

CHAPTER 374—H. F. No. 1451

An act to amend Mason's Minnesota Statutes of 1927, Section 2870-2, an act relating to the issuance of bonds in certain cases.

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

Section 1. **Law amended.**—That Mason's Minnesota Statutes of 1927, Section 2870-2 be and the same is hereby amended so as to read as follows :

Section 2870-2. **Bond issued by county board of education.**—That the county board of education for unorganized territory, by unanimous vote of the members thereof, may issue bonds for the purpose of refunding any bonds issued by an organized school district which has been dissolved and its territory reverted to unorganized territory, which said refunding bonds shall be chargeable against the territory that was chargeable with the payment of the bonds so refunded. The power to issue such bonds shall remain in said county board of education notwithstanding said dissolved territory or a part thereof shall have again become organized territory. Such refunding bonds shall not run for a period shorter than five years nor longer than twenty years. The first refunding bond shall be due in not more than six years from the date of its issuance and shall be for not less than *one-fifteenth* of the total bond issue in question nor more than *one-fifth* thereof, and each subsequent bond shall be for a like amount and shall be payable one year from the maturity date of the bond to be paid the preceding year. The county auditor shall extend a tax against all the taxable property within the territory chargeable in the first instance with the payment of the bonds so refunded sufficient to pay the interest on such refunding bonds and any installment of principal that may be due in the following year. Such tax for the first year shall be fifty per cent in excess of the amount to be due the succeeding year, and thereafter each yearly levy shall be in such amount in excess, not exceeding fifty per cent, of the amount to be due the succeeding year, as the auditor may deem necessary. The county treasurer, upon the collection of such tax, shall apply the proceeds thereof to the payment of such interest or installment of principal, and shall file with the county auditor receipts therefor, together with the cancelled bonds so taken up. The state board of investment may invest the funds under its control in any refunding bonds so issued under the provisions of this Act.

Section 2. This act shall take effect and be in force from and after its passage.

Approved April 23, 1937.