

Change in boundary lines not to affect said districts.

Repeal of inconsistent acts.

When act to take effect.

ty and township lines, affecting the districts provided in section two, the senatorial and representative districts shall not be affected thereby.

SEC. 4. That all acts and parts of acts inconsistent with this act are hereby repealed.

SEC. 5. This act shall take effect and be in force from and after its passage.

Approved March 4, 1871.

CHAPTER XXI.

March 6, 1871. *An Act to test the validity and provide for the equitable adjustment of certain State Railroad Bonds.*

- SECTION 1. Governor to appoint Board of Commissioners—for what purpose—when to file result of determination and award with Governor.
2. Power of Board of Commissioners—duty of Attorney General—rules governing said hearing and proceedings—who to determine the time, place and manner of said hearing—what to be deemed a compliance with the requirements of this act.
3. If decided a legal obligation old bonds to be destroyed and new ones issued—of what denominations—when payable—at what rate of interest—other duties of Commissioners.
4. How principal and interest on said bonds liquidated.
5. Compensation of Commissioners—may employ a Secretary—duties of—compensation—amount of appropriations for necessary expenses.
6. To be submitted to a vote of the people—when special election to be held—ballots, how prepared—returns how made.
7. When act to take effect.

WHEREAS, By an act of the legislature of the State of Minnesota, approved on the 4th day of March, A. D. one thousand eight hundred and seventy, and submitted to and ratified by a majority of the electors of the state, an opportunity was offered to the holders of the Minnesota state railroad bonds to exchange the same for the five hundred thousand acres of internal improvement lands held by this state; and

WHEREAS, Under and pursuant to the terms of said act, Selah Chamberlain and others deposited certain of said bonds with the state auditor, and by reason of the refusal of other holders of said bonds to deposit the same under said act, the aforesaid owners of said bonds are unable to obtain payment of said bonds so deposited out of said lands, and

WHEREAS, Doubts prevail as to whether said bonds constitute a legal and valid indebtedness against the state, or if so, to what extent or amount:

NOW THEREFORE, To determine the validity of said bonds, and the amount justly and equitably due thereon from the state, and to provide for the equitable adjustment of the amount so found to be due—

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

SECTION 1. The governor shall appoint three disinterested persons learned in the law, either residents or non-residents of the state, who shall be sworn to impartially perform their duties under this act, and shall constitute a board of commissioners, and who are hereby authorized and directed to determine and adjudge whether the state railroad bonds, deposited with the state auditor under and pursuant to the aforesaid act of the legislature, are a legal and equitable obligation against the state, and if so, to ascertain and award the amount due upon such bonds, upon the basis of the cost of such bonds to the depositors thereof, with interest upon such cost at the rate of seven per cent per annum, annually, and to file their determination and award with the governor before the first day of July, A. D. one thousand eight hundred and seventy-one.

Board of Commissioners appointed—for what purpose—when result to be filed.

SEC. 2. The said commissioners shall have power to issue subpoenas and require and compel the attendance of witnesses, to administer oaths, and shall possess all the powers of judges or referees in judicial actions or proceedings. Upon the examination and hearing the said owners of said bonds may appear in person or by attorney, and the attorney general shall appear and conduct the proceedings on the part of the state, and shall produce all evidence necessary to show all the equities existing between the state and the holders of such bonds. The said hearing and proceedings shall be conducted, so far as the same can be applied, according to the rules and

Power of board—
duty of Attorney General—rules governing board—time of meeting how determined—compliance with requirements of act.

practice of the district courts and of the supreme court, in the trial and hearing of actions or proceedings at law and equity; and the said commissioners shall prescribe and determine the times, places and manner of said examinations and hearing; the decision and award of a majority of said commissioners shall be deemed a compliance with the requirements of this act.

When old bonds
to be destroyed
and new ones is-
sued—denomina-
tion of—when
payable—rate of
interest—other
duties.

SEC. 3. In case the said commissioners shall decide that said bonds constitute a legal obligation against the state, and shall award the amount thereof upon the basis aforesaid, they shall compute the interest thereon to the first day of July, A. D. one thousand eight hundred seventy-one, and thereupon and upon the surrender of said bonds to the governor to be cancelled, the governor shall issue and deliver the bonds of the state, under the state seal, and in the form in which state bonds have been heretofore issued, for the amount or amounts so awarded, with coupons for the interest to accrue thereon. Said bonds shall be in denominations of five thousand and one thousand dollars, and shall bear date July first, A. D. one thousand eight hundred and seventy-one, and shall be payable thirty years from date, with interest payable semi-annually, in the city of New York, at the rate of two per cent. per annum for the first year, which interest shall be funded as a part of the principle; at the rate of three per cent. per annum for the second year; at the rate of four per cent. per annum for the third year; at the rate of five per cent. per annum for the fourth year; at the rate of six per cent. per annum for the fifth year, and at the rate of seven per cent. per annum for the residue of the time of said bonds; the difference between the aforesaid rates of interest and the amount of interest at seven per cent. for the first six years shall be added to the aggregate amount of the principal of said bonds as awarded. Said commissioners shall also compute and make report of the amount due upon the judgments referred to in chapter one hundred and fifty-two of the special laws of one thousand eight hundred and sixty-seven, and the governor shall thereupon issue like bonds for such amount in settlement and satisfaction thereof.

SEC. 4. All moneys which shall be paid into the state treasury from and after July first, A. D. one thousand eight hundred and seventy-one, by any railroad company for or in lieu of taxes on the property or busi-

ness of said railroad shall be appropriated to the payment of the interest on said bonds so to be issued, and the residue thereof, if any, shall be invested in such manner as other sinking funds are invested, and shall constitute a sinking fund for the extinguishment of the principal of such bonds; and no taxes shall be levied to pay the interest on said bonds beyond the revenue to be derived from such railroad taxes, and the rate of said railroad taxes shall not be reduced until the final payment of such bonds.

Liquidation of principal and interest.

SEC. 5. Said commissioners shall be entitled to a compensation of eight dollars per day for the time actually employed under the provisions of this act, and may appoint and employ a Secretary, who shall keep a true record of all their proceedings and be entitled to receive the sum of five dollars per day for his services while actually employed, and the sum of two thousand five hundred dollars, or so much thereof as may be necessary, is hereby appropriated out of any moneys in the treasury not otherwise appropriated, for the payment of *per diem*, traveling and other expenses authorized by this act.

Compensation—may employ a secretary—duties of—amount appropriated.

SEC. 6. This act shall be submitted to the electors of this state for their approval or rejection at a special election to be held on the first Tuesday in May, one thousand eight hundred and seventy-one. The ballots at such election upon the question submitted shall have written or printed thereon, as follows: Those in favor of this act, "For arbitration on Minnesota state railroad bonds, yes," those against the act, "For arbitration on Minnesota state railroad bonds, no." Said election shall be conducted in the same manner now provided by law for casting, canvassing and returning votes for state officers, except that said returns shall be made to the secretary of state within thirty days after said election, and within ten days thereafter the Secretary of state, in connection with the governor and state auditor, shall canvass the returns so made, and if it shall be found that a majority of those voting at said election have approved of this act, then the governor shall issue his proclamation declaring the result, and thereupon this act shall take effect and be in force.

Submitted to vote of people—when election to be held—ballots, how prepared—returns how made.

SEC. 7. This act shall take effect and be in force from and after its passage.

When act to take effect.

Approved March 6, 1871.