

ant to this act. It may require such reports and controls as may be reasonably necessary to insure the protection of the public interest in the expenditure of the funds appropriated.

Sec. 5. This act shall take effect upon its approval by the Board of County Commissioners of Ramsey County, and upon compliance with Laws 1959, Chapter 368.

Approved April 20, 1961.

CHAPTER 584—H. F. No. 604

An act relating to the levy of assessments and the issuance of bonds by counties for drainage systems; amending Minnesota Statutes 1957, Sections 106.371, 106.411, 106.421, Subdivision 2, 106.451, and 106.471, Subdivision 5.

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

Section 1. Minnesota Statutes 1957, Section 106.371, is amended to read:

106.371 Payment of liens; interest. *Subdivision 1.* Liens filed against property benefited under the provisions of this chapter, shall be payable to the treasurer of the county, as follows:

~~One-tenth~~ *One instalment* of the principal on or before November 1st subsequent to the filing of a lien in the office of the register of deeds, and ~~one-tenth~~ *another instalment* on or before the first day of November of each year thereafter until the whole thereof is paid. *The lien shall be payable in no more than 20 equal annual instalments.*

If the board or court in its discretion so orders, then payment of such lien shall be made to the county treasurer, as follows:

One-fifteenth of the principal on or before five years from November 1st subsequent to the filing of the lien in the office of the register of deeds, and one-fifteenth on or before the first day of November of each year thereafter until the whole amount of the principal is paid.

Whenever the principal amount of any lien against any one lot, tract or parcel of land, or against any county or other municipal corporation, is less than \$50 the board or court

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may in its discretion order that such lien shall be paid in a single instalment or not more than two instalments, notwithstanding that a greater number of instalments has been fixed for the payment of other liens in the same ditch proceeding.

Subd. 2. The principal of the lien shall bear interest at a rate to be fixed by the board, not to exceed five six percent per annum from the date of the filing of the lien statement in the office of the register of deeds. ~~The rate of interest shall be fixed by the board but, if bonds are issued by the county, the lien shall bear the same rate of interest as the bonds.~~ All interest shall constitute an additional lien on all lands and properties until fully paid and shall be due and payable as follows:

Subsequent to November 1st of each year, after the filing of the lien statement until the whole amount of the lien and interest is paid, and before the tax lists for such year are turned over to the county treasurer, the auditor shall compute the interest on the unpaid balance of the lien at the rate fixed by the board, and enter such interest, together with the instalment, if any then due, on the tax lists for the year. Such amount, instalment and interest, shall be collected in the same manner as real estate taxes for that year on the property in question are collected, collecting one-half of the total of such instalment and interest with and as a part of the real estate taxes on or before May 31st and one-half on or before October 31st of the succeeding year. The amount of interest to be entered shall be reckoned from the date of filing the lien to August 15th of the succeeding calendar year and thereafter from August 15th to August 15th of each succeeding year on the whole of the principal of the lien remaining from time to time unpaid. Interest on any lien may be paid at any time computed to the date of payment except that after the annual interest shall have been entered on the tax lists for the year, it shall be paid as entered without abatement for prepayment.

Subd. 3. The auditor shall keep a ditch lien record in each ditch proceeding showing the amount of the lien remaining from time to time unpaid against each tract and property subject thereto.

Subd. 4. All provisions of law now or hereafter existing relating to the collection of real estate taxes, so far as applicable hereto, are hereby adopted for the purpose of enforcing payment of such liens and instalments thereof and of

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the interest thereon, but in case of default, no penalty shall be added to any such instalment of principal and interest but each defaulted payment, principal and interest, shall draw interest from the date of default until paid at six percent per annum.

Sec. 2. Minnesota Statutes 1957, Section 106.411, is amended to read:

106.411 **Bond issues.** *Subdivision 1.* The county board of each county wherein properties are located which are assessed *or to be assessed* for benefits by reason of the construction of any ditch system, is authorized, *at any time after the lien statement has been recorded in the office of the register of deeds letting of a contract for the construction of any drainage system or portion thereof,* to issue the bonds of the county in such amount as may be necessary to defray, in whole or in part, the cost of establishing and constructing the ditch. The county board may include in a single issue bonds for two or more ditch systems, but the total amount thereof shall not exceed the total amount of assessments ~~recorded~~ *levied or required to be levied in the county for the payment of the total cost of the system or systems, including all expenses incurred and to be incurred in connection therewith, as ascertained or estimated by the board at the time of issuance of the bonds.*

Subd. 2. Such bonds shall *be issued in accordance with Minnesota Statutes 1957, Chapter 475, as amended, and shall pledge the full faith, credit, and resources of the county issuing the same* for the prompt payment of the principal and interest thereof, ~~and~~ *but shall be primarily payable from the funds of the ditches financed by the bonds, or from the common ditch bond redemption fund of the county. The common ditch bond redemption fund may be created by resolution of the county board as a debt redemption fund for the payment of any or all bonds issued under the provisions of this chapter.*

Subd. 3. Such bonds shall be payable at such time or times, not to exceed ~~20~~ *23* years from their date, and bear such rate *or rates* of interest, *the net average rate of interest over the term of the bonds* not to exceed ~~five~~ *six* percent per annum, payable annually or semi-annually as the county board shall by resolution determine. *The years and amounts of principal maturities shall be such as in the opinion of the county board are warranted by the anticipated collections of the ditch assessments, without regard to any limitations on*

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such maturities imposed by Minnesota Statutes 1957, Section 475.54.

Subd. 4. Instead of bonds maturing as provided in subdivision 3 above, the county board may in its discretion issue and sell temporary bonds maturing not more than two years from their date of issue, which bonds and interest thereon the county shall be obligated to pay out of the proceeds of definitive ditch bonds which the county board shall issue and sell prior to the maturity of the temporary bonds, to the extent that the same cannot be paid out of assessments theretofore collected or any other funds determined to be available. The holders of such temporary bonds, and the taxpayers of the county, shall have and may enforce, by mandamus or other appropriate proceedings, all rights respecting the levy and collection of sufficient assessments to pay the cost of ditch construction financed thereby which are granted by law to holders of other ditch bonds, except the right to require such levies to be collected prior to the maturity of the temporary bonds, and shall have the additional right to require the offering of such definitive bonds for sale or, if such bonds have not been sold and delivered prior to the maturity of the temporary bonds, to require the issuance of bonds in exchange therefor, on a par for par basis, bearing interest at the rate of six percent per annum. The bonds so issued in exchange for any issue of temporary ditch bonds shall be numbered and shall mature serially at such times and in such amounts that the principal and interests can be paid when due by the collection of assessments levied for the ditches financed by the temporary bond issue, and shall be subject to redemption and prepayment on any interest payment date, upon 30 days' notice mailed to each holder thereof who has registered his name and address with the county treasurer; and such bonds shall be delivered in order of their serial numbers, lowest numbers first, to the holders of the temporary bonds in order of the serial numbers of the bonds held by them. Any funds of the issuing county may be invested in temporary ditch bonds in accordance with the provisions of sections 471.56 and 475.66, except that such temporary bonds may be purchased by the county upon their initial issue, and they shall be purchased only out of funds which the county board determines will not be required for other purposes prior to their maturity, and shall be resold prior to maturity only in case of unforeseen emergency. When such purchase is made out of moneys held in a sinking fund for other bonds of the county, the holders of such other bonds

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shall have the right to enforce the county's obligation to sell definitive bonds at or before the maturity of the temporary bonds, or to exchange the same, in the same manner as holders of such temporary bonds.

Subd. 5. Each bond shall contain a recital that it is issued by authority of and in strict accordance with this chapter. Such recital shall be conclusive in favor of the holders of the bonds as against the county, that the drainage improvement has been properly established, that property within the county has been assessed for benefits, ~~and that a valid lien statement has been properly recorded in the office of the register of deeds of such county~~ *is subject to assessment for benefits in amount not less than the amount of the bonds, and that all proceedings relative to the construction of the drainage system or systems financed by the bonds have been or will be taken according to law.*

Subd. 6. The county board shall have power to sell and negotiate such *definitive bonds*, ~~but~~ for not less than their par value. All such bonds shall be sold at public sale after advertised notice as provided by ~~Minnesota Statutes~~, Chapter 475.

The proceeds from the sale of all such bonds shall be credited to the drainage proceedings in which they were issued.

Subd. 7. The county board shall provide moneys for the payment of the principal and interest of the bonds as they severally mature. The board may pay drainage bonds issued under the provisions of this chapter out of any available funds in the county treasury when the moneys on hand *in the common ditch bond redemption fund or in the ditch fund on account of which the bonds were issued* are insufficient therefor; but the funds from which said moneys have been taken shall be replenished with interest for the time actually needed at the rate of six percent per annum from assessments on such ditch or from the sale of funding bonds as hereinafter provided.

Subd. 8. The county board may provide in the contract for the sale of bonds, for the delivery of the bonds as the work proceeds and the funds are needed, and for the payment of interest only from the date of delivery.

Subd. 9. The board may empower the county treasurer to accept in payment of liens under the provisions of this chapter, any outstanding bond or bonds issued on account of

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the ditch lien to be paid thereby which are legal obligations of the county under the provisions of this chapter. Such bonds shall be so accepted at the par value thereof plus accrued interest.

Sec. 3. Minnesota Statutes 1957, Section 106.421, Subdivision 2, is amended to read:

Subd. 2. **Application.** Such bonds may be issued in any county where it at any time appears that moneys in the fund of any ditch *or in the common ditch bond redemption fund* will not be sufficient to pay in full the principal and interest of the ditch bonds issued ~~on account of such ditch payable from such fund~~ and becoming due within one year thereafter or if there be a shortage in the fund of such ditch because the county ~~had~~ *has* paid any of the principal or interest on any of its drainage ditch bonds (1) ~~with moneys applicable to a ditch other than the ditch in connection with which the bonds were issued; or (2) out of county funds other than the ditch funds fund from which the bonds are payable, or (3)~~ (2) by the issuance of county warrants issued and outstanding.

Sec. 4. Minnesota Statutes 1957, Section 106.451, is amended to read:

106.451 **Payment of costs and expenses; warrants; ditch funds.** *Subdivision 1.* The county board shall provide the funds for the payment of the costs and expenses incurred *or to be incurred* in any drainage system.

Subd. 2. The county auditor shall keep a separate account and fund for each drainage system, which account shall be credited with all moneys arising from the sale of bonds, bond premiums, and all moneys received as interest and upon liens and assessments and other sources on account of such drainage system, and which account shall be debited with every item of expenditure made on account of ~~said~~ *such* drainage system.

Subd. 3. All costs and expenses incurred in any drainage proceeding shall be paid out of the funds of such ditch by warrants drawn thereon. ~~The funds in any ditch shall not be used to pay costs and expenses in any other ditch.~~ If no funds are available in the ditch fund on which the warrant is drawn, the board may, by unanimous resolution, transfer funds from the general revenue fund of the county to such ditch fund. In such case the county board shall thereafter cause the general revenue fund to be reimbursed from the

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funds of such ditch together with interest for the time actually needed at the same rate per annum as is charged on the liens and assessments.

Subd. 4. In all cases where a warrant shall be issued by the auditor of any county under the provisions of this chapter, and there shall be no cash in the fund therein mentioned to pay the warrant when the same is presented, the county treasurer shall endorse the warrant "Not paid for want of funds," and date and sign the endorsement. In that event interest on the warrant shall be paid thereafter at the rate of four percent per annum until the warrant is called in and paid by the treasurer. No interest shall be paid on any warrant after funds are available in the hands of the treasurer for the payment thereof. Such warrant shall be deemed a general obligation of the county issuing the same.

Subd. 5. The county board of any county having in any ditch fund *or in the common ditch bond redemption fund* a surplus over the amount required for payment of obligations presently due and payable from the fund is authorized to invest any part of the surplus in bonds or certificates of indebtedness of the United States of America or of the State of Minnesota.

Sec. 5. Minnesota Statutes 1957, Section 106.471, Subdivision 5, is amended to read:

Subd. 5. Assessment; bonds. (a) If there are not sufficient funds to the credit of the drainage system so to be repaired, the county board shall apportion and assess the cost of the repairs pro rata upon all lands, corporations, and municipalities which have participated in the total benefits theretofore determined. Such assessments may be made payable in annual instalments to be specified in the order for assessment. If the assessments do not exceed 50 percent of the original cost of the ditch, such instalments shall not exceed five. But, if such assessments exceed 50 percent of the original cost of the ditch, the county board may order such assessments to be paid in instalments not to exceed ten. If such order shall provide for payment in instalments, interest from the date of the order for assessments shall be fixed by the county board in the order, at a rate not to exceed ~~five~~ *six* percent per annum, on the unpaid assessments, and shall be collected with each instalment.

(b) If the assessment be not payable in instalments, no lien need be filed, and the assessment, plus interest from

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date of the order to August 15 of the succeeding calendar year, shall be entered on the tax lists for the year and be due and payable with and as a part of the real estate taxes for such year. When any such assessment is levied and made payable in instalments, the county auditor shall file for record in the office of the register of deeds an additional tabular statement in substance as provided in section 106.341, and all the provisions of sections 106.351, 106.371, and 106.381 relating to collection and payment shall apply thereto. Upon the filing of the tabular statement, ~~the county board may issue and sell bonds, as provided by section 106.411 and in such event the rate of interest on the lien shall be the same as the interest rate on the bonds, and~~ the instalment and interest shall be due and payable and shall be entered on the tax lists and collected the same as the original lien.

(c) *Whenever a contract for ditch repair has been entered into under this chapter, or such repair has been ordered to be constructed by day labor, and when the county board has ordered the assessments to be paid in instalments, the county board may issue and sell bonds, as provided by section 106.411.*

~~(e)~~ (d) In the case of the repair of a state drainage system established wherein no assessment of benefits to lands was made when such system was established, the board or court shall observe the requirements of ~~Minnesota Statutes, Chapter 106,~~ and appoint viewers to determine the benefits resulting from such repair and otherwise observe all requirements of this chapter in the procedure for the collection of such assessments as shall thereafter be made.

Approved April 20, 1961.

CHAPTER 585—H. F. No. 605

[Coded in Part]

An act relating to the disposition of unrefunded excise taxes on gasoline used for motor boats; crediting certain moneys to the department of conservation; and amending Minnesota Statutes 1957, Sections 296.01; 296.16, Subdivision 1; and 296.421, by adding subdivisions thereto.

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

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