

(1) *by reference to the basis in the hands of a transferor, donor, or grantor, or*

(2) *by reference to other property held at any time by the person for whom the basis is to be determined.*

(f) *If the adjusted basis of the grain-storage facility (computed without regard to paragraph (e)) exceeds the adjusted basis computed under paragraph (e), the depreciation deduction provided by section 290.09 (6) shall, despite the provisions of paragraph (a) (3) of this clause, be allowed with respect to such grain-storage facility as if the adjusted basis for the purpose of such deduction were an amount equal to the amount of such excess.*

(g) *In the case of property held by one person for life with remainder to another person, the amortization deduction provided in paragraph (a) shall be computed as if the life tenant were the absolute owner of the property and shall be allowed to the life tenant. In the case of property held in trust the allowable deduction shall be apportioned between the income beneficiary and the trustee in accordance with the pertinent provisions of the instrument creating the trust, or, in the absence of such provisions, on the basis of the trust income allocable to each.*

Approved April 14, 1955.

CHAPTER 429—H. F. No. 1572

[Not Coded]

An act relating to acquisition of sites and issuance of bonds for school building purposes in certain school districts and the levy of taxes for the payment thereof.

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

Section 1. **Independent school districts with great demands for school facilities.** The construction of commercial plants for the mining and concentration of taconite, as defined in Minnesota Statutes 1953, Section 298.23, has resulted in increasing to an unusual degree the demand for school facilities in certain school districts in order to take care of greatly increased school enrollments resulting therefrom. This act is applicable to all independent school districts within whose limits a taconite plant or plants are under construction with a planned capacity upon completion in excess of 5,000,000 tons of taconite concentrates per year, and in which districts the

anticipated increase in elementary school enrollment, as a result of the construction and operation of said plants, exceeds 50 percent of the school enrollment immediately prior to the commencement of such construction. The adoption of a resolution by the school board determining that there is under construction within the limits of such district a taconite plant with a planned capacity in excess of the tonnage hereinbefore set forth, and that the anticipated increase in elementary school enrollment as a result thereof will exceed the percentage hereinabove set forth shall be prima facie evidence of such facts, and, in the absence of legal proceedings to enjoin the issuance of bonds hereunder, shall be conclusive evidence of such fact.

Sec. 2. Bonds for school buildings. Any such school district may issue its bonds to provide funds for the construction, equipment and furnishing of elementary school buildings, including the acquisition and improvement of sites therefor, deemed necessary because of the existence of such facts, in an aggregate principal amount not exceeding \$1,715,000, and may use the proceeds of the sale thereof for the construction, equipment and furnishing of such buildings and the acquisition and improvement of such sites, including payment of architects' and engineers' and legal fees incidental thereto. Except as hereinafter specifically permitted, such bonds shall be authorized, issued, sold, executed and delivered in the manner provided by Minnesota Statutes 1953, Chapter 475. They may be issued on resolution adopted by a two-thirds vote of the members of the board of such district without a vote of the electors of said district. A resolution of the board levying taxes for the payment of said bonds and interest thereon as hereinafter authorized and pledging the proceeds of such levies for the payment of such bonds and interest thereon shall be deemed to be compliance with the provisions of such chapter with respect to the levying of taxes for the payment thereof. Such bonds and interest thereon shall mature serially in not less than ten nor more than 15 annual installments, the first of which annual installments shall be payable within not more than four years after the date of issuance. No such annual installment of principal payable in any year shall exceed by more than 25 percent the smallest of such annual installments. No vote of electors shall be necessary to authorize the location, purchase or acquisition of such sites or the construction of such buildings.

Sec. 3. Taxation of taconite plants and lands. Subdivision 1. The taconite plants and the lands upon which located or which are used in connection therewith and the buildings, machinery, equipment and other fixtures used in the pro-

duction of taconite, as referred to and defined in Minnesota Statutes 1953, Sections 298.23 to 298.28, both inclusive, located in any such school district are hereby made subject to taxes for payment of the principal of and interest on any and all bonds issued under authority of this act, anything in said sections to the contrary notwithstanding. In event such properties are all owned by one person, it shall not be necessary to make any determination of the value thereof. In event such properties are owned by more than one person, the taxes shall be apportioned annually between them by the county auditor on the basis of the relative values thereof owned by each, upon such investigation of the facts as the auditor shall deem necessary. The taxes levied in accordance with this act shall be billed to and collected from such person or persons at the same time and in the same manner as taxes levied in and for such school district upon real property subject to taxation therein.

Subd. 2. After the sale and before the delivery of any bonds under authority of this act, the school board shall, by resolution, levy upon all of the property described in subdivision 1 located in such school district a direct, general tax for each year of the term of the bonds in amounts such that, if collected in full, they will produce the amounts needed to meet when due the principal and interest payments on the bonds. A copy of such resolution shall be filed and the taxes so levied shall be extended, assessed and collected and remitted as nearly as may be in the manner specified in Minnesota Statutes 1953, Section 475.61. Such levies shall not be included in computing permissible levies under Minnesota Statutes 1953, Section 275.12, or any amendments thereof.

Subd. 3. The bonds issued under authority of this act shall be the general obligations of the school district, for which its full faith and credit and unlimited taxing powers shall be pledged and, in event there shall be any deficiencies in the collections of the taxes levied pursuant to subdivision 2 hereof, the deficiencies shall be made good by general levies on all taxable properties in the district in accordance with Minnesota Statutes 1953, Section 475.74, and if any such deficiency levies are found necessary the school board is empowered to effect a temporary loan or loans on certificates of indebtedness issued in anticipation thereof for the purpose of meeting payments of principal or interest on the bonds due or about to become due.

Sec. 4. **Expiration.** The authority to issue bonds under this act shall expire on January 1, 1958.

Approved April 14, 1955.
