

standard deduction shall not be allowed to either if the net income of one of the spouses is determined without regard to the standard deduction. For the purposes of this paragraph the determination of whether an individual is living with his spouse shall be made as of the last day of the taxable year unless the spouse dies during the taxable year in which case such determination shall be made as of the date of such spouse's death.

If a taxable year is less than 12 months because of a change in the accounting period or because of a change in domicile, the standard deduction shall not be allowed.

Approved April 17, 1951.

CHAPTER 422—H. F. No. 739

[Sections 9 and 10 Coded as Sections 475.753, 475.553]

An act relating to public indebtedness and borrowing; amending Minnesota Statutes 1949, Sections 475.51, 475.54, 475.55, 475.63, 475.66, 475.74, and Section 475.58, Subdivision 1, and Section 475.61, Subdivision 1.

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

Section 1. Minnesota Statutes 1949, Section 475.51, is amended by adding a new subdivision to read:

[Subd. 10] *“General obligations” means any obligations which pledge the full faith and credit of the municipality to their payment.*

Sec. 2. Minnesota Statutes 1949, Section 475.54, is amended to read:

475.54 **Serial payments.** All obligations authorized under *this chapter* shall come due serially in annual instalments, as determined by the governing body of the municipality. The first instalment shall come due in not more than three years from the date of the obligations and the last

instalment shall come due in not more than 30 years from such date.

No annual instalment of principal of any obligations payable in the third or any subsequent year after the date of such obligation shall exceed *five* times the amount of the smallest prior instalment thereof payable in any year after the second year.

Sec. 3. Minnesota Statutes 1949, Section 475.55, is amended to read:

475.55 Obligations; execution, contents. All obligations shall be signed by *the* officers *as* authorized by resolution of *the* governing body *and* shall express the amount and the terms of payment. Interest thereon shall not exceed the rate of six per cent per annum, payable half yearly. *All obligations shall be negotiable instruments notwithstanding any limitation in the source of the funds for payment.* The validity of every obligation so executed shall remain unimpaired by the fact that one or more of such officers shall have ceased to be in office before delivery to the purchaser *or shall not have been in office on the formal date of the bonds.* Such resolution may provide that one of the officers shall sign *such bonds* manually and that the other signatures may be printed, lithographed, *stamped* or engraved thereon. Where the municipality has a seal such seal may be impressed on each bond or a facsimile thereof may be printed, lithographed or engraved on each bond as determined by the resolution of the governing body.

Sec. 4. Minnesota Statutes 1949, Section 475.58, Subdivision 1, is amended to read:

475.58 Obligations; elections to determine issue. Subdivision 1. **Election, when mandatory.** Except as provided in subdivision 2 no obligation shall be issued without first obtaining the approval of a majority of the electors voting on the question of issuing the obligation, except an obligation, issued:

(1) to pay any unpaid judgment against the municipality;

(2) for refunding obligations at maturity or at their optionable or callable dates;

(3) for an improvement, which obligation is payable wholly or partly from the proceeds of special assessments levied upon property specially benefited by the improvement, including obligations which are the general obligations of the municipality, if the municipality is entitled to reimbursement in whole or in part from the proceeds of special assessments levied upon such property;

(4) payable wholly from the income of revenue-producing conveniences;

(5) issued under the provisions of a home rule charter which permits the issuance of obligations of the municipality without election; and

(6) issued under the provisions of a law which *permits* the issuance of obligations of a municipality without an election.

Sec. 5. Minnesota Statutes 1949, Section 475.61, Subdivision 1, is amended to read:

475.61 **Tax levies.** Subdivision 1. The governing body of any municipality issuing *general* obligations shall, prior to delivery of the obligations, levy by resolution a direct *general ad valorem* tax upon all taxable property in the municipality to be spread upon the tax rolls for each year of the term of the obligations. The tax levies for all years shall be specified and such that if collected in full they, *together with estimated collections of special assessments and other revenues pledged for the payment of said obligations* will produce at least five per cent in excess of the amounts needed to meet when due the principal and interest payments on the obligations. Such resolution shall create a separate sinking fund or a special account in the municipality's regular sinking fund for each issue of obligations, and shall irrevocably appropriate the taxes so levied *and any special assessments or other revenues so pledged* to that fund or account.

Sec. 6. Minnesota Statutes 1949, Section 475.63, is amended to read:

475.63 **Certificate as to registration.** Before any obligations shall be delivered to the purchaser, the municipality shall obtain *and deliver to the purchaser a certificate* of the

county auditor that the issue has been entered on his register. *If a tax levy is required by law, such certificate shall also recite that such tax has been levied as required by law.*

Sec. 7. Minnesota Statutes 1949, Section 475.66, is amended to read:

475.66 Sinking fund. There shall always be retained in any sinking fund sufficient cash to provide for the annual payments of principal and interest on the obligations for which the fund was created. Any surplus in any sinking fund above such amount may be invested under the direction of the governing body in any *general* obligation of the United States, the State of Minnesota or any of its municipalities.

The obligations representing any such investment may be sold or hypothecated by the governing body at any time, but the money so received remains a part of such fund until used for the purpose for which the fund was created.

Sec. 8. Minnesota Statutes 1949, Section 475.74, is amended to read:

475.74 Per capita limitation inapplicable. The provisions of any law limiting taxes on a per capita basis or otherwise shall not limit the power of any city of the first or second class or any independent school district in any city of the first class, to levy taxes to pay its general obligation bonds *nor shall such provisions limit the power of any municipality to levy taxes to make good any deficiency in any prior levies made pursuant to Section 475.61.* The governing body shall levy *such* taxes without limitation as to rate or amount.

[475.753] Sec. 9. **Municipalities are subject to Chapter 475.** *All municipalities are subject to the provisions of Minnesota Statutes, Chapter 475, in the issuance of obligations and may incur indebtedness to the extent of but not in excess of the debt limit in said chapter notwithstanding any home rule charter provision or charter law adopted prior to April 1, 1951. Nothing herein shall prevent the adoption after that date of additional debt limitations or restrictions. This section shall not be deemed to amend or otherwise affect or change Minnesota Statutes, Section 475.53, Subdivision 3.*

[475.553] Sec. 10. **Paying agent.** *The governing body may appoint as paying agent of an issue of obligations*

one or more national banks or banks incorporated under the laws of any state: It may also direct the county treasurer to remit any proceeds from assessments or taxes levied for payment of obligations directly to such paying agent. In such case the county treasurer shall furnish a duplicate statement of each remittance to the treasurer of the municipality who shall enter the amount on his books.

Approved April 17, 1951.

CHAPTER 423—H. F. No. 1176

An act relating to tax rates used for county purposes, in certain counties; amending Minnesota Statutes 1949, Section 275.09.

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

Section 1. Minnesota Statutes 1949, Section 275.09, is amended to read:

275.09 Rate of tax. There shall be levied, annually on each dollar of taxable property, except such as is by law otherwise taxable, as assessed and entered on the tax lists, for the several purposes enumerated, taxes at the rates specified as follows:

(1) For state purposes, such amount as may be levied by the legislature;

(2) For county purposes, such amount as may be levied by the county board, the rate of which tax for general revenue purposes, in any county with not less than 100,000 inhabitants shall not exceed five mills, and in any county with less than 100,000 inhabitants, shall not exceed ten mills, unless such maximum mill levy will not raise a sum equal to the amount herein specified for each county according to the following classifications: (a) In any county with less than 10,000 inhabitants, \$80,000; (b) In any county with 10,000 but less than 20,000 inhabitants, \$90,000; provided that in addition thereto for the sole purpose of appropriating money as authorized in Minnesota Statutes 1945, Section 376.08, there may be