

Auditor to make draft before March 1.—Section 2. That Section 4 of Chapter 250, General Laws of 1907, be and the same is hereby amended to read as follows:

Section 4. It shall be the duty of the state auditor on or before the first (1st) day of March of each year to make his draft on such freight line company, person or persons, joint stock association or corporation, for a sum in the nature of a tax at four (4) per centum upon the gross earnings of such freight line company for the year ending the last day of December next preceding, as reported to the state auditor, and place the said draft in the hands of the state treasurer for collection; which shall be in lieu of all taxes upon all property of any freight line company so paying the same. All taxes collected by the state treasurer under the provisions of this act shall be paid into the state treasury and be credited to general revenue fund.

Sec. 3. This act shall take effect and be in force on and after its passage.

Approved March 24, 1909.

CHAPTER 98—H. F. No. 387.

An Act to amend section two hundred fifty-six (256) of Chapter Eight (8) of the General Laws of 1895, entitled "An Act to provide for the incorporation, organization and government of cities."

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

Contracts, how awarded—Assessments, how made—Issuance of warrants authorized.—Section 1. That Section two hundred fifty-six (256) of Chapter eight (8) of the General Laws of 1895 be and the same hereby is amended so as to read as follows:

Section 256. Ordering of improvement and award of contract—At the time and place designated in such notice opportunity shall be given to any and all parties interested to be heard for or against such proposed work; and the clerk shall, in the presence of the city council, open and read all sealed proposals which may have been received for doing such work and furnishing the material therefor, and the city council may then or thereafter by a two-thirds (2-3) vote of all its members, accept the most favorable proposal (such proposal to be that of the lowest responsible bidder) and by resolution authorize the doing of said work or any part thereof, and may direct that a written contract be made therefor with the person whose proposal shall have been accepted; or they may reject all proposals offered and refuse to authorize the doing of such work or any particular part thereof.

or may readvertise for bids therefor; or, if it is deemed by said council to be for the best interests of the city, and the city engineer's estimate is less than the lowest bid aforesaid for work and material, that they may reject all proposals offered, and by resolution, passed by a two-thirds (2-3) vote of the council, authorize the doing of said work under the direction of the city engineer, or said council, in its discretion, from lack of quorum, or for other reason, may postpone the consideration and decision of the whole matter, or any branch thereof, to a future time, of which postponement all parties interested shall be required and deemed to take notice. At the time of the award of any such contract the city council shall appropriate from the proper fund, to the credit of such contract, a sufficient amount to defray the cost of such work; *provided*, however, that if at the time of awarding such contract, there shall not be sufficient funds applicable by law thereto in the treasury of such city for the payment of all liabilities arising under such contract, and such contract shall be for the construction, alteration or extension of any sewer or for the laying or extension of any water mains, within the city limits, and a majority of the owners of property liable to be specially assessed therefor shall not prior to the time designated in such notice have filed with the city clerk a written protest against such improvement, a fund, specially designated for such contract, shall be created and maintained in such city treasury, to which the city council shall appropriate, at the time of the award of any such contract, from the proper fund the amount of the proportion, if any, of the entire cost of such improvement which the city council may determine, as hereinafter provided, shall be paid from the permanent improvement fund of said city and into such specially designated fund shall also be paid all moneys derived from special assessments for the payment of the cost of such improvement and they shall be diverted to no other purpose, and the city council may then or thereafter authorize the doing of said work or any part thereof, and may direct that a written contract be made therefor with the person whose proposals shall have been accepted, but such contract must state that the amount to be paid thereon by the city is to be paid only from such specially designated fund, and that the consideration of such sewer or water contract is payable only in warrants drawn on such fund, and that the city incurs and assumes no general liability under such contract and the city comptroller is thereupon expressly authorized to countersign any such sewer or water contract; but in lieu of an appropriation from the proper fund to the credit of such contract of the amount of the proportion of the entire cost of such improvement which the city council may determine shall be defrayed by an assessment upon the property benefited, as hereinafter provided, when there shall not be sufficient funds applicable by law thereto in the treasury of such city

for such appropriation, and in anticipation of the levy, and collection of such special assessments the city may, at any time after the making of such sewer or water contract, but upon the filing with the city clerk of the commissioner's report of assessments, as hereinafter provided, shall issue warrants on such specially designated fund, payable at specified times, and in such amounts as, in the judgment of the city council the taxes and assessments will provide for, which warrants shall bear interest at the rate of not to exceed six per cent per annum, payable annually, and may have coupons attached representing each year's interest. Such warrants shall state upon their face for what purpose they are issued, and the fund from which they are payable, and shall be signed by the mayor and countersigned by the city comptroller under the seal of the city, and be in denominations of not more than one thousand dollars each. Such warrants may be used in making payments on contracts for making such improvements or may be sold for cash, at not less than the par value thereof, and the proceeds thereof credited to such fund, and used for paying for such improvements. It shall be the duty of the city treasurer to pay such warrants and interest coupons as they mature and are presented for payment, out of the specially designated fund on which they are drawn, and to cancel the same when paid. Any indebtedness created by the making of any such sewer or water contract and any indebtedness created by the issuance of any such warrants, or either of them, shall not be deemed a part of the total indebtedness of said city, which said city is hereinbefore forbidden to make to exceed five per cent of the total value of the taxable property in such city according to the last preceding assessment for the purposes of taxation.

The city engineer shall allow to the contractor, on the first day of each month an estimate of the amount already earned, which estimate shall be due and payable on the tenth day of the month succeeding the month for which the estimate is allowed.

Sec. 2. All acts and parts of acts inconsistent herewith are hereby repealed.

Sec. 3. This act shall take effect and be in force from and after its passage.

Approved March 24, 1909.