

be sold in any such proceeding to satisfy a lien adjudged in favor of the state, the sheriff shall pay the proceeds of such sale, after payment of costs, to the county auditor, who shall note upon the tax records the receipt of such sum and the purpose thereof, pursuant to the judgment of the court, which sum shall be apportioned in the manner provided in Minnesota Statutes, Section 282.08, for the apportionment of the net proceeds from the sale or rental of forfeited land.

Subd. 5. Bid by county auditor at sale of land to satisfy lien. *At any sale of such land to satisfy a lien adjudged in favor of the state, the county auditor, with the approval of the county board, may bid in the land in the name of the state, paying the amount required out of the forfeited tax sale fund, and if the land be sold to the state and be not redeemed, it shall be held and disposed of as in case of lands forfeited for taxes.*

Approved April 29, 1957.

CHAPTER 845—H. F. No. 1325

[Coded]

An act authorizing cities and villages to pledge cigarette and liquor tax apportionment receipts to the payment of bonds. Be it enacted by the Legislature of the State of Minnesota:

Section 1. [297.15] Cities, villages; apportionment receipts pledged to payment of bonds. Any city or village may irrevocably pledge for the payment of principal of and interest on its bonds, except principal and interest payable from special assessments or the income of revenue producing conveniences, any part of the apportionments of taxes to be received by it under the provisions of Minnesota Statutes, Sections 297.13, 297.26, and 340.60; provided, however, that nothing herein shall in any way curtail the authority of the state to alter or abolish said tax or change the distribution thereof. The part of the apportionments which is so pledged may be 100 percent or a lesser percentage of the annual receipts of such apportionments, or a minimum annual dollar amount thereof, or both; provided, the amount of apportionments pledged shall not be more than will suffice to pay principal and interest on the bonds as they come due.

Sec. 2. [297.16] Pledge, resolution, submission to electors. Such pledge may be made by resolution of the governing body of the city or village, unless the proposition of the issuance of the bonds is required to be submitted to

the electors, in which event the question of making such pledge shall likewise be submitted to the electors at a general or special election, either separate from or combined with the question of issuing the bonds. When the question of making such pledge has been so submitted, it shall be deemed to have carried if approved by a majority of the electors voting on the question.

Approved April 29, 1957.

CHAPTER 846—H. F. No. 1337

An act relating to taxes on and measured by net income; amending Minnesota Statutes 1953, Section 290.25.
Be it enacted by the Legislature of the State of Minnesota:

Section 1. Minnesota Statutes 1953, Section 290.25, is amended to read:

290.25 Estates and trusts, rule if taxable year of beneficiary is different. *Subdivision 1. Where it is specified in this section and sections 290.27 and 290.28 that the grantor or another person shall be treated as the owner of any portion of a trust, there shall then be included in computing the taxable net income and credits of the grantor or the other person those items of income, deductions, and credits against tax of the trust which are attributable to that portion of the trust to the extent that such items would be taken into account under this chapter in computing taxable net income or credits against the tax of an individual. Any remaining portion of the trust shall be subject to section 290.23. No items of a trust shall be included in computing the taxable net income and credits of the grantor or of any other person solely on the grounds of his dominion and control over the trust under section 290.01, subdivision 20 (relating to definition of gross income) or any other provision of this chapter, except as specified in this section and sections 290.27 and 290.28.*

Subd. 2. (1) For purposes of this section and sections 290.27 and 290.28, the term "adverse party" means any person having a substantial beneficial interest in the trust which would be adversely affected by the exercise or nonexercise of the power which he possesses respecting the trust. A person having a general power of appointment over the trust property shall be deemed to have a beneficial interest in the trust.

(2) For purposes of this section and sections 290.27