

be invested in the bonds of the United States or of the State of Minnesota, and each of said funds, except the internal improvement land fund, may be invested in the bonds of any other state of the Union, yielding not less than two per cent interest, or in the bonds of any school district, county, city, town or village of this state, yielding not less than three per cent interest. Such funds shall be invested by a board of commissioners consisting of the governor, treasurer, auditor, attorney general and one commissioner to be appointed by the Regents of the University of Minnesota from among their members, which shall be known as the State Board of Investment, and which shall hold regular meetings on the first and third Wednesdays of each month. The governor shall be ex-officio president of said board, which shall have a permanent secretary, who shall keep a record of its proceedings. Both the secretary of the board and the auditor shall keep a record showing the trust fund to which each bond belongs, the number and amount of each bond, when issued, the rate of interest, when and where payable, by whom executed, when purchased, when withdrawn and for what purpose. No loans shall be made and no bonds shall be purchased, sold, exchanged or transferred from one trust fund to another except upon a majority vote of all members of said board of investment. In investing the permanent school fund preference shall be given to applications for loans from school districts and priority shall be accorded such loans of \$25,000 and less. The board of investment shall have the power to fix and change the rate of interest on loans to municipalities within the state, provided such rate is never less than three per cent, and whenever such rate is changed after any municipality has voted its bonds to the state such municipality is hereby authorized to pay the new rate so fixed and to issue its bonds bearing such rate upon approval and acceptance thereof by resolution of its governing body."

Approved April 21, 1939.

CHAPTER 388—S. F. No. 1006

An act relating to the taxation of motor vehicles, amending 1938 Supplement to Mason's Minnesota Statutes of 1927, Section 2674, Subdivision (a).

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

Section 1. Rates of motor vehicle tax.—That 1938 Sup-

plement to Mason's Minnesota Statutes of 1927, Section 2674, subdivision (a), be amended so as to read as follows:

"2674. (a) Motor vehicles, except as set forth in Section 2 hereof, using the public streets or highways in the State of Minnesota shall be taxed in lieu of all other taxes thereon, except wheelage taxes, so-called, which may be imposed by any borough, city or village, as provided by law, and shall be privileged to use the public streets and highways, on the basis and at the rates for each calendar year as follows:

Motor vehicles for carrying passengers and hearses
2.2 per cent of value.

Provided that the minimum tax on all passenger motor vehicles under 2,000 pounds weight except as hereinafter provided shall be \$5.00 and the minimum tax on all passenger motor vehicles 2,000 pounds and over in weight shall be \$7.50.

Two-wheel trailer of less than 1,000 pounds capacity, used only with pleasure vehicles, and not employed in the transportation of passengers or goods for hire, shall not be subject to taxation as motor vehicles.

The tax on Class "T" trucks with carrying capacity of less than 2,000 pounds, shall be 1.2 per cent on the base value.

The tax on Class "T" trucks with carrying capacity of 2,000 pounds and less than 3,000 pounds, shall be 1.44 per cent on the base value.

The tax on Class "T" trucks with carrying capacity of 3,000 pounds and over, shall be 2.4 per cent on the base value.

Provided, however, that the tax on Class "T" trucks with carrying capacity of less than 3,000 pounds shall be 1.92 per cent on the base value during the first and second years of vehicle life.

Provided that the minimum tax on all Class T and X trucks and tractors of one ton and under manufacturers' rated carrying or hauling capacity shall be \$7.50 except that the minimum tax, on trucks converted from passenger vehicles, including those converted by the factory or a dealer by adding a pick-up box to a passenger vehicle before it was used as a passenger vehicle, shall be the same as the minimum on the passenger vehicle from which they were converted and the minimum tax on all trucks and tractors of over one ton and under two tons manufacturers' rated carrying or hauling capacity shall be \$15.00 and minimum tax on all trucks and trac-

tors of two tons or over and under three tons manufacturers' rated carrying or hauling capacity shall be \$30.00 and the minimum tax on all trucks and tractors of three tons or over and under four tons manufacturers' rated carrying or hauling capacity shall be \$60.00 and the minimum tax on all trucks and tractors of four tons or over and under five tons manufacturers' rated carrying or hauling capacity shall be \$85.00 and the minimum tax on all trucks and tractors of five tons and over and under six tons manufacturers' rated carrying or hauling capacity shall be \$125.00 and the minimum tax on all trucks and tractors of six tons and over manufacturers' rated carrying or hauling capacity shall be \$150.00, and the minimum tax on trailers and semi-trailers shall be \$2.00 for each ton or fraction thereof of such capacity.

The tax on Class T trucks as defined shall be 2.4% on the base value.

The tax on Class X trucks as defined shall be 3.4% on the base value.

The tax on Class Y trucks used in intrastate commerce shall be as provided in section (a)-1 hereof.

The tax on Class Y trucks used exclusively in interstate commerce shall be as provided in Section (a)-3 hereof.

Buses and carriers of passengers for hire engaged in commercial passenger transportation, other than taxicabs and vehicles engaged in livery business shall pay an annual gross weight use tax which on a new vehicle for the first and second years shall be four times the tax paid by a Y truck of the same gross weight and said tax shall be determined in the manner provided for Class Y trucks as set forth in Sections (a)-1 and (a)-2 hereof, for the third and fourth years of the life of such vehicle the tax shall be three times the tax paid by Y truck of the same gross weight as the bus, for the fifth year of the life of such vehicle the tax shall be two times the tax paid by Y trucks of the same gross weight as the bus, for the sixth year of the life of such vehicle the tax shall be one and one-half times the tax paid by Y trucks of the same gross weight as the bus; for every year of the life of the vehicle after the sixth year the minimum tax on all commercial passenger busses of over 25 passenger seating capacity shall be \$350.00, and on those of 25 passenger and less and over five passenger seating capacity, other than taxicabs and vehicles engaged in livery business, shall be \$250.00. This section shall not apply to vehicles for the year 1939 on which the tax has been paid.

Motorcycles without side car . . . \$3.00. Motorcycles, side car additional \$2.00.

Motor vehicles specially equipped for operation over snow and used exclusively for such purpose . . . \$3.00 if weighing one ton or less, and an additional \$2.00 for each additional ton or fraction thereof.

Value until the end of the first calendar year of vehicle life construing the year of the model designation as the first year of such life shall be construed to mean the 'base price for taxation' as hereinafter defined.

For the purpose of fixing a base price for taxation from which depreciation in value at a fixed per centum per annum can be computed, such price is defined as follows:

The base price for taxation of a motor vehicle of which a similar or corresponding model, as defined in Section 21 of this Act, was being manufactured on October 1 preceding the year for which the tax is levied, shall be the manufacturers' list price of such similar or corresponding model in effect on such October 1. The base price for taxation of a motor vehicle of which no such similar corresponding model was manufactured until after such October 1 shall be the manufacturers' list price at the factory when the vehicle taxed was first manufactured. The base price for taxation of a motor vehicle of which no such similar or corresponding model has been manufactured since a time prior to such October 1 shall be the price fixed by the Registrar as a reasonable manufacturers' list price at the factory on such October 1 if such vehicle has been then manufactured at prevailing costs.

After the first year of vehicle life the base value for taxation purposes shall be reduced as follows: ten per cent the second year, and 15 per cent the third and each succeeding year thereafter, but in no event shall such tax be reduced below the minimum.

When a motor vehicle shall become first subject to taxation between June 30 and October 1, the tax for the remainder of the calendar year shall be one-half the tax for a whole year.

When a motor vehicle shall become first subject to taxation after September 30 and on or before December 31, the tax for the remainder of the calendar year shall be one-fourth the tax for a whole year.

Approved April 21, 1939.