

charges to the district court by causing written notice of appeal, stating the grounds thereof, to be served upon the governmental subdivision or officer making the charges within 15 days after notice of the decision and by filing the original notice of appeal with proof of service thereof in the office of the clerk of the district court within 10 days after service thereof. Issues of fact shall be framed upon motion of either party and the trial thereof shall be by jury unless trial by jury shall be waived. The burden of proving incompetency or misconduct shall rest upon the governmental subdivision alleging the same. Nothing in this act shall be construed to apply to the position of private secretary, teacher, superintendent of schools or one chief deputy of any elected official or head of a department, or to any person holding a strictly confidential relation to the appointing officer. The burden of establishing such relationship shall be upon the appointing officer in all proceedings and actions relating thereto.

All officers, boards, commissions and employees shall conform to, comply with and aid in all proper ways in carrying into effect the provisions of this act. Any wilful violation of this act by officers, officials, or employees is a misdemeanor.

Approved April 23, 1945.

---

CHAPTER 503—H. F. No. 685

*An act relating to certain assignments of accounts receivable.*

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

Section 1. **Definitions.** Subdivision 1. As used in this act, the following words or phrases shall have the meaning hereinafter set forth:

Subd. 2. "Account" or "account receivable" each mean any obligation for the payment of money due or which may become due, excepting any obligation evidenced by a judgment, mortgage (chattel or real estate), contract for deed, conditional sale contract, or life insurance policy, or by a promissory note, draft, acceptance, or other instrument for the payment of money the assignment of which is usually made by endorsement on or delivery of the instrument, and excepting any obligation the assignment of which is regu-

lated by Minnesota Statutes 1941, Sections 181.04 to 181.07, inclusive, or any other statute relating to assignments of wages or salaries.

Subd. 3. "Assignment" means a transfer upon a sale or pledge of an account or any part thereof. An assignment made and evidenced in the manner and form described in Subdivision 1 of Section 2 hereof is called a "perfected assignment."

Subd. 4. "Assignee" means a party who acquires or has acquired rights respecting an account upon or through a perfected assignment. It excludes a "subsequent assignee" as defined in Subdivision 7 of this section.

Subd. 5. "Assignor" means a party who makes or has made a perfected assignment.

Subd. 6. "Subsequent assignment" means a transfer or purported or attempted transfer, voluntary or involuntary, of an account from an assignor who had theretofore made a perfected assignment of the account and who had not reacquired rights transferred by the prior perfected assignment.

Subd. 7. "Subsequent assignee" means a party whose interest or purported interest in an account is derived from or through a subsequent assignment or as a creditor of an assignor.

Subd. 8. "Debtor" means a party or parties obligated to pay an account.

Subd. 9. "Purchaser" includes an encumbrancer or pledgee as well as one who takes title on a sale and any transferee, mediate or immediate, of any purchaser.

Subd. 10. "Value" means any consideration sufficient to support a simple contract, including an antecedent debt or liability, whether an account is taken in satisfaction thereof or as security therefor.

**Sec. 2. Assignment; how perfected.** Subdivision 1. An assignment given for value and evidenced by a writing signed by the assignor and taken in good faith by the assignee transfers all rights respecting the account or accounts described in the writing which the assignor has power to transfer, and is valid, complete and perfected at the time such writing is transmitted to the assignee, whether or not notice thereof is given to the debtor.

Subd. 2. Thereafter, no purchaser from the assignor of any account so assigned nor any creditor of the assignor can

acquire a right in any account so assigned, or in any proceeds thereof or substitute therefor, superior to the rights of the assignee.

**Sec. 3. Rights of debtor.** Subdivision 1. A perfected assignment shall not deprive the debtor on an account so assigned of any defense or other right against the assignor existing at the time the assignment is perfected or arising thereafter and prior to receipt by the debtor of notice or knowledge of the perfected assignment.

Subd. 2. Where, in good faith and without notice or knowledge of a perfected assignment, a debtor makes a full or partial payment of the account to the assignor or to a subsequent assignee or makes an adjustment of the assigned account or any part thereof with the assignor or a subsequent assignee, then his obligation thereon shall be extinguished or reduced to the extent of such payment or adjustment, as the case may be.

**Sec. 4. Liabilities of assignor and subsequent assignee.** Subdivision 1. Any assignor or any party claiming as a subsequent assignee or otherwise under or through a subsequent assignment who shall receive any full or partial payment or make any adjustment of an account which extinguishes or reduces the obligation as specified in Subdivision 2 of Section 3 hereof, or who obtains an instrument, token, or writing as evidence in whole or in part of the account, or effects a novation with respect thereto, or obtains an order, judgment or decree for payment of the account, shall be deemed and held to have received, effected or obtained the same and any proceeds thereof for the use and benefit of the assignee and shall be liable and accountable therefor to the assignee.

Subd. 2. No action shall be brought or maintained by an assignee against a subsequent assignee or any party claiming under or through a subsequent assignment to enforce any rights under this Section 4, unless such action is commenced within four months after the subsequent assignee or party claiming through a subsequent assignment shall have received the payment, made the adjustment, obtained the instrument, token or writing, effected the novation, or obtained the order, judgment or decree, as the case may be.

**Sec. 5. Return goods; adjustments.** Where an account, as to which an assignment has been perfected, arose from a sale of personal property and the property sold or any part thereof is returned to or recovered by the assignor, the assignor shall hold the property in trust for the assignee. No

dealings by the assignor with any such property as his own, and no payment to or adjustment made by an assignor as described in Section 3, Subdivision 2, or in Section 4, Subdivision 1, hereof shall invalidate the assignee's right to, or lien upon, any balance remaining owing on such account or his right to or lien on any other account assigned to him by the assignor, irrespective of whether the assignee shall have consented to, or acquiesced in, such acts of the assignor. The rights of any party who in good faith and for value purchases returned or recovered personal property are superior to the rights of the assignee.

**Sec. 6. Release of assignments.** When an assignee has released, reassigned, or otherwise transferred an account back to the assignor, nothing herein shall be construed to limit thereafter the rights of the assignor or a subsequent assignee respecting such account, or the proceeds thereof, or property returned thereon, until and unless a new assignment is perfected in accordance herewith.

**Sec. 7. Interpretation.** The provisions of this act shall not apply to any general assignment for the benefit of creditors nor to any assignment made before this act takes effect.

Approved April 23, 1945.

---

#### CHAPTER 504—H. F. No. 780

*An act providing for the granting of vacations to employees and officers of cities, villages and towns.*

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

**Section 1. Vacations.** That hereafter the governing body of every city, village and town in the State of Minnesota, however organized, may by resolution or ordinance provide for the granting of vacations, with or without pay, to all its regularly employed employees or officers, upon such terms and under such conditions as said governing body may determine, and subject to such requirements as to length of service with such municipality as said governing body may require.

**Sec. 2. Not retroactive.** Nothing in the foregoing provisions shall be construed as retroactive in its purpose or intent so as to give the governing body of any such city, village or