

Section 1. Minnesota Statutes 1949, Section 256.24, is amended to read as follows:

256.24. **Funeral expenses of recipient claim against estate.** On the death of a recipient, the county agency shall pay an amount for reasonable funeral expenses not exceeding \$150.00. No funeral expenses shall be paid if the estate of the deceased is sufficient to pay such expenses or if the children, or spouse, who were legally responsible for the support of the deceased during his lifetime, are able to pay such expenses; provided, that the additional payment or donation of the cost of cemetery lot, interment, religious service, or for the transportation of the body into or out of the community in which deceased resided, shall not limit payment by the county agent as herein authorized. Freedom of choice in the selection of a funeral director shall be granted to persons lawfully authorized to make arrangements for the burial of any such deceased recipient. In determining the sufficiency of such estate due regard shall be had for the nature and marketability of the assets of the estate. The county agency may grant funeral expenses where the sale would cause undue loss to the estate. Any amount paid by the county as funeral expenses shall be a prior claim against the estate, as provided in section 525.44, and any amount recovered shall be paid to the treasury of the county which paid the expenses and deposited in the county old age assistance fund and 50 per cent thereof shall be paid to the state agency.

Approved April 6, 1951.

CHAPTER 247—S. F. No. 194

[Coded as Sections 291.41 to 291.47]

An act providing for the settlement of disputes respecting the domicile of decedents for death tax purposes.

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

[291.41] Section 1. **Definitions.** Subdivision 1. **Terms.** For the purposes of this act the terms defined in

this section shall have the meanings ascribed to them.

Subd. 2. Executor. "Executor" means an executor of the will or administrator of the estate of the decedent, but does not include an ancillary administrator.

Subd. 3. Taxing official. "Taxing official" means the commissioner of taxation of this state and the officer or body designated as such in the statute of a reciprocal state substantially similar to this act.

Subd. 4. Death tax. "Death tax" means any tax levied by a state on account of the transfer or shifting of economic benefits in property at death, or in contemplation thereof, or intended to take effect in possession or enjoyment at or after death, whether denominated an "inheritance tax," "transfer tax," "succession tax," "estate tax," "death duty," "death dues," or otherwise.

Subd. 5. Interested person. "Interested person" means any person who may be entitled to receive, or who has received any property or interest which may be required to be considered in computing the death tax of any state involved.

[291.42] **Sec. 2. Election to invoke.** In any case in which this state and one or more other states each claims that it was the domicile of a decedent at the time of his death, at any time prior to the commencement of legal action for determination of domicile within this state or within 60 days thereafter, any executor, or the taxing official of any such state, may elect to invoke the provisions of this chapter. Such executor or taxing official shall send a notice of such election by registered mail, receipt requested, to the taxing official of each such state and to each executor, ancillary administrator, and interested person. Within 40 days after the receipt of such notice of election any executor may reject such election by sending a notice, by registered mail, receipt requested, to the taxing officials involved and to all other executors and to all interested parties. When an election has been rejected no further proceedings shall be had under this chapter. If such election is not rejected within the 40-day period, the dispute as to death taxes shall be determined solely in accordance with the provisions of this chapter. No other proceedings to determine or assess such death taxes shall thereafter be instituted in any court of this state or otherwise.

[291.43] Sec. 3. **Agreements as to death tax.** In any case in which an election is made and not rejected the commissioner of taxation of this state may enter into a written agreement with the other taxing officials involved and with the executors to accept a certain sum in full payment of any death taxes, together with interest and penalties, that may be due this state, provided this agreement fixes the amount to be paid the other states involved in the dispute.

[291.44] Sec. 4.. **Determination of domicile when no agreement.** If in any such case it appears that an agreement cannot be reached, as provided in section 3, or if one year shall have elapsed from the date of the election without such an agreement having been reached, the domicile of the decedent at the time of his death shall be determined solely for death tax purposes as follows:

(a) Where only this state and one other state are involved, the commissioner of taxation and the taxing official of the other state shall each appoint a member of a board of arbitration, and these members shall appoint the third member of the board. If this state and more than one other state are involved, the taxing officials thereof shall agree upon the authorities charged with the duty of administering death tax laws in three states not involved in the dispute and each of these authorities shall appoint a member of the board of arbitration. The board shall select one of its members as chairman.

(b) Such board shall hold hearing at such places as are deemed necessary, upon reasonable notice to the executors, ancillary administrators, all other interested persons, and to the taxing officials of the state involved, all of whom are entitled to be heard.

(c) Such board may administer oaths, take testimony, subpoena witnesses and require their attendance, require the production of books, papers and documents, issue commissions to take testimony. Subpoenas may be issued by any member of the board. Failure to obey a subpoena may be punished by any court of record in the same manner as if the subpoena had been issued by such court.

(d) Whenever practicable such board shall apply the rules of evidence then prevailing in the federal courts under the federal rules of civil procedure.

(e) Such board shall determine the domicile of the decedent at the time of his death. This determination is final and conclusive and binds this state, and all of its judicial and administrative officials on all questions concerning the domicile of the decedent for death tax purposes.

(f) The reasonable compensation and expenses of the members of the board and its employees shall be agreed upon among such members, the taxing officials involved, and the executors. If an agreement cannot be reached, such compensation and expenses shall be determined by such taxing officials; and, if they cannot agree, by the appropriate probate court of the state determined to be the domicile. Such amount shall be borne by the estate and shall be deemed an administration expense.

(g) The determination of such board and the record of its proceeding shall be filed with the authority having jurisdiction to assess the death tax in the state determined to be the domicile of the decedent and with the authorities which would have had jurisdiction to assess the death tax in each of the other states involved if the decedent had been found to be domiciled therein.

[291.45] Sec. 5. **Acceptance of certain sum in full payment.** Notwithstanding the commencement of a legal action for determination of domicile within this state or the commencement of an arbitration proceeding, as provided in section 4, the commissioner of taxation of this state may in any case enter into a written agreement with the other taxing officials involved and with the executors to accept a certain sum in full payment of any death tax, together with interest and penalties, that may be due this state, provided this agreement fixes the amount to be paid the other states involved in the dispute, at any time before such proceeding is concluded. Upon the filing of this agreement with the authority which would have jurisdiction to assess the death tax of this state, if the decedent died domiciled in this state, an assessment shall be made as provided in such agreement, and this assessment finally and conclusively fixes the amount of death tax due this state. If the aggregate amount payable under such agreement or under an agreement made in accordance with the provisions of section 3 to the states involved is less than the minimum credit allowable to the estate against the United States estate tax imposed with respect thereto, the executor forthwith shall also pay to the commissioner of

taxation of this state the same percentage of the difference between such aggregate amount of such credit as the amount payable to such commissioner under such agreement bears to such aggregate amount.

[291.46] **Sec. 6. Penalties and interest, limitation.** When in any case the board of arbitration determines that a decedent died domiciled in this state, the total amount of interest and penalties for nonpayment of the tax, between the date of the election and the final determination of the board, shall not exceed four per cent of the amount of the taxes per annum.

[291.47] **Sec. 7. Application.** This chapter applies only to cases in which each of the states involved in the dispute has in effect therein a law substantially similar to this chapter.

Approved April 6, 1951.

CHAPTER 248—S. F. No. 295

An act relating to certain motor vehicles exempt from the motor vehicle registration tax; amending Minnesota Statutes 1949, Section 168.031.

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

Section 1. Minnesota Statutes 1949, Section 168.031, is amended to read:

168.031. **Exemption from registration; persons in armed forces, disabled veterans.** The motor vehicle of any person who engages in active service in time of war or other emergency declared by proper authority in any of the military or naval forces of the United States shall be exempt from the motor vehicle registration tax during the period of such active service and for 40 days immediately thereafter if the owner has filed with the registrar of motor vehicles a written application for exemption with such proof of military service as the registrar may have required and if the motor vehicle is