

drainage system, as provided in *Mason's Supplement 1940, Section 6840-43*, and it shall be the duty of the respective county boards to provide the funds for the payment of the cost and expense of such improvement, and they are hereby authorized so to do in accordance with the provisions of this act, and may pay such cost and expense out of the general ditch fund when funds are available therein, or out of the general revenue fund of the county, but in either case it shall be the duty of the county auditor to provide for and collect as part of the expense of such improvement, interest upon all sums advanced by the county at a rate *to be fixed by the county board but not to exceed* six per cent per annum, and it shall be the duty of the county auditor and the county treasurer of the respective counties to extend such assessments upon the records of their office in accordance with the provisions of *Mason's Minnesota Statutes of 1927, Section 6840-51*, and collect the same as in the case of other assessments against said property."

Approved April 10, 1941.

CHAPTER 212—S. F. No. 760

An act relating to the financial affairs and tax levies of certain counties, authorizing the funding of certain indebtedness, and providing penalties for violations thereof.

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

Section 1. Application of act.—This act shall apply to all counties in the state now or hereafter having an assessed valuation of real and personal property, exclusive of moneys and credits, of not less than \$12,000,000, more than 50 per cent of which valuation consists of iron ore, and having a population of not less than 20,000 nor more than 75,000 inhabitants.

Sec. 2. Not to issue warrants without funds after certain date.—From and after January 1, 1942, no such county shall draw or issue any order or warrant on any fund (except as authorized by Section 6 hereof) until there is sufficient money in such fund to pay the same together with all warrants and orders previously issued against such fund.

Sec. 3. Limitations on incurring indebtedness.—Whenever, from and after January 1, 1942, the expenses and

obligations incurred chargeable to any particular fund of any such county in any calendar year are sufficient to absorb such available cash as may remain in the fund from prior years or may be received from other sources, plus 90 per cent of the entire amount of the tax levy for such fund payable in that year, no officer, board, commission, or department of such county shall have the power, and no power shall exist, to create any additional indebtedness, save as the remaining ten per cent of said tax levy is collected or available money is received from other sources, which shall be a charge against that particular fund or shall be in any manner a valid claim against such county. Except as permitted by Section 5, subdivision 2 hereof, additional indebtedness attempted to be created shall be a personal claim against the officer or members of the board or commission or department voting for or attempting to create the same.

Sec. 4. Governing body may issue certificates of indebtedness.—At any time after January 1 following the making of an annual tax levy, the governing body of such county, on its own motion as to funds under its control, or upon request of any board or commission charged with the administration of a particular fund, may, for the purpose of meeting the obligations of the ensuing 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 such fund. All certificates of indebtedness issued under the provisions of this act shall be negotiable and shall be payable to the order of the payee and shall have a definite due date. No certificate shall be issued to become due and payable later than the last day of the year of issuance. Such certificate shall not be sold for less than par and accrued interest and shall not bear a greater rate of interest than six per cent per annum. Each certificate shall state upon its face for what funds the proceeds of the certificate shall be used, the total amount of the certificates so issued against such fund, and the total amount embraced in such tax levy for that fund. They shall be numbered consecutively and may be in denominations of \$25.00 or any multiple thereof, may provide for payment of interest at maturity or for the payment of accrued interest at any date prior to maturity, and shall be otherwise in such form and be made payable at such place as will best aid in their negotiation. The county may invest available county funds in such certificates if such funds will not be needed prior to the maturity of the certificates purchased.

Sec. 5. Limitation on certificates.—Except as provided in Section 5, subdivision 2 hereof the total amount of certificates of indebtedness issued against any fund for any year, with interest thereon to maturity, shall not exceed 90 per cent of the tax levy for said fund for such year, and the aggregate of outstanding certificates against any fund shall at no time exceed the uncollected portion of 90 per cent of the tax levy for said fund. Any such county may renew any outstanding certificates of indebtedness from any prior year, or issue new certificates, notwithstanding the fact that prior certificates may be unpaid, whenever inability to pay outstanding prior certificates is due solely to failure to collect sufficient moneys upon the tax levy against which they were issued to discharge such certificates; in the event such certificates are renewed, the county may pay accrued interest thereon at the time of renewal. Except as provided in this section, no certificate for any year shall be issued until all certificates for prior years have been paid, nor shall any certificate be extended.

Sec. 5-1. County board may issue deficiency welfare certificates in certain cases.—If by any reason of emergency or other dire need the money available under the provisions hereof for the welfare fund in any year shall not be sufficient, upon the adoption by unanimous vote of the welfare board of a resolution requesting such action, the county board may issue and sell deficiency welfare certificates. Such deficiency welfare certificates shall be payable in the succeeding calendar year and may be issued in excess of limitations of this act and in excess of the levy for said fund. The provisions of this act as to the form, interest rate, and manner of issuing certificates of indebtedness shall govern the issuance of such deficiency welfare certificates except as modified by this section. If any such deficiency welfare certificates are issued in any year, the county auditor shall add to the levy for welfare purposes in the succeeding year an amount sufficient to retire such deficiency welfare certificates in full. After the issuance of such deficiency welfare certificates, the welfare board may incur obligations and make expenditures from said welfare fund in excess of the amount permitted by this act by not more than the amount realized from the sale of such deficiency welfare certificates.

Sec. 6. County may issue warrant against unsold certificates.—If any such county is unable to sell certificates of indebtedness in the manner prescribed hereby, it may issue such certificates, within the limitations herein provided, to

the treasurer of the county, or his order, and deposit the same with him. Certificates so issued shall be held by the treasurer until they may be sold and shall bear interest at not to exceed six per cent per annum. The county may thereupon, as long as such certificates are on deposit with the treasurer, issue warrants on funds against which such certificates were issued, the principal amount of such warrants not to exceed the total principal amount of the certificates so held by the treasurer. Such warrants shall bear interest at the rate specified by the governing body but not to exceed six per cent per annum from and after the day they are presented to the treasurer and stamped "Not paid for want of funds, but protected by certificates of indebtedness now held by me." Such certificates may be sold by the governing body of the county for not less than par and accrued interest, and the proceeds of such sale shall be used to take up such warrants in the order in which they were presented to the treasurer, registered by him, and stamped as aforesaid. Interest upon such warrants shall stop upon the date they are called by the treasurer for payment. Such certificates of indebtedness so held by the treasurer shall be paid at the same time and in the same manner as if they had been issued to a purchaser thereof. All warrants attempted to be issued and all obligations or indebtedness attempted to be incurred under authority of this subdivision in excess of the principal amount of the certificates of indebtedness so held by such treasurer shall be void.

Sec. 7. Taxes and full faith and credit of county pledged.—The proceeds of the taxes assessed and collected as aforesaid on account of said fund, and the full faith and credit of the county shall be irrevocably pledged for the redemption of the certificates issued hereunder in the order of issuance.

Sec. 8. To be deemed on cash basis.—From and after January 1, 1942, any such county shall be deemed for all purposes to be on a cash basis. All taxes levied in 1941 shall be considered as tax revenues for the year 1942, and thereafter, in any such county, taxes shall be levied as now provided by law but for the succeeding year.

Sec. 9. May issue funding bonds.—If any such county prior to January 1, 1942, has incurred by proper authority a valid unfunded indebtedness in excess of its cash on hand not specifically set aside for the retirement of bonds and interest thereon, it may, for the purpose only of paying and discharging such indebtedness and interest thereon,

issue its bonds in the principal sum not exceeding \$300,000 in the manner now provided by law, except that such bonds may be issued by vote of the governing body without a vote of the electors. If bonds in the amount of \$300,000 will not be sufficient to retire all such outstanding unfunded indebtedness, the balance thereof shall be paid from the taxes levied within the limitations hereof and payable in the year 1942, and the budget adopted hereunder for the year 1942 shall provide for the retirement of such excess indebtedness in full and the amount available for expenditure in said year shall be reduced accordingly. The purchaser of such bonds shall not be charged with notice of the invalidity of any indebtedness, and bonds issued hereunder, in the total amount of such indebtedness as determined by resolution of the governing body, in the hands of any purchaser, shall be valid obligations of the county notwithstanding any claim of invalidity of any indebtedness funded thereby. If any money received from taxes levied in the year 1940, payable in 1941, or income from local sources accrued and received subsequent to January 1, 1941, have been used prior to the issuance of bonds authorized by this act for the retirement of indebtedness which could have been funded hereunder, the bonds issued hereunder may include the amount of such payments for the purpose of reimbursing the funds from which such moneys were paid.

Sec. 10. Tax levy to retire bonds.—The county board of any such county issuing bonds pursuant to the authority of this act shall, at the time of the issuance thereof, by resolution, provide for a levy of taxes for the payment thereof, such levy to be in accordance with the provisions of Mason's Minnesota Statutes for 1927, Chapter 10, as amended. Such annual tax for the payment of such bonds may be levied as a special tax, in addition to the annual tax levies permitted hereunder and permitted by existing laws to be made by such county.

Sec. 11. County board to prepare budget.—During the first month of each year, the county board of each county subject to this act shall, on the basis of the tax levy made, with allowances for probable delinquencies, if any, and on the basis of probable receipts from other sources, determine the moneys which will be available for each fund, purpose and department under its control during each quarter of the ensuing year. The governing body shall thereupon, by resolution, fix the maximum amount which shall be expended by each department and officer under its control

for each purpose, for each fund, in each quarter of said year. In making such budget for the first year under this act, the county board shall set aside from each fund under its control an amount equal to five per cent of the levy for said fund, the total of which deduction shall be placed in an emergency fund. Each year thereafter, the county board shall deduct from each fund its pro rata share of such amount as, when added to the unexpended balance in said emergency fund, will equal five per cent of the levy for all funds under the control of the county board. Such emergency fund may be transferred to any fund under the control of the county board and for any purpose for which the county is legally authorized to expend money, but only by a four-fifths vote of the county board and only in case of an actual emergency arising from the exhaustion of the amount available for any purpose in any fund from unforeseen demands which could not be provided for by transfer from moneys assigned to other purposes within said fund.

Sec. 12. County auditor to prepare statement of obligations.—The county auditor shall prepare and present to the county board, at each meeting, a statement showing all expenditures made and obligations or indebtedness incurred for the preceding portion of the year; the amount allotted by the resolution referred to in Section 11 hereof for the remainder of the current quarter and the remaining quarters of the year. If at any time it appears from such statement or from other evidence that the county is incurring obligations at a rate or upon a scale which would make it probable, if such rate or scale of expenditures be continued, that the total attempted expenditures for said year would exceed the available revenues, after allowance for probable tax delinquencies, the district court, in an action by any taxpayer, may enjoin expenditures during the remainder of the year in excess of probable available revenues.

Sec. 13. Contracts in violation of act shall be null and void.—Each 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 county or any department thereof, and no claim therefor shall be allowed by the county board or by any officer, board or commission; nor shall the auditor or any other officer or employee issue or execute, nor shall the treasurer or other disbursing officer pay, any check, warrant or certificate of indebtedness issued on account thereof. Each member of the county board or other board or commission,

and each officer or employee of the county participating in or authorizing any violation of this act, shall be individually liable to the county for any damage that is caused thereby. Each member of the county board or of any board or commission who is present at any meeting thereof when any action is taken with reference to paying money or incurring indebtedness or entering into any contract in violation of the provisions of this act shall be deemed to have participated in and to have authorized the same unless he shall have caused his dissent therefrom to be entered upon the minutes of the meeting. Each member of the county board or of any board or commission violating the provisions of this act with reference to the incurring of indebtedness or entering into contracts shall, in addition to all other penalties, forfeit his office.

Sec. 14. Tax levy for revenue purposes—limitation.—Any county subject to the provisions of this act may levy during the year 1941 and each year thereafter for general revenue purposes an amount not exceeding \$150,000, notwithstanding any limitations in existing laws for general revenue purposes, said amount to be in addition to all other county income now payable into the general revenue fund, except the general tax levy for said fund and delinquent taxes. If the money collected in any year upon the general revenue fund levy payable in said year, plus delinquent taxes collected in said year and apportioned to the general revenue fund, shall exceed \$150,000, the excess shall not be expended during said year and no obligation shall be incurred against it, but such excess shall be transferred by the county auditor and county treasurer to the accounts for the succeeding year and the county auditor shall reduce the levy for such fund for the succeeding year by the amount of such excess so transferred. In order to allow for delinquencies in collections upon tax levies for the general revenue fund based on the previous year's experience, the county auditor shall increase the levy made by the county board hereunder by such percentage as the levy for the general revenue fund payable in the previous calendar year exceeded the sum of the collections thereon in said year plus delinquent taxes paid in said year and apportioned to said fund, in order to insure said general revenue fund receiving the full amount of the levy made for said fund, not exceeding \$150,000 in addition to income from all other sources now payable into the general revenue fund of said county.

Sec. 15. **Act not restrictive.**—Nothing in this act shall be construed to limit or restrict the issuance of bonds for any purpose authorized by law, nor the expenditure of funds therefrom.

Approved April 10, 1941.

CHAPTER 213—H. F. No. 279

An act relating to transportation of motor vehicles.

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

Section 1. Certain transportation companies must have drive-a-way in transit license.—Any person, firm or corporation engaged in the business of transporting motor vehicles, not his own, by delivering, by drive-way or towing methods, either singly or by means of the full method, the saddle mount method, the tow bar method, or any other combination thereof, and under their own power, new vehicles over the highways of the state of Minnesota from the manufacturer or any other point or origin, to any point of destination, within or without the state of Minnesota, shall make application to the registrar of motor vehicles for a drive-a-way in transit license. This application for annual license shall be accompanied by a registration fee of \$250.00 and shall contain such information as the registrar of motor vehicles may require. Upon the filing of the application and the payment of the fee, the registrar of motor vehicles shall issue to each drive-a-way operator a general distinguishing number, which number must be carried and displayed by each motor vehicle in like manner as is now provided by law for vehicles while being operated upon public highways and such number shall remain on the vehicle from the manufacturer, or any point of origin, to any point of destination within or beyond the state of Minnesota. Additional plates bearing the same distinguishing number desired by any drive-a-way operator may be secured from the registrar of motor vehicles upon the payment of a fee of two dollars for each set of additional license plates. Any person, firm or corporation engaging in the business as a drive-a-way operator of transporting and delivering by means of full mount method, the saddle mount method, the towbar method, or any combination thereof, and under their own power, new motor