

CHAPTER 65—H. F. No. 37

An act relating to the granting of relief to needy or destitute farmers of Minnesota by furnishing seed grain in certain cases during the emergency declared to exist; providing for the purchase and distribution of the same; and providing for payment or reimbursement in grain to the several counties of the state or to the state for the seed grain so furnished; providing for the administration of such relief; granting a first lien upon all or a portion of the crops grown from seed so furnished; appropriating money to provide funds to furnish such relief; authorizing the levying of a state tax and authorizing the issuance by the state of certificates of indebtedness in anticipation of the collection of such tax; authorizing counties to borrow money upon their warrants and bonds for the purpose of providing funds necessary for such relief; and providing for the reimbursement of the counties for losses suffered in connection with the furnishing of such seed grain.

WHEREAS, during the past year many farmers of this state have had crop failures due to drouth and other causes beyond their control, and are now unable by reason thereof and because of the severe economic depression to purchase seed grain with which to plant their fields for the crop season of 1937, and

WHEREAS, farmers so situated are needy and destitute and will be unable to purchase the necessities of life unless they can put their fields into crop during 1937, and

WHEREAS, it is desirable to keep our people self-sustaining so as not to enlarge our relief rolls, and

WHEREAS, the legislature believes that an emergency exists by reason of the facts set forth above and does hereby declare that such an emergency exists justifying the state in providing adequate seed grain to permit farm operations to continue in every agricultural area of the state,

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

Section 1. County Boards may make seed grain loans in certain cases.—The several county boards of the State of Minnesota are hereby authorized to purchase from time to time, as may be needed, up to July 1, 1937, seed grains of such kind, quality and amount as may be necessary to comply with the provisions herein-after contained. The term "seed grains" shall be construed to include grains and seeds as hereinafter defined.

Sec. 2. Appropriations.—There is hereby appropriated out of the Minnesota State Seed Loan Fund in this act created, the sum of \$750,000 or so much thereof as may be necessary to carry out the

provisions of this act. To provide the funds hereby appropriated the State Auditor is directed and empowered to issue and sell certificates of indebtedness of the State with such maturities and bear such rate of interest as may be most advantageous. The proceeds from the sale of such certificates are to be set up as a fund in the State Auditor's office to be known as the Minnesota State Seed Loan Fund and any monies hereby appropriated shall be paid from said fund. The funds hereby appropriated shall be disbursed to the treasurer of each county in such amount and at such times as such county may be entitled thereto. Upon the sale of any certificates of indebtedness provided for herein the State Auditor shall cause to be levied upon all taxable property in the State in the manner in which other state taxes are levied for the taxable year 1937, in addition to all other taxes levied, a tax sufficient to pay the principal and interest of such certificates as they mature.

Sec. 3. Who may make loans—applications.—Any destitute or needy owner, tenant or occupant of any farm which has been affected by drouth during the years 1935 or 1936, who is dependent upon farming for the sustenance of himself and dependents and desires to place the fields of such farm in crop for the crop season of 1937 may make application on or before May 1st to the Township Board of his Town or if such land is located in an unorganized township or in a village, borough or city, to the county board of the county in which such land is located, for the advancement of seed grain with which to plant such fields as he may deem advisable and necessary and in accordance with any national plan of crop control. Such application shall state whether the applicant is a tenant or an owner and shall contain the name of the applicant, the legal description of the land, the number of acres to be planted, the kind of crops desired to be grown thereon, the kind of seed required, with the number of acres estimated to be planted to each such kind of crops and such facts as will enable the Township or County Board to determine whether such applicant, because of lack of seed grain, due to drouth or other causes beyond his control, or due to financial or economic distress, is destitute or needy and unable to provide seed grain for such purpose. No applicant may receive under this Act seed grain of an aggregate value to exceed \$300.00 and not more than twelve bushels of seed corn shall be granted to any applicant. Such application must in each case be approved by a majority of the members of the body to which application is made. Any applicant whose application has been rejected by the Township Board shall have the right to appeal to the County Board, whose decision shall in each case be final. If the County Board finds that such application is reasonable and that the facts therein stated are true and that such applicant is destitute or needy it shall furnish the seed grain so applied for with funds provided in the manner stated in Section 6, or may by motion request

from the State Auditor necessary funds with which to purchase the seed grain so applied for, as provided in Section 6.

Sec. 4. County board to furnish seed.—The County Board shall seasonably furnish to each applicant whose application has been approved, the seed grain applied for and shall take from such applicant an instrument in writing acknowledging the receipt thereof and in case the applicant is the owner of the land, granting to said County a first lien upon any crop grown from such seed, and, in case the applicant is the tenant or occupant of the land, granting to said county a first lien upon the tenant's or occupant's share in the crop grown from such seed. Such lien shall be prior to all other liens and all such instruments shall forthwith be filed in the office of the Register of Deeds at the expense of the County.

Sec. 5. Repayments—in cash or in kind.—Each advancement of seed grain so made including only purchase price and transportation charges to the point of delivery to the applicant, shall be repaid by the applicant with interest at six per cent per annum on or before November 15, of the year when the seed grain was provided, and the County is authorized to accept in payment, in lieu of the cash value, grain of substantially the quality of the seed received, a pound and a half for a pound and a bushel and a half for a bushel advanced to such applicant. The County may accept either cash or grain payment, provided, however, that in payment in kind three bushels of corn shall be returned for each bushel received, shelled corn for shelled corn, or ear corn for ear corn. For good cause shown, the County Board is hereby authorized to extend the due date, but in no event later than February 15, 1938. If by reason of drouth or other conditions beyond the control of the applicant no grain is produced from the seed sown payment of the seed grain lien shall not be required from such applicant. All such grain so received shall be sold by the County Board at the then highest prevailing price and the proceeds thereof applied as payment in full of the obligation of such applicant. In case the returns from the sale of the grain of any applicant exceeds the value of the seed grain advanced the surplus shall be refunded to the applicant.

Sec. 6. County Boards may borrow funds.—Each County is hereby authorized to borrow upon its warrants or to sell its bonds for the purpose of providing the funds necessary to pay for such seed grain as may be required within the County, which bonds and warrants may be issued upon majority vote of the County Board, with such maturities and rate of interest as such Board may determine. Such bonds shall be general obligations of such County. Such warrants or bonds may be issued even if the legal indebtedness for any county is exceeded by the issuing of such warrants or bonds and such warrants or bonds shall be disregarded in determining whether

the indebtedness limit of any county has been exceeded. Such grain may be sold and purchased without conforming to requirements not contained in this act and said warrants or bonds may be issued upon resolution of the County Board without notice. Such bonds shall be legal investments for State funds within the limitations provided in Article 8, Section 6, of the Constitution. In case any county, because of tax delinquencies, impaired credit or other causes is unable to borrow money or to sell its bonds for such purpose, it shall so certify to the State Auditor, whereupon the funds to purchase the seed grain required for such County shall be furnished to such County by the State Treasurer upon warrant of the Auditor, in which case all liens or instruments of obligation and other documents securing the return of the advancements herein provided for shall run to the State of Minnesota instead of to the particular county.

Sec. 7. Losses to be paid from appropriations.—Any loss sustained by any county by reason of the failure of any applicant to repay his loan or by reason of the value of the grain paid in kind, or by the performance of labor or services as provided in Section 5 hereof in discharging such loan being less than the value of the seed grain advanced to him shall be a charge upon the fund appropriated in Section 2 of this act, and, upon the total amount of such loss being ascertained by the County Board of any such county, the Auditor thereof shall certify the amount of such loss to the State Treasurer, who shall, upon such Auditor's certificate, pay to such county the amount of such loss.

Sec. 8. State Auditor to administer act.—The State Auditor is hereby directed and empowered to administer this Act and to prepare all forms of applications and other instruments to be used in the making of said loans, the furnishing of seed grain, and the taking of security therefor. He is authorized to employ a Secretary to take charge of such administration under his direction and to employ such clerical help as may be necessary.

Sec. 9. Seeds included in act.—Seed grain as used in this act shall include grains such as barley, spring rye, wheat, buckwheat, flax, corn, oats, truck crop seeds and seedlings, seed potatoes, clover and other grass seeds and berry plants.

Sec. 10. Act liberally construed.—This act shall be liberally construed and the amount hereby appropriated is made available for the use of needy, destitute or impoverished farmers so as to assist in securing necessary seed for the cropping of farm lands.

Sec. 11. Provisions severable.—If any part of the provisions of this act shall be adjudged invalid or unconstitutional by any court of competent jurisdiction, such judgment shall not impair or invalidate any other part or provision of the remainder of the act.

Approved March 12, 1937.