

Sec. 5. **When title is acquired.**—For the purpose of this Act, in the event of foreclosure of mortgages by the state, title is acquired upon the expiration of the period allowed by law for redemption by the mortgagor or lien claimants who have served notice of intention to redeem as provided by law.

Sec. 6. **Certain tax excluded.**—Any land upon which the school district taxes were paid for any of the years mentioned herein shall be excluded for such year in calculating the aid to which any such school district shall be entitled hereunder.

Sec. 7. **What are included in act.**—The words “school district” as used herein shall include all school districts regardless of the manner of organization.

Sec. 8. **Appropriation.**—The unexpended balance remaining of the amounts appropriated by Laws 1931, Chapter 410, Laws 1933, Chapter 406, and Laws 1935, Chapter 323, are hereby reappropriated and the further sum of \$200,000.00, or so much thereof as may be necessary is hereby appropriated for the year ending June 30, 1938, to carry out the provisions of this Act. If the amounts herein appropriated are insufficient to pay the aid authorized hereby in full, the State Auditor shall apportion the amount available in proportion to the amounts to which such school districts are entitled as shown by such certificates.

Approved April 24, 1937.

CHAPTER 426—S. F. No. 8

An act relating to valuation of telephone companies and providing a penalty for the violation of this act.

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

Section 1. **Burden of proof to be upon telephone company.**—In any investigation, action or proceeding arising under, or growing out of, an action initiated by the Commission upon its own motion, the burden of proof shall be upon the telephone company to establish the reasonableness of the existing rates.

Section 2. **Telephone companies to pay expense of re-valuation.**—(a) Whenever the Commission, in any rate proceeding initiated in the manner provided in Section 1, shall deem it necessary to ascertain and determine the value of any telephone

property for rate making purposes, the telephone company whose properties are involved shall pay the reasonable expenses attributable thereto. In the order fixing the rates upon the valuation thus found, the Commission shall state the amount of such cost assessed against the telephone company, the details of which shall be made available to the company upon request, whereupon the company shall within 30 days deposit with the State Treasurer who shall enter the monies so received on the books in his office as a special fund to be known as the Minnesota Telephone Rate Investigation Fund and such funds shall by said treasurer be kept separate from all other state funds. The Railroad and Warehouse Commission when in need of funds to carry on the rate investigation shall make application to the State Auditor, specifying in detail what the funds are to be used for, who shall thereupon draw his warrant on the State Treasury for the amount required by the Railroad and Warehouse Commission to make such investigation.

Such expense so assessed against any telephone company shall be allowed and considered by the Commission as part of the operating expense of said company in fixing any rates for said company, and the expenses so assessed shall in no case exceed 1% of the gross operating exchange revenues in the last preceding calendar year derived from the particular exchange or exchanges, the rates of which are under investigation; or, in case of toll properties, of the gross intrastate toll operating revenues for such period.

(b) Amounts assessed against any telephone company in Section 2 that are not paid within 30 days after the mailing of a registered letter notifying the telephone company of the amount assessed against it, shall draw interest at the rate of 6% per annum, and upon failure to pay the same, the attorney general shall proceed by action in the name of the State, against such telephone company to collect the amount due, together with interest and costs of the suit. In such action the defendant shall be entitled to raise every relevant issue of law and fact, but the Commission's findings of fact made pursuant to this Act shall be prima facie evidence of the facts therein stated.

Section 3. Companies to report to commission.—Every telephone company subject to the provisions of this Act shall make such reports to the Commission as it shall from time to time require, including such data and such detail as the Commission may determine necessary to permit the Commission to keep informed as to additions, removals and changes in the property of such company used, or useful, in rendering telephone service, and the cost thereof.

Section 4. Expenditures not approved by commission not to be included.—In future rate case proceedings, the value of any specific additions or betterments then existing in the physical prop-

erty placed after the passage of this Act, exceeding \$10,000.00 in cost, and not approved by the Commission, shall be excluded from the rate base value unless the telephone company can show at the time of such investment that such additions or betterments were then provident and in the public interest.

Section 5. **To what companies act shall apply.**—The provisions of this Act shall apply only to telephone exchanges rendering service in cities of the first and second class and to toll properties of telephone companies operating toll lines in more than four counties of the state.

Section 6. **Provisions severable.**—If any part, or parts, of the foregoing sections or subdivisions of this Act, or the application thereof to any persons or circumstances be held invalid, no other section, subdivision, clause, sentence, or provision of this Act shall be affected thereby.

Section 7. This act shall take effect and be in force from and after its passage.

Approved April 24, 1937.

CHAPTER 427—S. F. No. 10

An act to provide for the annual election of school board members in any independent school district, and to empower such district to maintain more than one polling place.

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

Section 1. **Law amended.**—That Mason's Minnesota Statutes of 1927, Section 2793, be amended so as to read as follows:

"2793. **Annual meeting of independent school districts.**—
(a) The annual meeting of all common *school* districts shall be held on the third Tuesday in July, at 7 o'clock P. M., unless a different hour has been fixed at the preceding annual meeting, upon ten days' posted notice given by the clerk, and specifying the matters to come before such meeting; but failure of the clerk to give such notice, or to specify the business to be transacted thereat, shall not affect the validity of any business, except the raising of money to build or purchase a schoolhouse, the authorizing of an issue of bonds, the fixing of a schoolhouse site, the organization as an independent district. The boards of education or trustees in special school dis-