

140	Sundby, David Bernard	120.00
141	Swanson, Pete	210.00
142	Szmurle, Karl A.	90.00
143	Tacheny, George D.	225.00
144	Terlezzo, Luige	270.00
145	Ternes, Peter J.	240.00
146	Thoenke, George	50.00
147	Thomas, David Franklin	90.00
148	Toben, Grover T.	300.00
149	Torgeson, Andrew	50.00
150	Tripp, Mrs. Kate B., Mother of Walter O. Tripp, deceased	165.00
151	Vacura, Dominick J.	120.00
152	Vontin, Erick	120.00
153	Walker, Willard L.	75.00
154	Wall, George R.	315.00
155	Weaver, Dallas W.	120.00
156	Wester, Anton J.	285.00
157	Wike, Frank Raymond	285.00
158	Henry S. Wilcox, Father of Elmer Wilcox, deceased	180.00
159	Wooley, Snowden	300.00
160	Wright, Walter W.	120.00
161	Youcher, Joseph	75.00

Sec. 2. State auditor to draw warrants.—The state auditor is hereby directed and authorized to draw his warrant on the treasury to the persons heretofore named and for the amounts stated in the various items of the foregoing bill and the adjutant general is hereby charged with the duty of delivering the warrants to the persons and parties entitled thereto.

Approved April 24, 1935.

CHAPTER 261—H. F. No. 1785

An act authorizing the issuance of bonds in independent school districts having a population of more than 7,500 and less than 11,000 and an assessed valuation of more than \$2,000 per capita of population, exclusive of moneys and credits; regulating the financial affairs of such districts and placing same upon a cash basis; relating to the levies of taxes therein, and prescribing penalties for violations of its provisions; and repealing certain inconsistent acts.

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

Section 1. School districts may not incur indebtedness.—From and after January 1, 1936, no independent school district having a population exceeding 7,500 and less than 11,000 and an assessed valuation of more than \$2,000 per capita of population, exclusive of moneys and credits, 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 such fund.

Sec. 2. Special census to control.—In determining the application of this law of any such school district the population thereof shall be determined by any special census taken pursuant to the provisions of Laws 1921, Chapter 417, since the year 1930 and prior to the enactment of this statute; if no such special census has been taken the population shall be determined by the last federal or state census, provided that nothing in this section shall preclude any such school district from hereafter taking a special census for the purpose of determining the amount of taxes that may be levied therein.

Sec. 3. Not to create indebtedness.—Whenever, from and after January 1, 1936, the expenses and obligations incurred, chargeable to any particular fund of such district in any calendar year, are sufficient to absorb 95 per cent of the entire amount of the tax levy for such fund 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 school district shall have power, and no power shall exist, to create any additional indebtedness (save as the remaining five 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 district, but such indebtedness attempted to be created shall be a personal claim against the officer or member of the board voting for or attempting to create the same.

Sec. 4. May issue certificates.—At any time after January first following the making of an annual tax levy the school board of any such district may, for the purpose of meeting the obligations of the current 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. All certificates of indebtedness issued under the provisions of this act shall be negotiable and shall be payable to the order of the payee and shall have a definite due date. No certificate shall be issued to become due and payable later than December 31st of the year of issuance. Such certificates shall

not be sold for less than par and accrued interest and shall not bear a greater rate of interest than six per cent per annum. Each certificate shall state upon its face for which funds proceeds of the certificate shall be used, the total amount of the certificates so issued against such fund and the whole amount embraced in said tax levy for that fund. They shall be numbered consecutively and be in denominations of \$25, or any multiple thereof, and may have interest coupons attached, and shall be otherwise in such terms and form and be made payable at such place as will best aid in their negotiation.

Sec. 5. Limitation of certificates.—No such school district shall be permitted during any year to anticipate by issuance of certificates of indebtedness more than sixty per cent of its tax levy payable in said year for any of its funds during the period prior to July 1st, and not more than thirty-five per cent of said levy (plus any amount authorized but not issued during the period prior to July 1st) during the period subsequent to July 1st and prior to December 31st; provided that the total amount of certificates of indebtedness issued against any fund, with interest thereon to maturity, shall not exceed 95 per cent of the tax levy for such fund payable in such year, and the aggregate of outstanding certificates shall in no event exceed the uncollected portion of said tax levy for such fund. Any such school district may renew any outstanding certificate of indebtedness of any prior year or any prior six-months period, or issue new certificates, notwithstanding the fact that prior certificates were unpaid, whenever inability to pay such outstanding certificates is due to failure to collect sufficient moneys from the tax levy payable in said year to discharge such certificates; in the event such certificates are renewed, such municipality may pay accrued interest thereon at the time of renewal.

Sec. 6. May issue certificates to creditors.—If any such school district is unable to sell such certificates of indebtedness in the manner prescribed hereby it may proceed by one of the following methods: (a) issuing its certificates of indebtedness in any denomination but within the limitations as to total amounts herein contained, payable to the order of the creditor of such district, in payment of the debt, claim or account of such creditor after the same has been allowed by the school board; or (b) issuing such certificates of indebtedness to the school board treasurer, or his order, and depositing the same with him. Certificates so issued shall be held by the treasurer until they may be sold and shall bear interest at not to exceed six per cent per annum. The school district may thereupon, as long as such certificates are on deposit with the treasurer,

issue warrants upon funds against which such certificates were issued, the total principal amount of such warrants not to exceed the total principal amount of the certificates so held by the treasurer. Such warrants shall bear interest at not to exceed six per cent per annum from and after the day they are presented to the treasurer and stamped "Not paid for want of funds, but protected by certificates of indebtedness now held by me." Such certificates may be sold by the school board and the proceeds of such sale shall be used to take up such warrants in the order in which they were presented to the treasurer, registered by him and stamped as aforesaid. Interest upon such warrants shall stop upon the date they are called by the treasurer for payment. Such certificates of indebtedness so held by the treasurer shall be paid at the same time and in the same manner as if they had been issued to a purchaser thereof. All warrants attempted to be issued and all obligations or indebtedness attempted to be incurred under authority of this sub-section in excess of the principal amount of the certificates of indebtedness so held by such treasurer shall be void.

Sec. 7. Tax levies to be set aside for payment of certificates.—The proceeds of the taxes assessed and collected as aforesaid on account of said fund and the faith and credit of the school district 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 there be not sufficient for that purpose, from other funds of the district.* The money derived from the sale of such certificates (except those issued to take up old certificates as hereinbefore authorized) shall be credited to such fund or funds for the calendar year in which issued, and shall not be used or spent except during such year. Except as hereinbefore authorized, no certificate for any year shall be issued until all certificates for prior years have been paid, nor shall any certificates be extended; provided that money derived from the sale of certificates for any one year may, if necessary, be used to redeem unpaid certificates issued in a prior year.

Sec. 8. To be on cash basis.—From and after January 1, 1936, any such district shall be deemed for all purposes to be on a cash basis and shall thereafter remain on a cash basis. All taxes levied in 1935 shall be considered as tax revenues for the year 1936, and thereafter in any such school district taxes shall be levied as now provided by law, but for the succeeding years.

Sec. 9. May issue funding and refunding bonds.—If any such school district prior to January 1, 1936, has incurred by proper authority a valid indebtedness of whatsoever character in excess of its cash on hand, such school district may, for the purpose of paying and discharging such valid indebtedness or changing the maturities of the funded portion thereof, issue its funding or refunding bonds in the manner now provided by law, except that such bonds may be issued by a resolution of the school board thereof without vote of the electors; provided further that if any moneys properly applicable to the payment of current expenses in 1936 shall have been used prior to the issuance of bonds authorized by this act for the retirement of indebtedness existing on January 1, 1936, or interest thereon, such bond issue may include the amount of such payments for the purpose of reimbursing the fund from which such moneys were paid. The purchaser of such bonds shall not be charged with notice of the invalidity of any indebtedness funded by such bonds, and bonds issued hereunder in the total amount of such indebtedness, as determined by resolution of the school board of said district in the hands of any purchaser, shall be valid obligations of the district, notwithstanding any claims of invalidity of any such indebtedness funded thereby.

Sec. 10. Tax levy to retire bonds.—The school board of any such district issuing bonds pursuant to the authority of this act shall, at the time of the issuance thereof, by resolution provide for the levy of an annual and irrepealable tax to be levied each year until the principal and interest of said bonds are paid in full, in an amount sufficient to pay and discharge principal and interest thereon at maturity. Such tax levies shall be within the per capita limitations now provided by law upon the tax levies of said district, except as herein otherwise provided, and the county auditor, at the time of spreading the annual tax levy of any said district, shall adjust the same so that the total levy, including any levy for said bonds, whether issued to the state or a private purchaser, shall, except as herein otherwise provided, be within the per capita limitations provided by law.

Sec. 11. Taxes to be paid into special fund.—The proceeds of the tax levies for the payment of bonds issued hereunder shall be paid into a special fund and used solely for the retirement of such bonds and interest thereon. Any taxes collected subsequent to January 1, 1936, on taxes levied by any such district in the year 1934 and prior years, shall be paid into such special fund and used solely for the reduction of such indebtedness.

Sec. 12. Levies in excess of per capita limitations.—If any school district subject to this act shall at the time of the enactment hereof have bonds outstanding issued for the purpose of defraying the cost of erecting and equipping school buildings therein, levies in a total amount not exceeding \$300,000 for principal, plus interest thereon to maturity, may be made in excess of existing per capita limitations for the retirement of such bonds, such levies when collected to be paid into the special fund herein provided. Such excess levies may be made in as nearly equal installments as practicable over a period of years beginning with the levy made in the year 1935, such installments to be not less than four. If such outstanding bonds, or any portion thereof, shall have been paid or retired prior to the making or collection of the excess levies permitted hereunder, such excess levies may nevertheless be made, and when collected shall be paid into such special fund and used for the retirement of other indebtedness of the district authorized to be funded or refunded hereunder.

Sec. 13. May be sold to the State of Minnesota.—Bonds authorized to be issued hereunder may be issued and sold to the State of Minnesota pursuant to existing laws at the time of the issuance thereof, except as herein modified, and to private purchasers, or to both. They may be issued bearing such rates of interest as may best lead to their negotiation or sale, not, however, exceeding six per cent per annum, and in the event of sales to the state, not exceeding the rate of interest fixed by statute therefor.

Sec. 14. Board to make budget.—The school board of such district shall, each year, prior to the making of the tax levy for the next ensuing year, prepare a budget of the expenditures of such district during the year in which such taxes will be collected, itemizing the purposes for which such moneys will be expended, and the amount of obligations that will be incurred for each such purpose, during each quarter of such year. The clerk of such school district shall prepare and present at the first meeting of the board in each month a statement showing all expenditures made and obligations of indebtedness incurred for the preceding month and for the preceding portion of the fiscal year; the amount allotted by the budget for such month and the preceding portion of the fiscal year; the amount allotted by the budget for the remainder of the year; and the probable expenditures for the remainder of the fiscal year. If at any time during such year it appears that such district is incurring obligations at a rate or upon a scale which would make it probable, if such rate or

scale of expenditures were to be continued, that the total expenditures for said year would exceed the available revenues for such year, after proper allowance for probable tax delinquencies, such statement so required to be presented and kept by the clerk shall be prima facie evidence of the fact that such school district is exceeding the legal limit of obligations, and thereupon the power of such school district to incur further obligations or expenditures shall be limited and restricted to the extent necessary which will make certain that the said budget will not be exceeded in such year. Where it appears that money budgeted for any fund or purpose is not needed therefor the school board may, by resolution, transfer the excess to any other fund or purpose; provided that this shall not authorize transfers from the special indebtedness fund hereinbefore referred to, until all of such indebtedness shall have been paid.

Sec. 15. Contracts to be null and void in certain cases.—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 school district, and no claim therefor shall be allowed by the school board of said district; nor shall the clerk of such district or any other officer or employe issue or execute, nor shall the district treasurer pay, any warrant or certificate of indebtedness issued on account thereof. Each member of the school board and each other district officer or employe participating in or authorizing any violation of this act shall be individually liable to the district or to any other person for any damage that is caused thereby. Each member of the school 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. 16. Act remedial.—This act is remedial in its nature, intended to remedy the financial condition of districts within the class stated, and for such purposes to secure a sound fiscal policy therein. If any district shall come within the provisions of this act, the act shall continue to govern the operations thereof, notwithstanding any subsequent change in population or valuation.

Sec. 17. Provisions severable.—The provisions of this act are severable and the unconstitutionality of any portion hereof shall not affect the constitutionality of the remainder hereof.

Sec. 18. Inconsistent acts repealed.—All acts and parts of acts inconsistent herewith are repealed or amended to the extent of such inconsistency.

Approved April 24, 1935.

CHAPTER 262—S. F. No. 215

An act to amend Mason's Minnesota Statutes of 1923, Section 10857 as amended by Laws 1933, Chapter 251 relating to compensation for board and washing for prisoners in county jails.

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

Section 1. Compensation for board of prisoners.—That Mason's Minnesota Statutes, 1923, Section 10857, as amended by Laws 1933, Chapter 251, be and the same hereby is amended so as to read as follows:

"10857. Every sheriff in charge of a county jail shall receive from the county compensation for board and washing for prisoners as follows:

On the last day of each month he shall render to the county board a verified statement showing the name of each prisoner and the number of days boarded. The pay shall be *seventy-five* cents per day and proportionately for a fractional day for each prisoner. In every county where the sheriff's compensation for board of prisoners is fixed by special law, it shall so continue unless the county board by unanimous vote shall elect to come under the general law after which it shall be governed by this section provided that the provisions of this Act shall not apply to any county in this state now or hereafter having a population of more than seventy-five thousand (75,000)."

Approved April 24, 1935.

CHAPTER 263—S. F. No. 302

An act requiring claims against school districts to be itemized and verified.

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

Section 1. Claims to be itemized and verified.—No account, claim or demand against any school district for any property