

CHAPTER 355—S. F. No. 1041

An act relating to the issuance of certificates of indebtedness by certain independent school districts in cities of the first class.
Be it enacted by the Legislature of the State of Minnesota:

Section 1. Certificates of indebtedness for certain independent school districts.—This act shall apply to any Independent School District in any city of the first class, the territorial limits of which school district co-incide with the territorial limits of such city and the governing of such school district is not provided for in the charter of such city.

Section 2. School board may sell certificates.—At any time after the annual tax levy of any such school district has been certified to the County Auditor, the school board of such school district may by resolution with or without advertisement for bids issue and sell as many certificates of indebtedness as they may deem necessary in anticipation of the collection of taxes levied for any fund named in the tax levy for the purpose of raising money for any such fund. Certificates of indebtedness issued and outstanding for any of such separate funds shall not at any time exceed 75% of the amount of taxes levied for such fund remaining uncollected. 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. Said certificates shall not be sold for less than par with accrued interest and shall not bear a greater rate of interest than six per cent (6%) per annum, which interest shall be payable as provided in such resolution. Each certificate shall state upon its face for which fund the proceeds of said certificates shall be used, the total amount of certificates against such fund issued and outstanding and the whole amount embracing said tax levy for that particular purpose remaining uncollected.

They shall be numbered consecutively, be in denominations of \$100 or any multiple thereof and shall be otherwise of such forms and terms and be made payable at such place as will best aid in their negotiation.

The proceeds of the tax issued and collected as aforesaid on account of said fund by the faith and credit of such school district shall be irrevocably pledged for the redemption of the certificates so issued. Such certificates shall be paid in the numerical order of their issuance from the monies derived from levies for the year against which such certificates were issued.

The money derived from the sale of such certificates shall be credited to such fund or funds against which issued and which

shall be issued for the payment of warrants, checks or orders issued against such fund in the order in which such claims are entitled to payment as provided by law.

Approved April 22, 1937.

CHAPTER 356—H. F. No. 1097

An act relating to the financial affairs of villages having a population of more than 800 and less than 1200, and an assessed valuation of taxable property, exclusive of moneys and credits, of more than \$775,000.00 and less than \$1,000,000.00, more than 70% of which consists of iron ore; fixing the annual salary of the president and trustees of such villages and including and prescribing the liability of officers and employees of such villages for violation of its provisions.

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

Section 1. **Application of act.**—This act shall apply to all villages in the state which have a population of more than 800 and less than 1200, and an assessed valuation of taxable property (exclusive of moneys and credits) of more than \$775,000.00 and less than \$1,000,000.00, more than 70% of which assessed valuation consists of iron ore.

Section 2. **Shall not draw warrants without funds after January 1, 1938.**—From and after January 1, 1938, no such village shall draw or issue any order or warrant on any fund until there is sufficient money in such fund to pay the same, together with all warrants and orders previously issued against such fund.

Section 3. **Shall not create additional indebtedness.—sale of certificates of indebtedness.**—Whenever from and after January 1, 1938, the expenses and obligations incurred chargeable to any particular fund of such village in any calendar year are sufficient to absorb 90% 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, neither the village council nor any officer, board or employee of such village shall have power and no power shall exist to create any additional indebtedness (save as the remaining 10% of such tax levy is collected) which shall be a charge against that particular fund or shall be in any manner a valid claim against such village; but such additional indebtedness, if attempted to be created, shall be a personal