneys collected by the commissioner under rules and regulations established by him, such as certificate labels, truck labels, case labels, and any other form that he may establish, shall be paid into the state treasury the same as other departmental receipts, and are to be credited to the revenue fund of the State of Minnesota.

Sec. 2. Outstanding certificates to be redeemed.—All outstanding certificates of indebtedness issued under and pursuant to the provisions of Chapter 67, Special Session Laws of Minnesota for 1933, shall be redeemed by the Executive Council out of any monies received as specified in Section 1 of this act.

Sec. 3. Inconsistent acts repealed.—All acts and parts of acts inconsistent with this act are hereby repealed.

Sec. 4. This act shall take effect and be in force from and after its passage.

Approved April 5, 1935.

CHAPTER 131—S. F. No. 1161.

An act directing the Minnesota Tax Commission to compromise taxes assessed upon shareholders of banks.

WHEREAS, the right of this State and other states to collect taxes on national banks and their shareholders is governed and controlled by the Congress of the United States, and whereas the Supreme Court of this State in *State of Minnesota vs. First National Bank*, 164 Minn. 235, and the Supreme Court of the United States, *Minnesota vs. First National Bank*, 273 U. S. 561, have held that this State cannot collect taxes on shareholders of national banks at more than about one-eighth of present rate, and whereas until Congress removes its present restriction as expressed in Section 5219 R. S., the State can do nothing which effectively will insure the collection of any taxes on national banks, and whereas during the coming two years, in addition to other difficulties relating to public revenues in the various cities, villages, school

districts and counties over the State, there will be almost certain loss of all revenues from bank taxation with a consequent increase in the taxes paid by all other taxpayers, and whereas in this emergency an effort must be made in some form or by some means to preserve as much of the revenue assessed against banks and their shareholders, as the State can possibly secure, and whereas the State is pressing as vigorously as may be by its effort to have Congress amend the Federal Law now barring the State from effective taxation of national banks and their shareholders, which amendment may not be effected within one year and probably cannot be secured before the next session of this Legislature, and whereas because of the situation as to national banks the right to collect taxes assessed against shareholders of state banks is also brought into question:

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

Section 1. State tax commission may compromise national bank taxes.—The Minnesota Tax Commission is directed to enter into agreements of settlement with any state or national bank, which, acting in behalf of its shareholders, offers to settle and compromise taxes by paying 75% of such taxes as shall be assessed against the shareholders as of May 1st, 1935, and as of May 1st, 1936. Such tender shall be made on or before April 15, 1935, and shall provide for the payment of said 75% of said taxes for both of said years and shall agree to pay said taxes before they become delinquent. When any such bank signifies to said Commission that it will pay 75% of the taxes assessed against it for both of said years, the compromise herein described shall be effective without further action by said Commission. Such tender shall be signed by the president or vice president and the cashier or assistant cashier of such bank, when so signed and approved it shall be deemed the act of any such bank and of its stockholders and shall be and remain a binding obligation of such bank, and of its stockholders as well, to pay the amount so tendered before said taxes shall become delinquent.

Sec. 2. Commission to certify to county treasurer.—After receipt of such tender and before any such tax shall become delinquent, the Commission shall certify to the Treasurer of the proper county the fact that such tender has been made and accepted and thereupon such Treasurer shall receive and accept 75% of the taxes assessed against the shareholders of such bank in full settlement and compromise of the taxes assessed and charged against such shareholders.

Sec. 3. Tax commission to fix date of compromise.—Said Tax Commission may fix and prescribe a date beyond which no such tender of compromise will be accepted which date shall be uniform as to all banks. Said Commission shall mail notice of the date so fixed to each bank, which has not theretofore made the tender herein provided for. After such date, no such tender shall be accepted except for good cause shown.

Approved April 5, 1935.

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 CHAPTER 132—S. F. No. 39.

An act to limit the annual levy of taxes in all school districts in the State of Minnesota having a population of more than 10,000 and less than 50,000 inhabitants and having an assessed valuation of taxable property, exclusive of monies and credits, of more than \$50,000,000.00.

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

Section 1. Limitation of act.—This Act shall apply to all school districts in the State of Minnesota having a population of more than 10,000 and less than 50,000, and having an assessed valuation of taxable property, exclusive of monies and credits, of more than \$50,000,000.00.

Sec. 2. Limit of tax levy.—The total amount of taxes which may be levied by or for any such school district for any and all general and special purposes whatsoever, including payment of indebtedness and bonds, and including the county school tax of one mill required to be levied by statute, but exclusive of any state levy, shall not exceed in the year 1935 \$51.75 per capita of the population of such school district; in the year 1936 shall not exceed \$51.00 per capita; in the year 1937 shall not exceed \$49.00 per capita; in the year 1938 shall not exceed \$48.00 per capita; in the year 1939 shall not exceed \$47.50 per capita; in the year 1940 shall not exceed \$47.50 per capita; in the year 1941 shall not exceed \$47.50 per capita, and in the year 1942 and in each year thereafter shall not exceed \$40.00 per capita.

Sec. 3. Sinking fund for bonds and interest.—Any such school district having outstanding at the time of the passage of this Act any bonded or other indebtedness shall, out of the levies permitted within the limits above stated, set aside each year sufficient money to pay and discharge the interest on such bonded or other indebtedness and at least one-tenth