

Section 1. Minnesota Statutes 1953, Section 21.53, Subdivision 3, as amended by Laws 1955, Chapter 213, is amended to read:

Subd. 3. Prices for stamps or tags. The price to be paid by vendors for the tags or stamps shall be:

100 to 160 pound container	7 cents
60 to 99 pound container	6 cents
30 to 59 pound container	5 cents
15 to 29 pound container	4 cents
½ to 14 pound container	3 cents

Sec. 2. *This act shall become effective July 1, 1955.*

Approved April 20, 1955.

CHAPTER 645—H. F. No. 1815

An act relating to school districts and limitations upon the tax levies thereof; amending Minnesota Statutes 1953, Section 275.12.

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

Section 1. Minnesota Statutes 1953, Section 275.12, is amended to read as follows:

275.12 **Tax levy, schools; limits.** Subdivision 1. The total amount of taxes levied by or for any school district in the state for all general and special school purposes including the county school tax of one mill, required to be levied by the statute, but exclusive of any state levy, income tax apportionment or other aids, shall not exceed in any year the following amounts per capita of the population of the district: *in districts having a population in excess of 5,000 and operating schools in more than four villages or cities, \$63 per capita; in districts having a population in excess of 5,000 and not falling within the preceding class, \$55 per capita, but not less than \$44 per capita plus \$85,000; in districts having a population of more than 2,750 but not more than 5,000, \$61 per capita, but not less than \$44 per capita plus \$52,500; in districts having a population of 2,750 or less, \$110,000 plus \$25 per capita.*

Subd. 2. If the Revised Consumers Price Index, as published by the United States Department of Labor, Bureau of Labor Statistics, for the City of Minneapolis, Minnesota (or if no such Index is published for the City of Minneapolis, for

the nearest city to Minneapolis for which such index is published), as of December 15th of any year (for for the date nearest to December 15th if no such Index is published as of December 15th), shall be above 102 (using the average for the years 1947-1949 as a base), the total maximum amounts which may be levied by any district, *under subdivision 1*, shall be increased as follows: In districts having a population of more than 10,000, such maximums shall be increased by $3 \frac{2}{3}$ percent thereof for each of the first 6 points increase in said Index above 102 and by one percent thereof for each additional point increase over 6; in districts having a population of more than 5,000 but less than 10,000, by $4 \frac{2}{3}$ percent for each of the first 6 points of such increase above 102, and by one percent for each additional point increase after the first 6; in districts having a population under 5,000, by 6 per cent for each of the first 6 points of such increase above 102, and by one percent for each additional point increase after the first 6. For all purposes of this computation, a fractional point increase shall be disregarded if less than $\frac{1}{2}$ point, and treated as one full point if $\frac{1}{2}$ point, or more. Of the additional levies provided hereby, not less than \$2 per capita computed in accordance with section 275.14, shall be set aside in a special fund known as the Building Rehabilitation Fund and shall be used only for the rehabilitation or reconstruction of school buildings by major repairs or changes therein, or for the payment of bonds issued for that purpose, not including ordinary current maintenance or repairs; expenditures for such major rehabilitation or such reconstruction shall not be considered current expenditures within the meaning of subdivision 3.

Subd. 3. The additional levy provided for in subdivision 2 shall be made separately from other levies of the school district. At least 30 days before making such additional levy the school board shall adopt a resolution fixing the budget of estimated receipts and expenditures of the district for the fiscal year, in which such levy is to be made, or if the district is operating on a calendar year basis, for the next ensuing calendar year. Such budget shall show specifically the estimated total current expenditures and the estimated total current non-instructional expenditures, as hereinafter defined. No such additional levies shall be made unless either (1) less than 35% of the total expenditures of the district during said year under said budget will be expended for non-instructional costs; or (2) the board in adopting such budget shall have reduced the expenditures for non-instructional purposes to the lowest percentage of total expenditures consistent with the proper operation of the schools of the district. Limitation of the expenditures for non-instructional costs during said year to the per-

centage of total current expenditures shown by said budget, may be enforced by action in the district court at the suit of any taxpayer. The resolution fixing such budget and setting forth that the requirements of either clause (1) or clause (2) of this subdivision have been complied with, shall be published at least once in a legal newspaper published in said district, or if no legal newspaper is published in said district, in the county in which the district is located. Proof of such publication shall be filed with the county auditor. No such additional levy provided in subdivision 2 shall be spread by the county auditor of the county in which such school is located until more than 30 days subsequent to the date of such publication. Within such period any taxpayer may bring action to enjoin the making of such additional levy, upon the ground that the requirements of neither of said alternative clauses of this subdivision have been complied with, and if the court shall find that such district has not complied with such requirements, it shall enjoin the making of such levy, or if such levy has been spread, reduce the amount of the taxes by an amount equal to such additional levy so spread. The court may issue such temporary restraining orders and injunctions pending final determination of any such action, as it may deem proper. If no such action is commenced within such 30-day period, no defense to such additional levies on the ground of non-compliance with either of said clauses (1) or (2) hereof may be interposed in any subsequent tax proceedings. Within the meaning of this subdivision, the expression "total current expenditures" means the total expenditures of the district during a year for all purposes other than bonds and interest thereon, improvements properly chargeable as capital outlay, transportation, health service, and that portion of the expenditures for special non-instructional activities which is recovered by charges or reimbursement collected therefor; the expression "non-instructional costs" means all that part of total current expenditures which is not expended for instructional salaries, including teachers and superintendents, text and library books, instructional supplies, and other costs of instruction as defined by the state department of education. If action is commenced as above provided, the state commissioner of education at the request of any party to said action, shall analyze the budget and operations of the district affected and shall report his opinion as to whether or not such district has reduced its expenditures for non-instructional purposes to the lowest percentage of total expenditures consistent with the proper operation of the schools of the district, which report shall be admissible in evidence in such action. In any such action the school district making the levy shall be made a party defendant.

Subd. 4. In the event that a taxpayer obtains a tem-

porary injunction or restraining order restraining the county auditor from spreading such additional tax levy so that such additional levy cannot be spread by the auditor in that year, and such levy is subsequently held to be valid, said school district may issue tax anticipation certificates in the amount of the additional tax levy within the limitations of this section, certified by the district to the county auditor for said year. Such certificates shall be issued in such denominations as the board may determine, shall bear interest at such rate as may be fixed by the board, not exceeding 4% per annum, and shall be sold for not less than par and accrued interest. They shall be due and payable at such times as may be fixed by the board, not later than December 31st of the year following the year in which issued. The board may pledge the full faith and credit of the district and the tax levies authorized hereunder for the payment of such certificates in full and they shall be a first charge upon the levy as pledged. In the event that at the time of the issuance of any of such certificates the district shall have money in the hands of the treasurer levied for its operations in the following calendar or fiscal year, it may issue such certificates to the treasurer, in lieu of selling them as heretofore provided, in which event such funds equal to the face value of such certificates may be transferred so as to be available for expenditures in the year of issuance. Certificates so issued to the treasurer shall be held by him, and may be sold under the direction of the board when necessary to replace the funds so advanced, and shall bear interest from the date of such sales. At the time of making its next general tax levy following the issuance of such certificates, said school district may levy a tax in excess of any existing limitations in an amount sufficient for the payment of any such certificates issued during the previous year with interest thereon. Moneys levied for such purpose shall be put into a special fund and shall be used for no other purpose than the payment of such certificates and interest, and any balance in said fund after payment thereof may be transferred to the general fund and the next tax levy of the district shall be reduced in such amount as was transferred.

Subd. 5. In any district having a population under 6,000, until the 1960 federal census or a special census is taken, the permissible levy under sections 275.12 and 275.14 may be computed upon the greater of (a) the population shown by the 1950 or subsequent special census, or (b) the population base applicable to the 1952 levy.

Approved April 20, 1955.
