

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

Approved April 15, 1921.

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CHAPTER 282—S. F. No. 958.

*An act to create in cities of the State of Minnesota having no more than fifty thousand and not less than twenty thousand inhabitants, a local improvement fund, and to empower such cities to issue their bonds and certificates of indebtedness for certain purposes therein mentioned.*

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

Section 1. Local improvement fund established in certain cities—Certificates of indebtedness authorized.—There is hereby created in each city having no more than fifty thousand and no less than twenty thousand inhabitants, for the purpose of facilitating the carrying out of contracts for the making of local improvements, a fund to be known and designated as the "local improvement fund," to be constituted and preserved and the moneys therein to be used as hereinafter designated.

The city council of such city may by resolution in writing approved by the mayor, within ninety days after the passage of this act, transfer from the public improvement fund of such city, if there be such a fund, to said local improvement fund, such amount or amounts as it may deem necessary and advisable for the purpose hereinafter designated.

Said council shall have power, from year to year, to include in its estimate of expenses for the levies of taxes such amount or amounts for such fund as it may deem necessary, subject, however, to all the limitations for the levy of taxes in the charter of such city contained. All moneys which may be hereafter collected upon local improvements made or hereafter to be made and to be paid for by special assessment shall be paid into such fund. All moneys so transferred, collected and paid shall constitute such fund and shall be known as the local improvement fund of such city; such fund shall be kept inviolate, and no moneys shall be paid out of such fund for any other purpose whatsoever by the city treasurer than as hereinafter designated.

All contracts heretofore or to be hereafter made for local improvements, which are to be paid for in whole by special assessments, and that portion of all contracts which are to be paid for in part by special assessments, under the provisions of the charter of such city, and no other, shall be paid for out of said local improvement fund.

If, at any time, it shall be found that the moneys in said fund shall not be sufficient to pay all amounts due and earned on any

such contracts as the work thereunder progresses, then and in such event such city is hereby authorized and empowered to issue from time to time its certificates of indebtedness, in anticipation of the collection of the special assessments for such contracts, in such amount or amounts as may be deemed necessary by its council to pay for such contract or contracts and to negotiate and sell such certificates upon the best terms for said city, subject, however, to all the conditions in this act contained.

The issue of such certificates shall first be authorized by a resolution in writing passed by an affirmative vote of a majority of all the members of the council and approved by the mayor of such city.

If said mayor shall decline to approve such resolution within five days after its transmission to him, then the same may be passed by said council, notwithstanding his objections thereto, by a two-thirds vote of all its members, and shall then have the same force and effect as if approved by the mayor.

Such resolution shall designate the number of such certificates so to be issued; the principal sum of each certificate; the time or times when payable, and the purpose for which the money realized thereon is to be paid.

Such certificates shall be numbered consecutively, commencing with number one (1) without regard to the time of issue; shall be made payable to bearer or to the order of the person or corporation to whom the same may be delivered, as the city council may designate; shall draw interest at a rate not exceeding six (6) per cent per annum; shall be payable at the city treasury of such city issuing the same, not later than one year from the date of issue; shall be payable out of the local improvement fund and no other of such city; shall be signed by the mayor and attested by the recorder or clerk of such city, and shall have imprinted thereon the corporate seal of such city.

The clerk or recorder and the city treasurer of said city shall each keep an accurate record of all certificates so issued, in a book to be kept for that purpose.

No certificate shall be sold for less than par value and accrued interest.

Any and all proceeds realized from the sale of such certificates shall be turned into the local improvement fund and no other of such city, and neither the said certificates nor the proceeds from the sale thereof, nor any part or portion thereof, shall be used for or devoted to any purpose other than that designated in the resolution authorizing their issue; the city recorder and the city treasurer of such city shall keep an accurate account of such fund showing in detail all moneys received for and turned into said fund and all expenditures from the same.

No irregularity or informality in the letting of any contract

paid for out of the proceeds of such certificates, or in the making of any special assessment in anticipation of which such certificates were issued, shall affect the liability of such city to redeem the same, but the faith and credit of such city issuing the same is hereby irrevocably pledged for the redemption of the certificates so issued.

The city treasurer shall immediately after any such certificate shall be redeemed by such city, cancel the same by a writing upon the face thereof showing date of redemption and the amount and to whom paid, and shall affix his signature thereto; and shall within twenty-four hours thereafter transmit such certificate so cancelled to the city recorder and take his receipt therefor, who shall immediately make an entry of such redemption and cancellation in his certificate register, and enter such payment in the said fund account.

**Sec. 2. Violations—Penalties.**—If the mayor, clerk or recorder, or city treasurer of any such city shall at any time be guilty of any willful act, failure or neglect, the design or necessary effect whereof shall be to violate or evade any provision of section 1 of this act, relating to the issuing and sale of certificates of indebtedness of such city or to the maintenance of the local improvement fund in such city, or to divert any moneys from such fund to purposes for which such moneys cannot legally and appropriately be used under the provisions of this act, he shall be deemed guilty of a misdemeanor, and shall be liable to a fine of not more than five hundred dollars, or to imprisonment in the county jail not exceeding six months or to both such fine and imprisonment; and no vote or resolution or ordinance of the city council, not expressly or by necessary implication authorized by this act, shall be held a justification of such act, failure or neglect.

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

Approved April 15, 1921.

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#### CHAPTER 283—S. F. No. 1030.

*An act to legalize mortgage foreclosure sales heretofore made.*

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

**Section 1. Certain mortgage foreclosures legalized.**—That every mortgage sale by advertisement heretofore made in this state, wherein the power of attorney to foreclose said mortgage has not been executed, given or recorded, and such sales were made prior to the year 1900, is hereby legalized and made valid and effective to all intents and purposes.

**Sec. 2.** The provisions of this act shall not affect any action or proceeding now pending in any courts in this state.

Approved April 15, 1921.