

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All acts and parts of acts inconsistent herewith are hereby repealed.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

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

WHEREAS, the welfare of the people demands that the State, pursuant to its police power, interfere for a limited time with a literal enforcement of the law regarding contracts for deed.

NOW, THEREFORE—

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

Section 1. Cancellation of contracts for deed.—Cancellation of contracts for deed made prior to April 21, 1933, pursuant to Mason's Minnesota Statutes of 1927, Section 9576, and the acts amendatory thereof and supplemental thereto are hereby suspended from and after the passage of this act upon the conditions hereinafter provided.

Sec. 2. Notices of cancellation—procedure.—No notice to terminate any contract for the conveyance of real estate or any interest therein for a breach of condition contained in such contract shall be effectual to divest title and/or possession to the vendee or those claiming under him, or to reinvest title and/or possession in the vendor or those claiming under him, during the emergency herein declared except as hereinafter provided.

When default is made in the conditions of any contract for the conveyance of real estate, or any interest therein, whereby the vendor has a right to terminate the same, he may do so by serving upon the purchaser his personal representatives or assigns, either within or without the state, a notice specifying the conditions in which default has been made, and stating that at a time specified, not less than forty days after the service of said notice, he will apply to said court for an order adjudging said contract terminated, unless prior thereto the purchaser, his personal representatives or assigns, shall comply with and perform the conditions then in default and pay the costs of service. Such notice must be given notwithstanding any provisions in the contract to the contrary and shall be served within the state in the same manner as a summons in the district court, and if served without the state, in the manner provided in Mason's Minnesota Statutes of 1927, Section 9234.

Provided, however, that if service is made under Section 9234, and the premises described in the contract are actually occupied, then in addition thereto, and within 10 days after service on the vendee, a copy of such notice shall be served upon the person in possession of said premises; and provided further, that in case of such service by publication as herein provided, the said notice shall specify the conditions in which default has been made and stating that at a specified time, not less than ninety days after the first publication of said notice, he will apply to said court for an order adjudging said contract terminated, unless prior thereto the purchaser, his personal representatives or assigns shall comply with and perform the conditions then in default and pay the costs of service.

If within the time mentioned in said notice within which the vendee, his personal representatives or assigns must perform the conditions in default, the vendee complies with such conditions and pays the costs of service, the contract shall remain in full force and effect; but if the vendee fails or neglects to perform the conditions in default within the time mentioned in said notice for such performance and to pay the costs of service, and fails to serve written objections to the termination of such contract upon the vendor, within fifteen days after service of notice on the vendee, the court shall, upon motion of the vendor, and proof of service of said notice, and in the absence of any appearance upon behalf of the vendee, make its order adjudging such contract terminated and said contract shall, thereupon forthwith, be and become finally terminated.

The vendee may, within fifteen days after service of said notice, serve upon the vendor, or his attorney, written objections to the making of any order adjudging the contract terminated and any legal or equitable defenses claimed by him; and if it shall be made to appear to the court upon the application and hearing for an order adjudging the termination of said contract, that the vendee has, in addition to the payment of taxes, insurance and interest, if any, made and paid for valuable improvements upon the premises, or paid upon the contract price of the premises whether to the vendor or to the owner of any incumbrance subject to which the contract was made, or which the contract provides that the vendee, his successors or assigns shall pay, or to both, a sum or sums equal to a substantial part of the original contract price and that the vendor's interest is reasonably secure, the court may, on taking into consideration the reasonable value of the income of such property, or, if the property have no income, then the reasonable rental value thereof, the efforts and ability of the vendee to pay, and all the facts and circumstances of the case, by order and upon such terms and conditions as to it appear just and equitable, extend the time in which the vendee may perform the conditions of the contract in default, not to exceed one year from the date of the service of notice of termination on the vendee and in no event beyond March 1st, 1939.

In case the vendee, in addition to taxes, insurance and interest, has paid upon the total contract price and/or for improvements upon the real estate an amount equal to or exceeding 30 per cent of the value of the real estate, or has made substantial improvements thereon, in cost or value at the time of hearing equal to or exceeding 30 per cent of the value of the real estate, a showing of such facts shall be prima facie evidence that substantial improvements have been made or substantial payments made.

If the vendee shall fail to perform the conditions in default, or any of them, as required and directed by the court to be performed, said

contract shall forthwith be and become terminated and the vendor may thereupon apply to the court for an order adjudging said contract terminated, on giving at least ten days' written notice of such application to the vendee, served in the manner herein provided for service of the notice of application for an order terminating the contract. If it shall be made to appear to the court, upon a hearing on said application, that the vendee has defaulted in performing such conditions, the court shall make an order declaring said contract terminated and said contract shall thereupon forthwith be and become finally terminated.

Sec. 3. **Copy of order may be recorded.**—A copy of any order of the court made pursuant to this act may be recorded with the register of deeds of the county wherein the real estate is situated.

Sec. 4. **Application of act.**—The provisions of this act shall not apply to leaseholds. This act shall apply only to contracts for deed made prior to April 21, 1933 but shall not apply to contracts made prior to the passage of this act which shall hereinafter be renewed or extended for a period ending more than one year after the passage of this act; neither shall this act apply in any way which would allow a stay, postponement or extension to such time that any right might be adversely affected by a statute of limitation. The provisions of this act shall all apply to proceedings for cancellation of contracts for deed wherein the district court has previously granted one or more extensions of time for the performance of the conditions in default, including proceedings where the extended period has expired but no final court order has been made adjudging such contract terminated, pursuant to Laws 1933, Chapter 422 and Chapter 68, Laws 1935, and shall also apply to actions and proceedings now pending or hereafter commenced under said acts.

Upon the application of either party prior to the expiration of the extended period, as provided in this act, and upon the presentation of evidence that the terms fixed by the court are no longer just and reasonable, the court may revise and alter said terms in such manner as the changed circumstances and conditions may require.

Sec. 5. **Trial of action.**—The trial of any action, hearing or proceeding mentioned in this act shall be held within 30 days after the filing by either party of notice of hearing or trial, as the case may be, and such hearing or trial may be held at any general or special term, or in chamber, or during the vacation of the court.

Sec. 6. **Emergency may be terminated.**—The emergency herein declared to exist shall be deemed to be terminated whenever the governor of this state shall by proclamation declare that the emergency is at an end or whenever in fact the emergency shall have terminated and this Act shall remain in effect no longer than March 1st, 1939.

Sec. 7. **Construction of terms.**—The terms “vendedor” and “vendee” shall be construed to include the plural and the survivor or survivors, the heirs, executors, administrators, assigns, or successors thereof.

Approved March 2, 1937.

CHAPTER 59—S. F. No. 19

An act relating to the manufacture of fermented malt beverages and prescribing the amount of grain to be used and providing for the enforcement thereof.

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

Section 1. **Definitions—barley content of malt.**—“Fermented Malt Beverages” shall mean any liquor or liquid capable of being used for beverage purposes, made by the alcoholic fermentation of an infusion in potable water of barley malt and hops, with or without unmalted grains or decorticated and degerminated grains or sugar, containing one-half of one per centum or more of alcohol by volume. No fermented malt beverages shall be sold in this state after July 1st, 1937, unless sixty-six and two thirds per cent ($66\frac{2}{3}\%$) or more of the grain used in its manufacture consists of barley malt.

Sec. 2. **Department of Agriculture to enforce act.**—The Department of Agriculture, Dairy and Food shall be charged with the enforcement of this Act, and is hereby authorized and directed to procure samples on the open market for chemical analysis.

Sec. 3. **Violations a misdemeanor.**—Any violation of this act shall be a misdemeanor and punishable accordingly.

Approved March 8, 1937.

CHAPTER 60—H. F. No. 274

An act to amend Mason's Minnesota Statutes of 1927, Section 9127 relating to judgment on conviction by justices of the peace.

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

Section 1. **Justices of the Peace may suspend sentences in certain cases.**—That Mason's Minnesota Statutes of 1927, Section