

proceeds of said bonds or any thereof shall not be used for any other purpose than those hereinbefore specified.

Sec. 4. This act shall take effect and be in force from and after its passage.

Approved April 19, 1907.

CHAPTER 265—H. F. No. 1009.

An Act to authorize and empower the city council or common council of cities in this state of over 50,000 inhabitants to issue and sell municipal bonds and to use the proceeds thereof for defraying the cost of making certain local improvements in advance of the special assessment levied therefor, and to provide for ascertaining, reporting and supplying any impairment or depletion of the fund into which the proceeds of said bonds come.

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

\$500,000 bond issue authorized.—Section 1. The city council or common council of each and every city in this state now or hereafter having over 50,000 inhabitants, in addition to all the rights and powers hereafter granted thereto by law, is hereby authorized and empowered, for the purposes herein designated, to issue from time to time as needed the negotiable bonds of their respective city to an amount in the aggregate not to exceed \$500,000, said bonds to be made in such denominations and payable at such places and at such times, not to exceed thirty (30) years from the date thereof, as may be deemed best, and to bear interest at a rate not to exceed 4 per cent per annum, payable semi-annually and to have interest coupons attached, payable at such place or places as shall be designated therein, and said city council or common council, as the case may be, is further authorized to negotiate and sell such bonds from time to time to the highest bidder or bidders therefor, and upon the best terms that can be obtained for said bonds; *provided*, that no such bonds shall be sold for a less amount than the par value thereof and accrued interest thereon; and *provided further*, that said bonds shall not be issued until the issuance thereof is authorized by a resolution duly passed by a three-fourths vote of all the members of the city council or common council proposing to issue the same.

Not to exceed 10 per cent of the valuation.—Sec. 2. Nothing herein contained shall authorize the issue at any

time of the bonds of any such city to such an amount that the whole amount of the principal of the bonds actually issued by such city and still outstanding, including water and light bonds, together with the proposed issue, less the amount of bonds of such city which shall be in and shall constitute a part of the sinking fund of said city for the payment of bonds, shall exceed 10 per cent of the assessed valuation of the non-exempt taxable property of such city as shown by the last preceding assessment.

How issued—how proceeds are to be used.—Sec. 3. All bonds issued under authority of this act shall be sealed with the seal of the city issuing the same and signed by the mayor and attested by the city clerk or recorder and countersigned by the city comptroller. The proceeds of any and all bonds issued and sold under authority of this act shall be placed in the city treasury of the city issuing the same and shall constitute a special fund and shall be kept distinct from all other funds of the city, except from funds used for the same purpose, and shall be used only for the purpose of paying, to the amount of the special assessment duly assessed and levied therefor and in advance of the collection of such assessment. (1) The cost of paving, repaving or macadamizing any public street, lane or alley in such city; (2) the cost of any gutter or gutters along any such street, lane or alley; (3) the cost of laying any curbstone along any such street, lane or alley (not including sidewalk proper on any street, lane or alley); (4) the cost of laying, relaying or extending any sewer or any portion thereof; and the proceeds of said bonds, or any thereof, shall not be used for any other purposes than those hereinbefore specified.

All said assessments, the amounts of which have been advanced from the special fund hereby created and used pursuant to the provisions of this act for paying the cost of local improvements for which such assessments are levied, together with all penalties, when collected, be paid into the city treasury to the credit of the special fund hereby created, and the same shall be and become a part of said special fund and shall be used only for the purposes of said special fund, as hereinbefore expressly provided. All accrued interest on said special assessments shall be credited to the sinking fund of such city.

Duty of city council.—Sec. 4. It shall be the duty of the city comptroller of said cities to ascertain annually at the

end of each calendar year to what extent, if any, the whole special fund in which said proceeds of said bonds are placed and of which fund said proceeds from all or any part has been impaired or depleted by the annulment of assessment or other cause, and shall state in his annual report the amount of cash in the city treasury belonging to said fund, the amount uncollected and unimpaired assessments due and to become due to said fund, together with the amount of said impairment or depletion of said fund, if any, the same to be itemized under the respective causes of such impairment or depletion. In case said impairment or depletion of said fund, or any part thereof, arose by reason of any such special assessments being less than the cost of the actual improvement for which the assessment was made, it shall be the duty of the proper officer or officers of such city, and they are hereby empowered to cause a new and additional special assessment to be made against the property which was under assessed so as to bring the whole assessment against said property up to the actual cost of such improvement, due regard being given to the benefits of such improvement.

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

Approved April 19, 1907.

CHAPTER 266—H. F. No. 1201.

An Act to amend chapter No. 135 of the General Laws for 1905, relating to the revolving fund at the state prison.

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

Amount borrowed not to exceed 75 per cent of revolving fund.—Section 1. Chapter No. 135 of the General Laws of Minnesota for 1905, is hereby amended so as to read as follows:

“Section 1. The board of control of state institutions and the warden of the state prison are authorized, whenever in their judgment it becomes necessary in order to meet current demands on the revolving fund of the state prison, to borrow such sums of money as may be necessary. Such sums so borrowed, however, shall not exceed in any one year,