

for that year. The burden shall be on the taxpayer of showing that the amount of dividends claimed as a credit has been received from income arising out of business done in this state;

(4) To each mutual savings bank organized and existing as such under the laws of this state, an amount equal to the interest and dividends paid or credited during the taxable year of its depositors;

(5) To each regulated investment company as that term is defined and limited by the United States internal revenue code, section 361, (a) and (b) an amount equal to the interest and dividends paid during the taxable year, and to each building and loan and savings and loan association, an amount equal to the dividends paid during the taxable year to its members as members. *For the purposes of this paragraph any dividend or portion thereof declared by a regulated investment company after the close of the taxable year and prior to the time prescribed by law for the filing of its return for the taxable year (including the period of any extension of time granted for filing such return) shall, to the extent the company so elects in such return, be treated as having been paid during such taxable year, but only if distribution of such dividend is actually made to shareholders in the 12-month period following the close of such taxable year and not later than the date of the first regular dividend payment made after such declaration.*

Sec. 4. Application. The provisions of this chapter are applicable to all taxable years beginning after December 31, 1949.

Approved April 23, 1951.

CHAPTER 680—H. F. No. 1079

[Not Coded]

An act relating to water, light, power and building commissions in certain villages; defining and enlarging the powers of such commissions; amendings Laws 1949, Chapter 422.

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

Section 1. Laws 1949, Chapter 422, Section 1, is amended to read:

Section 1. **Water, light, power, and building commission.** In any village now or hereafter having a population of more than 10,000 and in which there exists at the present time *or is hereafter established therein* a water, light, power and building commission, hereinafter referred to as the commission, created pursuant to law, and having gross receipts from operation of public utilities exceeding \$700,000 per annum, the commission shall have the duties and powers as hereinafter set forth.

Sec. 2. Laws 1949, Chapter 422, Section 2, is amended to read:

Sec. 2. **Members; appointment, term, meetings, quorum.** The commission, consisting of three members, shall be appointed by the village council for a term of three years. The original appointees shall serve one, two and three years respectively as designated by the council. Each commissioner shall hold office until his successor is appointed and qualified by subscribing to an oath that he will faithfully and impartially perform the duties of this office. A member of the commission shall be chairman of the commission during the last year of the term for which he is appointed. *All members of any such existing commission shall remain in office until the expiration of their respective terms and until the appointment and qualification of their successors in office.* The commission shall meet at least twice each month. Special meetings may be called by the chairman of the commission, and in addition, a majority of the members may call a special meeting by giving two days' written mailed notice thereof to all members who have not joined in the request for such special meeting. Two members of said commission constitute a quorum.

Sec. 3. Laws 1949, Chapter 422, Section 3, Subdivision 1, is amended to read:

Subdivision 1. Except as hereinafter provided, the commission shall have full and exclusive control of the water, light, gas, and power plants, municipal heating plants and all systems, parts, attachments, lines, mains, and appurtenances thereto, and all apparatus and material of every kind and description used or to be used in operating these plants or any or either of them. The commission shall have the power

and authority to operate the same and each thereof, and to extend, *replace, expand, repair*, add to, change, modify and *improve* the same and to do any and all things in and about the same which they may deem necessary for a proper economical operation of same. The commission shall not have the right to sell, lease, rent, or in any way dispose of, or encumber, or suffer or permit this property or any part thereof, to come under the control of any other person or corporation. This shall not prevent the commission from renting or from leasing public halls or buildings for public use and entertainment. The commission shall have authority to buy all material and *services* and it may contract to extend, *replace, expand, repair*, add to, change, modify and *improve* said systems, plants, buildings, or any part thereof. The commission shall have the authority to buy all fuel, supplies, and *equipment* and employ all help necessary to operate the plant.

Sec. 4. Laws 1949, Chapter 422, Section 3, Subdivision 2, is amended to read:

Subd. 2. The commission shall collect all water, light, gas, heat, steam and power charges from patrons including the village, and pay the same into a fund to be known and designated as the "Water and Light Fund". The commission shall have exclusive control of the fund and of all disbursements therefrom, and of all collections made by the commission. *Separate records shall be kept of the receipts and disbursements in respect of each of the plants and systems under the jurisdiction of the commission, but except as hereinafter otherwise provided, all moneys paid into the water and light fund shall be available for the making of expenditures, and may be pledged for the repayment and security of money borrowed, for any purpose for which the commission is authorized to expend or borrow money on behalf of the village.* Said fund shall be used exclusively for the benefit of the utility plants and systems and shall not in any manner be diverted or expended for any purpose which may be considered foreign to the operation of the utility plants and systems. Separate funds shall be maintained for all meter deposits.

Sec. 5. Laws 1949, Chapter 422, Section 3, Subdivision 5, is amended to read:

Subd. 5. The commission may employ an attorney at a salary not exceeding \$1,800 per annum, *who may be regularly retained and perform such legal services and give such advice,*

as is required in the conduct of the normal business of the commission. The commission may pay to such retained counsel, and any attorney or attorneys they may deem expedient to hire specially, such additional reasonable sums for services rendered in connection with special work considered and determined by them to be in excess of normal requirements, including proceedings for the borrowing of money.

Sec. 6. Laws 1949, Chapter 422, Section 3, Subdivision 6, is amended to read:

Subd. 6. The commission shall have the power to pay a monthly pension to any employees of the commission at the age of 65 or over who were more than 60 years of age on the date that the municipality adopted the provisions of the public employees retirement act and who have served as employees of the commission for more than 20 years at the time of such adoption, and in no event shall the amount of such pension exceed the amount which such employees would have received as a pension if they had contributed to the public employees retirement fund during the course and length of their employment.

The commission shall appoint a superintendent who shall be in charge of all the operations *and functions*, of the *plants and systems and of their personnel*, and he shall manage and coordinate the functions *and operations* of said *plants and systems and the personnel thereof*.

Sec. 7. Laws 1949, Chapter 422, Section 3, Subdivision 7, is amended to read:

Subd. 7. The commission is hereby given the power and authority to appoint or employ a secretary of the commission, which secretary shall keep an accurate record of the proceedings and business transactions of the commission. In addition the secretary shall perform any and all other duties as authorized and directed by the commission. A bond *shall be secured by the commission for him in accordance with Subdivision 3 hereof*, running to the commission in an amount to be fixed by the commission that he will faithfully perform all the duties of his office and the bond shall be approved and filed with the commission. The relationship of the secretary to the commission shall be deemed confidential and the commission may revoke its appointment and discharge its secretary at any

time and may appoint a successor thereto. The secretary shall not be delegated any of the duties provided under Section 3, Subdivision 8, of this act.

All documents, papers and proceedings to be executed by the commission, including checks, warrants, contracts and revenue anticipation certificates, shall be signed by the chairman and counter-signed by the secretary.

Sec. 8. Laws 1949, Chapter 422, Section 3, Subdivision 8, is amended to read:

Subd. 8. The commission may appoint and employ a cashier who shall collect all charges, deposits and payments of any kind due the commission, and immediately deposit them in the "Water and Light Fund" excepting however, that meter deposits shall be deposited in the appropriate meter deposit fund. A detailed statement of all receipts shall be submitted once in each month to the commission. The cashier shall be bonded by a corporate bond running to the commission in an amount fixed by the commission *procured in accordance with Subdivision 3 hereof* and conditioned that he will faithfully perform all the duties of his office and promptly pay into the "Water and Light Fund" or meter deposit fund all receipts and collections of the commission and upon his resignation or termination of employment, that he will deliver to his successor all the funds belonging to the commission. The salary of such cashier shall be fixed by the commission and it may at any time revoke its appointment and appoint a successor thereto. The cashier shall not be delegated any of the duties provided under Section 3, Subdivision 7 of this act.

Sec. 9. Laws 1949, Chapter 422, Section 3, Subdivision 9, is amended to read:

Subd. 9. The commission shall have the power to fix all rates and charges for water, heat, gas, light, power, steam; and rents for public buildings *under the control of the commission*.

Sec. 10. Laws 1949, Chapter 422, Section 4, is amended to read:

Sec. 4. **Reserve for replacement fund.** It shall be the duty of the commission on or before the 20th day of each month to set aside into a reserve for replacement fund, a sum equal

to not less than 10 per cent of the gross receipts collected by the commission during the preceding month, *provided that such sum shall be so set aside only out of moneys remaining in the water and light fund after payment of all amounts then due for expenses of operation and maintenance of the utilities, and after setting aside all amounts required for the payment and security of any revenue anticipation certificates issued pursuant to Section 5 hereof, as provided in the proceedings authorizing the issuance of such certificates.* This reserve for replacement fund shall be used by the commission only for the purpose of replacing existing buildings, plants, systems, equipment and other fixed assets *as carried on the books of the commission.* No replacement of any of the foregoing from said fund shall be made if the cost of such replacement is less than \$2,000. The commission is hereby prohibited from using the reserve fund for any other purpose *except the commission may resolve to use any part thereof to retire revenue anticipation certificates when and as the same become redeemable by their terms or by the consent of the holders thereof, and any moneys in said reserve fund shall be used to pay principal and interest when due on revenue anticipation certificates to the extent such certificates shall represent cost of replacements, if other moneys then in the Water and Light Fund are insufficient for such purpose.* Only buildings that are principally used and necessary in the operation or administration of water, light, power, gas and heating plants may be replaced from this reserve fund and other public buildings of the municipality *under the control of the commission* shall not in any manner be replaced from said fund. The commission shall have authority to invest and it shall be the duty to invest the reserve fund, operating surpluses *and other surpluses* in amounts to be determined by the commission in such securities as the state board of investment *is permitted to invest in including* certificates of indebtedness and duly authorized bonds of the village. All income earned by these securities shall belong to and become a part of the *respective fund from which it is earned.* When the reserve for replacement fund equals a total of 75 per cent of the replacement value of the fixed assets of the commission, it will no longer be necessary to add the monthly sum specified above. When this sum falls below 75 per cent of the replacement value of the fixed assets, the commission will thereupon renew the placing into the reserve fund of these monthly payments. The commission shall require any bank in which any of its funds are deposited to give bond *to the commission* as required of banks as depositors of municipal funds, *and when such banks shall post securities as provided by law, in lieu of bond, such securities*

shall be assigned to the secretary of said commission who shall be authorized to receipt for same on behalf of said commission.

Sec. 11. Laws 1949, Chapter 422, Section 5, is amended to read:

Sec. 5. **Revenue anticipation certificates.** The commission is hereby authorized to issue Revenue Anticipation Certificates to pay for expansions, extensions, additions, changes, modifications and improvements of any or all of the utility plants and systems under its jurisdiction, and to pay for replacements of parts of any and all of said plants and systems when the reserve for replacement fund is determined by the commission to be inadequate to pay for all replacements immediately required and for anticipated emergencies. Such certificates shall be payable solely from the aggregate of the net revenues derived from the operation of said plants and systems, in excess of the current, reasonable and necessary costs of the operation and maintenance thereof, and the commission shall by resolution make on behalf of the village all such reasonable covenants, consistent with the provisions of this act, concerning the management and handling of the funds of said utilities, the rates and charges for the services and products thereof, the time and manner of payment of such certificates, as shall by it be deemed necessary and proper to assure the adequacy of said net revenues for the prompt and full payment of the principal of and interest on said certificates. All payments to the replacement fund as provided for in Section 4 hereof, as may be deferred as a result of the preceding provisions, shall be by the commission within four months thereafter restored and paid into said fund from future earnings, the commission to so conduct its utilities, operations, and if necessary to re-adjust its rates, as to make this possible. Revenue Anticipation Certificates for replacement of the existing system or any part thereof in excess of the sum of \$250,000 shall be issued only with the approval of the majority of the voters of the municipality voting upon the question of such issuance at any general or special village election. Revenue Anticipation Certificates for expansion, extension, addition, change, modification or improvement of the existing plants and systems or any part thereof in excess of the sum of \$100,000 shall be issued only with the approval of the majority of the voters of the municipality voting upon the question of such issuance at any general or special village election. In computing the limitations herein before set out the amount of all outstanding unpaid certificates of the type proposed shall

be added to the contemplated issue. *The determination of the commission shall be conclusive, in favor of the holders of all Revenue Anticipation Certificates at any time outstanding, as to the amount thereof which represents replacement, and as to the adequacy or inadequacy of the reserve for replacement fund for any replacements financed by such revenue certificates. Nothing herein shall be deemed to prevent the commission from refunding, without prior approval of the voters, of any outstanding Revenue Anticipation Certificates, if revenues are insufficient for the payment of interest or principal thereof about to become due, or whenever by so doing a saving can be effected in the interest cost thereof.*

Approved April 23, 1951.

CHAPTER 681—H. F. No. 1161

An act relating to hairdressing and beauty culture; amending Minnesota Statutes 1949, Section 155.02, by adding a new subdivision; 155.09, Subdivisions 4 and 5; 155.14, 155.15 and 155.16; repealing Minnesota Statutes 1949, Section 155.202.

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

Section 1. Minnesota Statutes 1949, Section 155.02, is amended by adding a new subdivision as follows:

155.02 [Subd. 7.] **Demonstrator.** *“Demonstrator” is any person who possesses the qualifications of an operator but who limits himself to the practice of hairdressing and beauty culture upon persons provided for the purpose of being the subjects or models upon whom demonstrations of such practices are to be performed, such demonstrations to be performed before groups of students of beauty culture, operators, manager-operators, instructors, or demonstrators as defined in this section, or shop owner or school owner or any mixed group thereof, shall be known as a “Demonstrator” of hairdressing and beauty culture.*

Sec. 2. Minnesota Statutes 1949, Section 155.09, Subdivision 4, is amended to read: