

## CHAPTER 303—S. F. No. 1082

*An act relating to the financial affairs of all villages now or hereafter having a population of more than 5,000, and less than 10,000, and an assessed valuation (exclusive of moneys and credits) of more than \$10,000,000, and less than \$20,000,000, including and prescribing penalties for violation of its provisions.*

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

**Section 1. Drawing of warrants unlawful in certain cases.—**That from and after January 1, 1930, no village now or hereafter having a population of more than 5,000 and less than 10,000, and an assessed valuation (exclusive of moneys and credits) of more than \$10,000,000 and less than \$20,000,000, shall draw any order or warrant on any fund until there is sufficient money in such fund to pay the same, together with all orders previously issued against said fund.

**Sec 2. Officers may not incur indebtedness.—**Whenever from and after January 1, 1930, the expense and obligations incurred chargeable to any particular fund of such village in any calendar year are sufficient to absorb 85 per cent of the entire amount of the tax levy payable in that year, including such amount as may remain in the fund from the levy of any prior year or years, no officer, board or official body of such village shall have the power, and no power shall exist, to create any additional indebtedness (save as the remaining 15 per cent of said tax levy is collected) which shall be a charge against that particular fund, or shall be in any manner a valid claim against such village, but such additional indebtedness attempted to be created shall be a personal claim against the officer or members of the municipal board or body voting for or attempting to create the same; and in no event shall any officer, board or official body of such village have the power, and no power shall exist, to create any indebtedness which shall be a charge against the village, in excess of the tax levy payable in that year for the use of the particular department, board or official body, less the amount required to be paid each year therefrom on bonds herein authorized and interest accruing thereon.

**Sec. 3. May sell certificates of indebtedness.—**At any time after the annual tax levy has been certified to the County Auditor, and not earlier than October 10th in any year, the governing body of such village may for the purpose of the succeeding year, by resolution, issue and sell as many certificates of indebtedness as may

be needed in anticipation of the collection of taxes so levied for any fund named in said tax levy for the purpose of raising money for any such fund, but no certificates shall be issued for any of said separate funds exceeding 50 per cent of the amount named in said tax levy, as spread by the County Auditor, to be collected for the use and benefit of said fund, and no certificate shall be issued to become due and payable later than December 31st of the year succeeding the year in which said tax levy, certified to the County Auditor as aforesaid, was made, and said certificates shall not be sold for less than par and accrued interest and shall not bear a greater rate of interest than 6 per cent per annum; each certificate shall state upon its face for which fund the proceeds of said certificate shall be used, the total amount of said certificates so issued, and the whole amount embraced in said tax levy for that particular purpose. They shall be numbered consecutively and be in the denominations of \$100.00 or a multiple thereof and may have interest coupons attached and shall be otherwise of such form and terms and be made payable at such place as will best aid in their negotiation, and the proceeds of the tax assessed and collected as aforesaid on account of said fund, and the faith and credit of such village shall be irrevocably pledged for the redemption of the certificates so issued. Such certificates shall be paid from the moneys derived from the levy for the year against which such certificates were issued. The money derived from the sale of said certificates shall be credited to such fund or funds for the calendar year immediately succeeding the making of such levy, and shall not be used or spent until such succeeding year. No certificates for any year shall be issued until all certificates for prior years have been paid, nor shall any certificate be extended; provided that money derived from the sale of certificates for any one year may, if necessary, be used to redeem unpaid certificates issued in a prior year.

**Sec. 4. Village to be on cash basis.**—From and after January 1, 1930, such village shall be deemed for all purposes to be on a cash basis and shall thereafter remain on a cash basis. All taxes levied in 1929 shall be considered as the tax revenues for the year 1930, and thereafter in any such village taxes shall be levied as now provided by law not later than October of each year, but for the succeeding year.

**Sec. 5. May issue bonds in certain cases.**—If any such village prior to January 1st, 1929, has incurred by proper authority a valid indebtedness, excluding bonds, in excess of its cash on hand, such village may for the purpose only of paying and discharging such valid indebtedness (except bonds) and interest thereon, issue its bonds in the manner now provided by law, except that such bonds

may be issued on a vote of the Council thereof, without a vote of the electors.

**Sec. 6. Tax levy.**—The Village Council of any village issuing bonds pursuant to the authority of this act shall, before the issuance thereof, by a resolution provide for a levy, for each year until the principal and interest are paid in full, of a direct annual tax in an amount sufficient to pay the principal and interest thereon when and as such principal and interest become due. Such tax levy shall be irrevocable until all of such bonds are paid. Said annual tax for the payment of said bonds and interest shall be derived from two sources: (1) 30 per cent of the amount necessary to pay said bonds and interest, and no more, shall be levied as a special tax in addition to the annual tax levy for general corporation purposes, water, light and building commission purposes, and library purposes for each year; and (2) 70 per cent of the amount necessary to pay said bonds and interest, shall be raised and obtained from each of the annual tax levies made by said village for general corporation purposes, water, light and building commission purposes, and library purposes for each year until all of said bonds are paid, in the same ratio as the tax levy for paying 70 per cent of the bonds and interest payable in any one year bears to the total annual maximum tax levy that could be made for general corporation purposes, water, light and building commission purposes, and library purposes for said year.

**Sec. 7. Limitation of tax levy.**—The amount which may be included by any such village in its annual tax levy in each year hereafter made for the following purposes shall not exceed these limitations: (1) for general corporation purposes, 20 mills on the dollar of the taxable valuation of the village, less the amount hereinafter required to be set aside for the same year to pay principal and interest on bonds herein authorized; (2) for water and light and building commission purposes, 5 mills on the dollar of the taxable valuation of the village, less the amount hereinbefore required to be set aside for the same year to pay principal and interest on bonds herein authorized; (3) for library purposes, 3 mills on the dollar of the taxable valuation of the village, less the amount hereinbefore required to be set aside for the same year to pay principal and interest on bonds herein authorized.

**Sec. 8. May not contract indebtedness.**—Whenever any department, board or commission of such village having the power to expend money which shall not have been provided by law with a special tax levy, such department, board or commission shall not during any year contract any indebtedness, or incur any pecuniary

liability, which shall be in excess of the sum that may be allotted to its department for said year by the Village Council. The Village Council shall by resolution prior to February 1, each year, set aside for each such department, board or commission such sum as it deems necessary and adequate for the proper operation thereof. The amount to be so set aside by the Village Council for the Park Department from the general corporation tax of the village, within the limits now provided by law, shall in no case exceed the amount that  $\frac{8}{10}$ ths of one mill will yield on the dollar of the taxable valuation of said village.

**Sec. 9. Village recorder to keep record.**—The Village Recorder shall keep a record showing accurately the amount allotted to each board or governing body for the calendar year, and the amounts incurred and expended from time to time by the Village Council and each department of such village. A record of expenditures for the Village Council and all its departments shall be presented to and examined at a regular meeting once each month by the Village Council and shall show the true condition of affairs at the date of such meeting.

**Sec. 10. Violation a misdemeanor.**—Any member of the village council or other governing board or body, or other village officer or employee, knowingly participating in, and authorizing any violation of this act shall be guilty of a misdemeanor punishable by a fine not exceeding \$100.00 or by imprisonment in the county jail not exceeding three months for each offense; and every contract attempted to be entered into, or indebtedness or pecuniary liability attempted to be incurred, in violation of the provisions of this act shall be null and void in regard to any obligation thereby sought to be imposed upon the village, and no claim therefor shall be allowed by the village council nor any governing board; nor shall the village recorder or any other village or department officer or employee issue or execute, nor shall the village treasurer pay any warrant or certificate of indebtedness issued on account thereof. Each member of the village council or of any village board or other village officer or employee so participating in, or authorizing, any violation of this act shall be individually liable to the village or to any other person for any damages caused thereby and for the purpose of enforcing such liability without impairing any other remedy one-fourth of the salary of each such officer and employee shall be withheld from him and applied towards reimbursing the village or any such other person for such damages until all claims by reason thereof have been fully paid. Each member of the village council or village board present at a meeting of the board or council when any action is taken with reference to paying money or incurring indebtedness or entering into any

contract shall be deemed to have participated and authorized the same unless he shall have caused his dissent therefrom to be entered upon the minutes of the meeting.

**Sec. 11. Members violating provisions may be suspended.—**Any member of the village council or governing board knowingly participating in or authorizing the violation of this act shall be liable to suspension from office. Any vacancy created thereby shall be filled according to law.

**Sec. 12. Last federal census to govern.—**For the purpose of this act, the last Federal census of population taken prior to the calendar year in which any levy may be made shall govern and shall be conclusive in determining hereunder the population of any such village.

**Sec. 13. Provisions severable.—**When a village has once come under the provisions of this act, it shall continue under its provisions, notwithstanding any subsequent change in assessed valuation or population.

**Sec. 14. Inconsistent acts repealed.—**If any section, part or provision hereof be found unconstitutional such determination shall not affect the validity of the remaining provisions not clearly dependent thereon.

**Sec. 15.** This act shall take effect and be in force from and after its passage and all acts and parts of acts inconsistent herewith are hereby repealed and declared of no effect in so far as they may be inconsistent with this act.

Approved April 23, 1929.

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#### CHAPTER 304—S. F. No. 1148

*An act authorizing any county, and any city within such county, which maintains a board of control by funds supplied in proportionate parts by any such county, and any city within such county, to pay compensation and expenses heretofore incurred by an attorney in the commencement of an action to aid and assist said county and city in securing the approval of certain bond issues.*

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