

CHAPTER 752—H. F. No. 1576

[Coded in Part]

An act relating to debt service loans and capital loans to school districts from the maximum effort school loan fund of the state, and the administration of said fund; providing for registration of such loans by county auditors and the levy of taxes for payment of interest thereon; authorizing the refunding thereof at increased interest rates; excluding such loans from indebtedness subject to statutory limitations; amending Extra Session Laws 1959, Chapter 27, Section 4, Subdivisions 3 and 6, Section 7, Subdivisions 2 and 4, Section 8, Subdivisions 4 and 5, and Section 9, and Minnesota Statutes 1957, Section 475.51, Subdivision 4.

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

Section 1. Extra Session Laws 1959, Chapter 27, Section 4, Subdivision 3, is amended to read:

[124.39] Subd. 3. There shall be a capital loan account, out of which loans under section 8 shall be made. There shall be transferred to it from the debt service loan account on October 1 of each year, all moneys therein in excess of those required for debt service loans then agreed to be made. There shall be transferred from it to the debt service loan account on ~~June 30~~ *July 1* of each year all moneys therein in excess of those required for capital loans theretofore agreed to be made, *to an amount not exceeding \$3,500,000; and any balance in the capital loan account on July 1 of any year in excess of such existing capital loan requirements plus \$3,500,000 shall be transferred to the certificate of indebtedness account described below.*

Sec. 2. Extra Session Laws 1959, Chapter 27, Section 4, Subdivision 6, is amended to read:

[124.39] Subd. 6. All moneys deposited to the credit of the certificate of indebtedness account and not required for the payment of principal and interest as prescribed in subdivision 5 shall be transferred to the credit of the debt service loan account *on July 1 of each year, to the amount required, if any, to increase the balance then in that account to \$3,500,000, and such moneys are hereby annually appropriated in such account for the purposes prescribed by this act. Moneys deposited to the credit of the certificate of indebtedness account and not required for such transfers or for the*

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payment of principal and interest due on certificates of indebtedness shall be used for the redemption and prepayment of certificates of indebtedness when prepayable according to their terms, or for the purchase of certificates of indebtedness prior to maturity, or may be invested and reinvested in securities which are general obligations of the United States or the state of Minnesota. When all certificates of indebtedness issued and made payable from said account have been fully paid with interest accrued thereon, the balance remaining in said account shall be transferred to the income tax fund.

Sec. 3. Extra Session Laws 1959, Chapter 27, Section 7, Subdivision 2, is amended to read:

[124.42] Subd. 2. Each debt service loan shall be evidenced by a note which shall be executed in behalf of the district by the signatures of its chairman or vice chairman and the school district clerk, shall be dated November 1 of the year in which executed, and shall state its principal amount, due date, interest rate, and that it is payable at the commissioner's office. It shall have printed thereon, or the commissioner shall attach thereto, a grill for entry of the date and amount of each payment and allocations of each payment to accrued interest or principal, *and a certificate to be executed by the county auditor of each county in which any portion of the school district is situated, prior to the delivery of the note, stating that such county auditor has entered the debt service loan evidenced thereby in his bond register.* Such notes shall be delivered to the committee not later than November 15 of the year in which executed. The secretary shall cause a record to be made and preserved showing the obligor district and the date, principal amount, and due date of each note, and shall then deliver it to the commissioner who shall make suitable record thereof.

Sec. 4. Extra Session Laws 1959, Chapter 27, Section 7, Subdivision 4, is amended to read:

[124.42] Subd. 4. Each district receiving a debt service loan shall levy in that year for debt service its required debt service levy as reduced by the amount of the loan. In each year thereafter in which it shall not have received a debt service loan, until all its debts to the fund are paid, the district is hereby obligated to levy for debt service (a) the amount of its maximum effort debt service levy, or (b) the amount of its required debt service levy, whichever is greater. Whenever the maximum effort debt service levy is greater

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the district shall remit to the commissioner, within 10 days after its receipt of the last regular tax distribution in the year in which it is collected, that portion of the debt service tax collections, including penalties and interest, which exceeded the principal and interest payable on its bonded debt in the period for which the levy was made. In addition to the foregoing, the district shall levy in each year, commencing in the year a debt service loan is granted and continuing until the entire loan is paid, a sum sufficient to produce full payment of the interest payable on December 15 of the ensuing year on its debt service note, and the proceeds of such levy shall in each year be remitted to the commissioner for payment of such interest. *On or before November 1 in each year the commissioner shall notify the county auditor of each county containing taxable property situated within the school district of the total amount of interest to become due on December 15 of the ensuing year on all debt service notes of the district, and said county auditor or auditors shall extend upon the tax rolls an ad valorem tax upon all taxable property within the district in an aggregate amount exceeding the amount so certified by five percent or by the percentage of current taxes on property within the district which then remains unpaid, whichever is greater. If any interest is not paid when due, the commissioner shall add the amount thereof to the amount of interest so certified in the following year, with one year's interest on such amount at 3-1/2 percent per annum.*

Sec. 5. Extra Session Laws 1959, Chapter 27, Section 8, Subdivision 4, is amended to read:

[124.43] Subd. 4. Each capital loan shall be for a term of 30 years and evidenced by a contract between the school district and the state acting through the committee. It shall obligate the state to pay to the district, out of the maximum effort school loan fund, specified amounts at specified dates, being the dates and amounts the district has estimated it will need the loan proceeds. It shall obligate the district on its full faith and credit to repay the entire principal of the state loan and interest thereon a ~~three and one-half~~ *3-1/2* percent per annum on the principal amount from time to time unpaid out of the excesses of a maximum effort debt service levy over its required debt service levy. The district shall each year, as long as it is indebted to the state, levy for debt service (a) the amount of its maximum effort debt service levy or (b) the amount of its required debt service levy, whichever is greater, except as such required debt

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service levy may be reduced by a loan under section 7. Whenever the maximum effort debt service levy is greater, the district shall remit to the commissioner within ten days after its receipt of the last regular tax distribution in each year, that portion of the debt service tax collections, including penalties and interest, which exceeded the required debt service levy. The commissioner shall supervise the collection of outstanding accounts due the fund and may, by notice to the proper county auditor require the maximum levy to be made as required hereunder. Interest on capital loans shall be paid on December 15 of the year next following that in which the loan is granted and annually thereafter. In addition to the levies otherwise required by this subdivision, the district shall levy in each year, commencing in the year a capital loan is granted and continuing until the entire loan is paid, a sum sufficient to produce full payment of the interest payable on December 15 of the ensuing year on its capital loan contract, and the proceeds of such levy shall in each year be remitted to the commissioner for payment of such interest. *On or before November 1 in each year the commissioner shall notify the county auditor of each county containing taxable property situated within the school district of the total amount of interest to become due on December 15 of the ensuing year on all capital loans of the district, and said county auditor or auditors shall extend upon the tax rolls an ad valorem tax upon all taxable property within the district in an aggregate amount exceeding the amount so certified by five percent or by the percentage of current taxes on property within the district which then remains unpaid, whichever is greater. If any interest is not paid when due, the commissioner shall add the amount thereof to the amount of interest so certified in the following year, with one year's interest on such amount at 3-1/2 percent per annum.*

Sec. 6. Extra Session Laws 1959, Chapter 27, Section 8, Subdivision 5, is amended to read:

[124.43] Subd. 5. *Before delivery of any capital loan contract, the school district shall file a copy thereof with the county auditor of each county in which any portion of the district is situated, and shall obtain from each such county auditor and furnish to the committee a certificate stating that such county auditor has entered the capital loan evidenced thereby in his bond register. As each executed contract is delivered to the committee, its secretary shall cause a record thereof to be made and preserved showing the name and address of the district, the date of contract, and the*

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dates and amounts agreed to be disbursed by the state. On the disbursement dates specified in the contract, or prior thereto if requested by the district, the commissioner shall issue a warrant on the capital loan account for the agreed amount, payable on presentation to the state treasurer. On presentation the treasurer shall remit the amount to the district and enter the date and amount in his account with the district. Interest thereon shall accrue from such date.

Sec. 7. Extra Session Laws 1959, Chapter 27, Section 9, is amended to read:

Sec. 9. [124.44] **Prepayments.** Any school district may at any time pay the entire principal or part thereof and interest then due on a note or contract held by the state, out of any moneys not needed for school purposes, and may issue and sell its refunding bonds in accordance with Minnesota Statutes, chapter 475, for such purpose, by actions of its school board and without the necessity of a vote by its electors, if such refunding bonds plus its net debt does not exceed the debt limit prescribed by said chapter 475. *Any such refunding bonds may bear interest at a rate or rates higher or lower than the rate payable on the loan or loans refunded thereby.*

Sec. 8. Minnesota Statutes 1957, Section 475.51, Subdivision 4, is amended to read:

Subd. 4. "Net debt" means the amount remaining after deducting from its gross debt the aggregate of the principal of the following:

(1) Obligations issued for improvements which are payable wholly or partly from the proceeds of special assessments levied upon property specially benefited thereby, including those which are general obligations of the municipality issuing them, if the municipality is entitled to reimbursement in whole or in part from the proceeds of the special assessments.

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

(3) Obligations payable wholly from the income from revenue-producing conveniences.

(4) Obligations issued to create or maintain a permanent improvement revolving fund.

(5) Obligations issued for the acquisition, and better-

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ment of public water-works 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.

(6) *Debt service loans and capital loans made to a school district under the provisions of Extra Session Laws 1959, Chapter 27, Sections 7 and 8.*

~~(6)~~ (7) 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.

~~(7)~~ (8) All other obligations which under the provisions of law authorizing their issuance are not to be included in computing the net debt of the municipality.

Approved April 20, 1961.

CHAPTER 753—H. F. No. 1585

An act relating to watchmakers; amending Minnesota Statutes 1957, Section 326.53, Subdivision 3; Sections 326.54, 326.541, 326.542, 326.543, 326.544, 326.545, and 326.546.

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

Section 1. Minnesota Statutes 1957, Section 326.53, Subdivision 3, is amended to read:

Subd. 3. Anyone not having a certificate of registration *and license* who shall hold himself out as a watchmaker or as qualified to do watchmaking, or anyone who shall violate any of the provisions of sections 326.54 to 326.546, is guilty of a gross misdemeanor and shall be punished by a fine of not less than \$20 nor more than \$100 or by imprisonment in the county jail for not less than 30 nor more than 90 days or by both such fine and imprisonment.

Sec. 2. Minnesota Statutes 1957, Section 326.54, is amended to read:

326.54 Watchmakers to be registered and licensed. No person shall engage in watchmaking for profit or compensation of any kind, without first obtaining a certificate of registration *and license*, as hereinafter provided, which

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