

appropriation for the maintenance of the department for which such bond or insurance is required, and such fidelity insurance, when placed in lieu of individual bond, shall be deemed full compliance with any provision of law requiring any such official or employe to give bond to the state for the faithful discharge of duty. If schedule or position insurance is provided covering the personnel of any department or agency all individual fidelity bonds covering such officers or employes theretofore bonded shall be canceled and a proportionate part of the premiums paid therefor refunded.

"Sec. 3. **Inconsistent acts repealed.**—All acts or parts of acts inconsistent with the provisions of this act are hereby repealed."

Sec. 2. This act shall take effect and be in force from and after its passage.

Approved April 20, 1931.

CHAPTER 234--S. F. No. 971

An act to amend Mason's Minnesota Statutes of 1927, Sections 2392-5, 2392-7, and 2392-8, relating to the tax on iron ore royalties.

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

Section 1. **Tax on royalties—assessment by tax commission.**—That Mason's Minnesota Statutes of 1927, Section 2392-5, be amended to read as follows:

"2392-5. Upon the receipt by the Minnesota Tax Commission of the report provided for in Section 3 of this act it shall determine from such information as it may possess or obtain, whether the same is correct or otherwise, and if found correct, said tax commission shall determine therefrom the amount of tax due from such person, and shall enter the amount thereof in its records and shall make its certificate of taxes due thereon from such person, *and of the amount that has been paid thereon*, and on or before the first day of May of each year file the same with the state auditor and a duplicate thereof with the state treasurer; and the tax commission shall have power, in case it shall deem said report incorrect, to make its findings as to the amount of such taxes due after

hearing upon notice to the person interested, and its findings shall have the same effect as the determination of the amount of such taxes upon a report made as hereinbefore provided.

A person subletting land for the use of which he received royalty shall be required to pay taxes only on the difference between the amount of royalty paid by him and the amount received.

Sec. 2. Time for payment of tax.—That Mason's Minnesota Statutes of 1927, Section 2392-7, be amended to read as follows:

"2392-7. Any portion of such tax that has not been withheld and paid by the royalty payor as herein required shall be due and payable on or before May 31st of each year."

Sec. 3. Lien of tax.—That Mason's Minnesota Statutes of 1927, Section 2392-8, be amended to read as follows:

"2392-8. The situs of royalty for all purposes of this act shall be in this state; and the tax herein provided for shall be a specific lien from the time the royalty accrues upon all and singular the right, title and interest of the person to whom such royalty is payable, in and to the land for permission to explore, mine, take out and remove ore on which the royalty is paid, and shall be a specific lien upon such royalties as they accrue. Every person paying royalty to another which is subject to tax hereunder, and upon which the royalty tax has not been paid shall withhold the amount of the tax upon such royalty and remit the same to the state treasurer at the time the royalty is paid. Such payment to the state treasurer shall operate to discharge to that extent the liability of the person paying such royalty to the royalty recipient. At the time of such payment he shall file with the state auditor and with the Minnesota Tax Commission a report thereof on forms to be prescribed by the Minnesota Tax Commission. If any person paying royalty to another shall fail to withhold the tax thereon and pay the same to the state treasurer he shall be liable for the amount of such tax, with interest at the rate of 12 percent per annum from the time the same should have been paid, to be recovered in an action by the attorney general for and on behalf of the state. The tax commission may, upon petition of any royalty payor or recipient, and upon such conditions as it may impose, permit the paying of the tax in one annual payment instead of as such royalty accrues, in which case such annual payment shall be made at such times as the tax commission directs, not later than

May 31 of the year following the accrual of the royalty. No such extension of time shall be granted unless as one of the conditions thereof the royalty payor shall guarantee the payment of the tax.

In the event the royalty is paid in ore instead of in cash the tax provided for herein shall be a specific lien upon the ore apportioned to the royalty recipient or, if such ore be not apportioned, upon the royalty recipient's interest in the ore mined, and such ore shall not be shipped from the state of Minnesota unless:

- (a) The royalty tax be paid, or*
- (b) A bond be given to secure such payment, upon a form and with sureties approved by the tax commission, in an amount 25 per cent in excess of the tax commission's estimate of the tax, or*
- (c) The estimated amount of the tax (such estimate to be made by the tax commission) be deposited with the state treasurer as security for such payment, or*
- (d) The payment of the tax be guaranteed or secured in some other manner satisfactory to the tax commission.*

Sec. 4. Application.—*Nothing in this act shall be construed as amending, modifying, qualifying or in any way affecting the nature or character of the tax imposed by Mason's Statutes of 1927, Section 2392-1 to 2392-13 inclusive.*

Approved April 20, 1931.

CHAPTER 235—S. F. No. 993

An act authorizing the executive council to accept title to certain lands in behalf of the state of Minnesota.

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

Section 1. Executive council to accept lands.—The Executive Council is hereby authorized to accept in behalf of the State of Minnesota, a deed of conveyance to Lot One (1), Section thirty-three (33), Township One Hundred fifty-one (151), North, of Range Forty-five (45) West, of the Fifth Principal Meridian, Red Lake County, Minnesota, and upon which property the United