

*Provided, however, that any such municipality by resolution of its governing body, and without submitting the proposition to the electors thereof, may issue and sell its tax anticipation notes which may pledge the general obligation of the respective municipality, or only a certain fund, or both, or otherwise, in anticipation of and in an amount not exceeding sixty per cent of the uncollected taxes levied for the current year at any time during said year when the governing body shall determine it shall be actually necessary, up to the amount of the budget for said current year, without application to the District Court. Such tax anticipation notes shall mature not later than December 31st of the year next succeeding that in which the taxes so anticipated were levied, and shall be in such form and denomination, and shall be executed in such manner, as the governing body shall determine, provided the same must be sold for cash only in the manner prescribed by Mason's Minnesota Statutes of 1927, Section 1943."*

**Sec. 2. Application of act.**—This Act shall not apply to any Municipality governed by any special law.

Approved March 2, 1937.

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#### CHAPTER 57—S. F. No. 148

*An act authorizing cities of the third class organized under a home rule charter or however organized, and villages to establish, build and construct, and collect rates, charges or rentals for the use and/or operation of sewage systems and for sewage pumping stations and sewage treatment and disposal plants, and providing for the application of such funds to the cost, construction and operation or maintenance thereof, and issue and sell bonds to construct any such plant.*

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

**Section 1. Cities of third class may establish sewers.**—Any city of the third class organized under a home rule charter or however organized, and any village, may build and construct when authorized by an ordinance passed by a two-thirds vote of the governing body thereof, a sewage treatment or disposal plant or plants for public use, and any such municipality which has installed or may hereafter install, build or construct, a system of sewers, sewage pumping station, or a sewage treatment or disposal plant or plants for public use, in addition to all other powers granted to it shall have authority, by an ordinance duly adopted by the governing body

thereof, to charge just and equitable rates, charges or rentals for the use of such facilities and for connection therewith by every person, firm, or corporation whose premises are served by such facilities either directly or indirectly. Such charges shall be as nearly as possible equitable in proportion to the service rendered, and shall take into consideration the quantity of sewage produced and its concentration, strength or river, lake, bay or other body of water, pollution qualities in general and the cost of its disposal. The charges shall be fixed on the basis of water consumed, or any other equitable basis said governing body may deem appropriate, and if the council so directs, may be established as a surcharge on the water bills of all water consumers in the municipality on the grounds that said sewage treatment is for the purpose of preventing pollution of sources of water supply, or on some other basis of measuring the use made of the aforesaid facilities. In case of arrangements with other municipalities, districts or private parties for the supplying of sewers aforesaid, such rates, charges or rentals may also be levied the same as in independent operations.

**Sec. 2. May issue bonds—sinking fund—rates for service, etc.**—Any such municipality may issue and sell bonds for the construction of any such system of sewers, sewage pumping stations or sewage treatment or disposal plant or plants for public use when authorized so to do by an ordinance or resolution adopted by a vote of two-thirds of the members of the governing body of said municipality; which bonds shall bear interest at not more than 5% per annum, payable semiannually, and shall mature one-twentieth at the end of each year and may be registered with the City Treasurer of said municipality. No bonds shall be sold for less than par, and that each of said bonds shall state plainly on its face that it is payable only from a sinking fund, naming said fund and the ordinance and resolution creating it, and that it does not create an indebtedness within the meaning of any charter, statutory or constitutional limitation upon the incurring of indebtedness.

At the time of, or before the issuance and sale of any such bonds, the governing body must create a sinking fund for the payment of the bonds and the interest thereon and charges of the fiscal agency for making payment of the bonds and interest thereon.

That at, or before the issuance and sale of such bonds, the governing body shall, by resolution or ordinance, set aside a sinking fund and pledge to the payment of the bonds and the interest thereon the net income and revenues of the system, including all additions thereto and replacements and improvements thereof subsequently constructed or acquired, up to an amount sufficient to provide for the payment of the principal and the interest on the bonds as such principal and interest shall become due and payable, the fiscal agency

charges, and a margin of safety, which together with any unused surplus of such margin carried forward from the previous year, shall equal 20% of all other amounts so required to be paid into the sinking fund.

The said income and revenues above mentioned shall be construed to mean all the gross income from said plant less operating expenses and cost of material and supplies used in operation and less 10% to be set aside for replacements and depreciation of said plant.

Said payments above mentioned shall constitute a first and prior charge and lien on the entire net income and revenues derived from the operation of said system.

The governing body of such municipality shall have full power and authority, and it is hereby made its duty to fix and establish, on the basis of water consumed or any other equitable basis, by ordinance or resolution, and collect rates and charges for the services and facilities afforded by the system.

The rates and charges established for the services and facilities afforded by this system shall be sufficient in each year to provide income and revenues adequate for the payment of the reasonable expense and operation, repair and maintenance and for the payment of the sums required to be paid into the sinking fund and for the 10% depreciation charge.

The governing body shall have the right to change and readjust from time to time the rates and charges so fixed and established provided the aggregate of such rates and charges shall always be sufficient to meet the requirements mentioned in preceding paragraph.

After any municipality has issued and sold revenue bonds under this act, it must keep all income and revenues derived from the operation of the system separate and distinct from all other revenues and shall keep books and accounts for such system separate and distinct from all other books and accounts.

That any such bonds and interest thereon shall be a valid claim of the holders thereof only against the sinking fund and the net income and revenues of the system pledged thereto and shall not constitute an indebtedness of the municipality within the meaning of any charter, statutory or constitutional limitation upon the incurring of indebtedness.

Any municipality issuing bonds under this act shall have the right to covenant with the holders of the bonds as to (a) the purpose to which the proceeds received from the sale of the bonds shall be applied and the use and disposition thereof; (b) the use and disposition of the income and revenues derived from the operation of the

system; (c) the issuance and sale of additional bonds payable from the income and revenues of the system; (d) the operation and maintenance of the system; (e) the insurance to be carried hereon and the disposition of the insurance moneys; (f) its books of account and the inspection and audit thereof and its accounting methods; (g) rates and charges for the services and facilities afforded by the system, and any other matters pertaining to the manner of handling this system and care and manner of paying the revenues on the bonds and interest.

No person, firm or corporation shall be permitted to use said system, except they pay the full and established rate for said service.

Nothing contained in this act shall be construed to permit the municipality to incur, under the provisions thereof, any obligation for the payment of which taxes may be levied.

Any bonds issued under this act may be registered with the City Treasurer or the fiscal agent with whom the sinking fund is deposited.

All acts and parts of acts inconsistent herewith are hereby repealed.

Approved March 2, 1937.

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CHAPTER 58—S. F. No. 898

*An emergency act providing for the suspension of the cancellation of real estate contracts or contracts for deed; conferring jurisdiction upon the district court to determine and prescribe the procedure for the cancellation of contracts for deed; extending the period of redemption under contracts for deed now or hereafter cancelled; suspending Section 9576 of Mason's Minnesota Statutes of 1927; relating to the termination of contracts for the conveyance of real estate or any interests therein.*

WHEREAS, there exists in the State of Minnesota a public economic emergency of such force and effect as to seriously interfere with the ordinary performance of contracts; and

WHEREAS, it is believed, and the Legislature of Minnesota hereby declares its belief, that the conditions existing as hereinbefore set forth has created an emergency of such nature that justifies and validates legislation for the extension of the time of performance by vendees of contracts for the conveyance of real property; and