

act any or all of the kinds of business specified in clauses (1), (2), (3), (5), (6), (8), (9), (10), (11), (12), (13), and (14).

[60.291] **Limitation on Section 60.29.** Sec. 2. Nothing contained in Sections 65.05 and 65.06 of Minnesota Statutes 1945 shall be construed to preclude insurance against the cost, in excess of actual cash value at the time any loss or damage occurs, of actually repairing, rebuilding or replacing the insured property.

Approved April 10, 1947.

CHAPTER 296—H. F. No. 253

An act relating to public indebtedness; revising and clarifying Minnesota Statutes 1945, Sections 475.03 and 475.04; amending Minnesota Statutes 1945, Sections 475.01, 475.07, 475.14, 475.23; and repealing Minnesota Statutes 1945, Sections 475.05, 475.06, 475.09, 475.091, 475.10.

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

Section 1. Minnesota Statutes 1945, Section 475.01, is amended to read as follows:

475.01. **Scope.** The provisions of chapters 475 to 477 are not to be construed as relating to the debt of the state or to current and ordinary public expenses, but only to the authorized indebtedness, payable with interest at future and stated times, of cities, villages, boroughs, counties, towns, and school districts.

Sec. 2. Minnesota Statutes 1945, Sections 475.03 and 475.04, are revised and clarified to read as follows:

475.03. **Definitions.** *Subdivision 1. For the purposes of this chapter, unless a different meaning is indicated by the context, the words, terms, and phrases defined in this section shall have the meanings given them.*

Subd. 2. "Municipal corporation," "corporation," and "municipality" mean any city of any class, village, borough, county, town, or school district however organized.

Subd. 3. "Obligation" means any bond, certificate of indebtedness, warrant or order authorized by law issued by a

municipality, provided that the following obligations are excepted from the provisions of *this chapter covering the issuance thereof*:

(1) Those issued by any county under any present or future law for road or highway purposes to the extent to which such county shall be entitled to reimbursement out of the trunk highway fund of the state of Minnesota.

(2) Those authorized by the electors of any municipality to be issued and sold to the state of Minnesota.

(3) Those issued for improvements which are payable wholly or partly from the proceeds of special assessments levied upon property especially benefited thereby including those which are the general obligations of the municipality issuing the same, if the municipality is entitled to reimbursement, in whole or in part, from the proceeds of special assessments levied upon property especially benefited by such improvements.

(4) Those maturing in less than one year from their date.

(5) Those issued for the creation or maintenance of a permanent improvement revolving fund.

(6) Those issued for the construction, repair, or maintenance of wharfs and docks.

(7) Warrants or orders having no definite or fixed maturity.

(8) *Obligations payable wholly from the income from a revenue producing convenience constructed or improved from the proceeds of the obligations.*

Subd. 4. "Gross debt" means the aggregate of the principal of the following items owing by any municipality:

(1) All obligations as herein defined issued and outstanding, including those excepted from the provisions of *this chapter* as to the issuance thereof.

(2) Total amount of any unpaid *judgment* rendered against the municipality.

Subd. 5. "Net debt" means the amount remaining after deducting from its gross debt the aggregate of the principal of the following items issued by any municipality:

(1) *All obligations listed under clauses (1), (3), (5), (7), and (8) of subdivision 3.*

(2) Obligations issued for the acquisition, construction, maintenance, repair, or improvement of public waterworks systems, and public lighting, heating or power systems, and of any combination thereof or for any other public convenience from which a revenue is or may be derived.

(3) Amount of all money and the face value of all securities held as a sinking fund for the extinguishment of obligations other than those deductible under this subdivision.

(4) All other obligations which under the provisions of law authorizing their issuance are to be deductible from the net debt of the municipality.

Subd. 6. "Assessed value" means the latest valuation for purposes of taxation as finally equalized of all property taxable within the municipality referred to, including therein the valuation of money and credits, as defined in sections 285.01 and 285.02, as assessed and equalized for the year 1942 and the valuation of homesteads as authorized by section 273.13, subdivisions 6 and 7.

Sec. 3. Minnesota Statutes 1945, Section 475.07, is amended to read as follows:

475.07. **Bonds.** Except when otherwise expressly provided by law, all public indebtedness incurred or refunded shall be represented by the bonds of the debtor corporation, signed by the officers thereunto authorized by resolution of its governing body, and countersigned by the official charged with the keeping of its accounts. Such bonds shall express the amount and terms of payment, and have coupons attached for the several interest payments to be made, which interest shall in no case exceed the annual rate of six per cent, payable half-yearly.

Sec. 4. Minnesota Statutes 1945, Section 475.14, is amended to read as follows:

475.14. **Bond issues; purposes.** *Subdivision 1.* When the governing body of any municipality shall have resolved that it is expedient to borrow money, for one or more of the purposes hereinafter named, and to an amount which will not increase its net indebtedness beyond the limit fixed by law, and a proposal so to do, if required by law, shall have been duly submitted to and approved by the voters thereof, the bonds of such corporation may be issued and sold, conformably to the provisions of this chapter, to the amount so authorized, as provided in this section.

Subd. 2. In the case of a city, village, or borough, *bonds may be so issued and sold for the acquisition, construction, maintenance, or improvement of any of the public conveniences mentioned in section 475.03, subdivision 5, clause (2); for the purposes of a permanent improvement revolving fund; for the purchase, remodeling, equipping or erection of needful public buildings; for establishing and maintaining garbage crematories, or other means of garbage disposal, for the purchase, remodeling, equipping or erection of hospitals, schools, libraries, museums, and art galleries; for the construction, reconstruction and the furnishing of lighting equipment and materials of sewers, subways, streets, sidewalks, pavements, or culverts, for the acquisition, equipping and construction of parks and parkways and playgrounds and stadia; and for changing, controlling, or bridging streams and other waterways within the corporate limits, and constructing and repairing bridges and roads within two miles of the corporate limits thereof; and for the purpose of securing snow removal, street construction and maintenance, and fire equipment.*

Subd. 3. In the case of counties, *bonds may be so issued and sold for the erection and furnishing of a court-house and jail, or either of them; for the purchase of a poor farm and equipping the same with suitable buildings, tools, and stock; for establishing morgues and hospitals; for laying out, opening, building, and improving public highways in the nature of county roads; for laying out and opening steam traction roads or other special public highways authorized by law; and for the bridging of waters within the county or bordering thereon.*

Subd. 4. In the case of towns, *bonds may be so issued and sold for the erection and furnishing of a town hall, and for the building of town roads, including opening, laying out, grading, graveling, draining, paving, and otherwise improving the same, and the construction of bridges and culverts thereon.*

Subd. 5. In the case of school districts, whether lying within a city or village or not, *bonds may be so issued and sold for the purchase of sites for schoolhouses; and for defraying the expenses incurred or to be incurred in building, rebuilding, remodeling, repairing and furnishing schoolhouses, including gymnasiums, athletic fields or stadiums, teacherages, and school garages, and installing heating, ventilating, and plumbing plants in the same, and equipping schools with libraries, apparatus and other school furniture, and for the*

purchase of school buses and other equipment essential to the transportation of pupils.

Subd. 6. In the case of the municipal corporations mentioned in this section; bonds may be so issued and sold for paying any judgment lawfully rendered against them, for refunding outstanding bonds, or for funding floating indebtedness.

Sec. 5. Minnesota Statutes 1945, Section 475.23, is amended to read as follows:

475.23. Amount of limitation on net indebtedness; special existing limitations not increased; elections, where required.
Subdivision 1. No municipality, except school districts and cities of the first class, shall hereafter incur or be subject to a net debt beyond ten per cent of the last assessed valuation, as finally equalized, of all taxable property therein, including moneys and credits; provided, that municipalities receiving special state aid under the provisions of sections 276.15 to 276.18 may incur, by a vote of the majority of the electors of such municipality an indebtedness not to exceed 20 per cent of such assessed valuation, and no school district shall incur or become subject to a net debt beyond 20 per cent of such assessed valuation; *provided, that nothing herein shall prevent any municipality from issuing bonds, warrants, or certificates of indebtedness under any law which authorized the issuance of obligations and provides that they may be issued notwithstanding any limitations prescribed by statute or charter provision fixing any limit upon bonded indebtedness.*

Subd. 2. No city of the first class shall be subject to a net debt in excess of five per cent of the full and true valuation, as finally equalized, of all taxable property therein, excluding money and credits, unless the charter of such city contains a provision to the effect that its net debt may exceed such per cent of the last assessed valuation of all taxable property therein; but if any such charter permits a net debt in excess of five per cent of its assessed valuation including money and credits, such city shall hereafter be subject to a net debt limitation of ten per cent of the full and true value of its taxable real and personal property, excluding money and credits, notwithstanding any limitations contained in its home rule charter or in existing laws.

In calculating such net debt, only the obligations set forth and described in Minnesota Statutes, Section 475.03, Sub-

division 5, other than obligations payable wholly from the income from a revenue producing convenience constructed or improved from the proceeds of the obligation or obligations issued for the acquisition, construction, maintenance, repair or improvement of a public convenience from which a revenue is or may be derived, excepting public water works systems and public lighting, heating, or power systems or any combination thereof, shall be deducted from gross debt. The auditor of the county in which any such city is situated, shall annually at the time of preparing the tax list of the city, determine and compile a statement setting forth for such year the total assessed value and the total full and true value of each class of taxable real and personal property in such city.

Subd. 3. No independent school district located wholly or partly within a city of the first class shall have power to issue any bonds or any evidence of indebtedness unless first thereunto authorized by a two-thirds vote of the legislative body of the city within which such school district is situated in whole or in part; and no such school district shall have power to issue bonds or any evidence of indebtedness running more than two years, wherever the aggregate of the outstanding bonds and evidence of indebtedness of such district equals or exceeds three and one-half per cent of the assessed value of the taxable property within such school district.

Subd. 4. When the properties of any school district in this state are made up to the extent of at least 60 per cent in value of property which is exempt from local taxation, because taxes thereon are paid into the state treasury under the provisions of the gross earnings tax law, then such district shall have authority to incur and be subject to a net indebtedness of not more than 40 per cent of its assessed value.

No such school district shall have authority to incur, or be subject to, a net debt, as herein defined, except for the purposes of purchase of land for school purposes and erecting or enlarging necessary school buildings to property provide for the educational facilities of the district.

Subd. 5. When the properties of any school district in this state is made up to the extent of at least 25 per cent in value of property which is exempt from local taxation because taxes thereon are paid into the state treasury under the provisions of the gross earnings tax law then the district shall have authority to incur and be subject to a net indebted-

ness of not more than 30 percent of its assessed value, as determined under existing laws.

No school district shall incur or be subject to a net debt, except for the purposes of purchase of land for school purposes and erecting or enlarging necessary school buildings to properly provide for the educational facilities of the district.

Sec. 6. **Repeals.** Minnesota Statutes 1945, Sections 475.05, 475.06, 475.09, 475.091, and 475.10 are hereby repealed.

Approved April 10, 1947.

CHAPTER 297—H. F. No. 402

[Not Coded]

An act relating to salaries of court reporters in the second judicial district; amending Laws 1923, Chapter 77, Section 9, as amended by Laws 1943, Chapter 269, Section 1.

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

Section 1. **Laws amended.** That Laws 1923, Chapter 77, Section 9, as amended by Laws 1943, Chapter 269, Section 1, is hereby amended to read as follows:

[Section 9] **Salary of court reporters in second judicial district.** The salary of the chief reporter and each of the other reporters *in the second judicial district* shall be uniform and shall be fixed by the judges of the district court in an amount not to exceed *four thousand* dollars \$4000.00 per annum and shall be paid in equal installments in the same manner as the other county officers are paid.

Sec. 2. **Effective date.** This act shall be in full force and effect after January 1, 1948.

Approved April 10, 1947.