

Finance, Taxation, and Special Assessments

CHAPTER 426

FINANCE AND TAXATION

426.01 VILLAGES UNDER SPECIAL LAWS; RIGHT TO TAX.

HISTORY. R.S. 1851 c. 41 s. 72; 1899 c. 224 s. 1.

426.02 REPEAL.

HISTORY. 1899 c. 224 s. 2.

426.03 RATE OF TAX LEVY FOR CERTAIN CITIES.

HISTORY. R.S. 1851 c. 41 ss. 42, 44, 45; 1883 c. 73 ss. 34, 45; 1885 c. 145 ss. 34, 45; G.S. 1878 Vol. 2 (1888 Supp.) c. 10 ss. 237, 248; G.S. 1894 ss. 1251, 1263; 1895 c. 8 s. 127; 1919 c. 360 s. 1; M.S. 1927 s. 1727-1.

The limit of the levy for current purposes in the city of Stillwater is to be based on the assessed valuation of real and personal property omitting the moneys and credits. OAG July 3, 1930; OAG Feb. 6, 1930.

The maximum tax levy for municipal purposes of villages organized under Laws 1875, Chapter 139, is now 15 mills on the dollar of the assessed valuation of all taxable property therein. OAG Feb. 29, 1932.

426.04 TAXES FOR GENERAL PURPOSES.

HISTORY. 1875 c. 139 s. 12; 1876 c. 36 s. 1; G.S. 1878 c. 10 s. 215; 1895 c. 8 s. 127; 1911 c. 318 s. 1; G.S. 1913 s. 1735; G.S. 1923 s. 1727; M.S. 1927 s. 1727.

This section supersedes the provision in the home rule charter of the city of Hastings in regard to the limitation upon tax levies, and that city may levy a tax up to 25 mills for general city and municipal purposes. *State v Brown*, 189 M 257, 248 NW 822, 249 NW 569.

In addition to the levy authorized by this section the city of Hastings may make a levy for its valid bonded indebtedness and the interest thereon incurred prior to 1929. *State v Brown*, 189 M 257, 248 NW 822, 249 NW 569.

Levy of city of the fourth class for bonded indebtedness is not limited by this section. OAG May 11, 1934 (519c).

Moneys and credits should be excluded in calculating the amount of tax which may be levied. OAG Feb. 6, 1930; OAG July 3, 1930.

An outline of municipal bond procedure in Minnesota. 20 MLR 583.

426.05 WHEELAGE TAX.

HISTORY. 1921 c. 454; G.S. 1923 s. 1391; M.S. 1927 s. 1391.

426.06 TREASURER; DUTIES, BOND, ACCOUNTS.

HISTORY. R.S. 1851 c. 41 s. 33; 1875 c. 139 s. 3; G.S. 1878 c. 10 s. 206; 1883 c. 73 s. 20; 1885 c. 145 ss. 19, 20; 1887 c. 53 s. 1; G.S. 1878 Vol. 2 (1888 Supp.) c. 10 ss. 222, 223; 1891 c. 118 s. 2; G.S. 1894 ss. 1219, 1223; 1899 c. 33 s. 2; 1903 c. 190; R.L. 1905 s. 717; 1911 c. 352 s. 1; G.S. 1913 s. 1257; G.S. 1923 s. 1174; M.S. 1927 s. 1174.

A city treasurer is guilty of malfeasance by depositing city funds in an undesignated bank of which he is a stockholder, director, and assistant cashier, and a

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surety on his bond is liable for money lost through the failure of the bank, notwithstanding a stipulation in the bond relieving the surety from liability for any loss caused by the failure of any bank or other depository, and there is liability under a bond for funds wrongfully deposited during its term, though the bank does not fail until afterwards. *City of Marshall v Gregoire*, 193 M 188, 259-NW 377.

The bond of a village treasurer containing exceptions to the liability of the surety, held objectionable. OAG Aug. 15, 1930.

A village treasurer and his surety are absolutely liable for funds which come into his possession until such time as he deposits them in a depository duly designated by the council. OAG July 31, 1931.

The treasurer of a village organized under Laws 1885, Chapter 145, and his bondsmen, are absolutely liable for funds which come into his possession until he deposits them in a depository designated by the council. OAG July 31, 1931.

A village treasurer's bond need not be filed or recorded with the register of deeds, and the county is under no obligation to pay the expense of recording. OAG May 1, 1933.

If the amount of the treasurer's bond has not been fixed pursuant to an ordinance, it should be fixed by the new council at its first meeting in January following the preceding December election. OAG Feb. 18, 1937 (456g).

The failure of a village treasurer to qualify by filing his bond does not ipso facto create a vacancy. OAG Feb. 18, 1937 (456g).

The surety on an official bond may not cancel the bond during the term of office without the consent of all parties concerned, and consent may not lawfully be given by the governing body until a satisfactory new bond is furnished. OAG Feb. 21, 1936 (469b-5).

This section applies to villages operating under Laws 1885, Chapter 145, and a village has authority only to publish ordinances, rules, by-laws, and financial statements, and has no authority to publish the minutes of its proceedings at meetings. OAG March 27, 1935 (469a-5).

A village is entitled to dividends on a bank liquidation until its claim for a deposit is paid in full, and until that time a surety on the treasurer's bond is not entitled to subrogation. OAG June 16, 1930.

A village treasurer unable to write may sign village bonds by making his mark, or his name may be written by some person at his request and in his presence. OAG Nov. 24, 1937 (456a).

A village treasurer has the right to pay bonds and interest when due out of funds collected for that purpose, though ordered not to do so by the council. OAG July 14, 1933.

There is no discrepancy between Laws 1941, Chapter 70, Section 1, Subdivision 23, and Laws 1941, Chapter 244. The date for the preparation and publication of the annual financial statement in villages is changed from November to January. 1942 OAG 138, June 4, 1941 (277B-2).

426.07 CLERK TO PREPARE FINANCIAL STATEMENT.

HISTORY. 1885 c. 145 s. 20; G.S. 1878 Vol. 2 (1888 Supp.) c. 10 s. 223; G.S. 1894 s. 1223; 1905 c. 74 s. 1; 1911 c. 352 s. 2; G.S. 1913 s. 1258; G.S. 1923 s. 1175; M.S. 1927 s. 1175; 1945 c. 23 s. 1.

It is necessary to set forth in the financial statement a complete list of the outstanding unpaid warrants, and it is not enough to set forth the aggregate amount thereof. OAG Jan. 26, 1931.

If the cost is more than \$100.00, the village must call for bids for the publication of the financial statement and award the printing to the lowest responsible bidder, and term "responsible" is not limited to financial responsibility. OAG Nov. 13, 1936 (707a-15).

The financial statement of a village must be filed and published prior to the annual village election. OAG Nov. 14, 1934 (469a-5).

Village is required to publish financial statement at least one week prior to the annual election in a newspaper published in the village, but if no newspaper is

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published therein, the statement must be posted in three public places. OAG Feb. 3, 1936 (469a-5).

Where a number of payments have been made to the same person for the same purpose, it is not necessary to list each separate payment, but a grouping is permitted. OAG Oct. 30, 1933.

Outstanding warrants may not be grouped together in one amount in the financial statement, though payments made to the same person for same purpose may be grouped. OAG Dec. 20, 1937 (469a-5).

Village officers failing to publish annual financial statement would be guilty of a gross misdemeanor under section 9970 (612.04). OAG Sept. 30, 1931.

426.075 CLAIMS, HOW AUDITED AND PAID; INTEREST.

HISTORY. R.S. 1851 c. 41 ss. 26 to 32; 1885 c. 145 s. 22; G.S. 1878 Vol. 2 (1888 Supp.) c. 10 s. 225; 1891 c. 100 s. 1; G.S. 1894 ss. 1231, 1266; R.L. 1905 s. 738; G.S. 1913 s. 1300; G.S. 1923 s. 1222; M.S. 1927 s. 1222; 1943 c. 512 s. 1.

General Statutes 1913, Section 1300 (426.075) which provides for audit of money demands against villages, does not apply to a claim for damages to land on account of a change of grade of a street. It applies only to claims susceptible of audit according to ordinary business usage. *Manson v Village of Chisholm*, 142 M 94, 170 NW 924.

This section does not apply to the compensation of officials fixed by law or by an order of the council. *Naeseth v Village of Hibbing*, 185 M 526, 242 NW 6.

This section does not relate to villages operating under Laws 1885, Chapter 145. OAG April 17, 1936 (476a-5).

The payment of a judgment need not be authorized by the mayor or the council to authorize its payment under section 1834 (465.13). OAG Nov. 29, 1935 (63b-10).

Village warrants may not be reissued with interest coupons attached, nor may they be split up by reissuing smaller warrants. OAG July 26, 1932.

It is not necessary to give notice to holders of village warrants that funds are available for their payment in order to stop the running of interest. OAG Sept. 8, 1932.

City warrants or orders should be paid in the order of their presentation and not in the order of issuance. OAG May 27, 1933.

A village cannot take care of the payment of the wages of laborers by a pay-roll system. OAG May 5, 1930.

Village labor pay-roll sheet may not be in form of a multi-signature claim, but each claim must be separately itemized, verified, and filed. OAG Jan. 19, 1935 (469a-8).

The money expended in financing or conducting a municipal liquor store must be spent in the same manner as other village funds, upon audit and allowance by the council and by order on the treasurer. OAG Jan. 27, 1938 (218g-13).

All expenditures of an exclusive liquor store operated by a village should be approved by the council and paid in the same manner as other village expenditures. OAG April 4, 1935 (218g-13).

All revenue from a municipal exclusive liquor store should be turned over to the village treasurer by the manager of the store and disbursed in the same manner as other village money. OAG July 25, 1934 (218e).

The receipts from village liquor store should be turned over to the village treasurer and all disbursements made by the treasurer, and it is improper to permit the president and clerk alone to handle the funds of the liquor store and merely turn the surplus over to the treasurer. OAG April 19, 1934 (218j-10).

A member of the council cannot work in the municipal liquor store, and the expenses of the store and the purchase price of liquor must be paid in the same manner as other village expenses. OAG March 1, 1937 (218i-2).

A village councilman cannot receive compensation for services in connection with a municipal liquor store, and all employees must be hired by the council and

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all obligations handled as other obligations of the village. OAG April 16, 1935 (218g-13).

426.08 PUBLIC ACCOUNTANTS IN CERTAIN VILLAGES.

HISTORY. 1937 c. 215 ss. 1 to 3; M. Supp. ss. 1186-5 to 1186-7.

426.09 LOCAL IMPROVEMENT FUND IN CITIES OF SECOND CLASS.

HISTORY. 1921 c. 282 s. 1; M.S. 1927 s. 1664-29.

426.10 VIOLATIONS.

HISTORY. 1921 c. 282 s. 2; M.S. 1927 s. 1664-30.

426.11 BOARD, DEPARTMENT.

HISTORY. 1909 c. 374 s. 1; G.S. 1913 s. 1458; G.S. 1923 s. 1444; M.S. 1927 s. 1444.

426.12 STATEMENTS TO CITY COMPTROLLER; CONTRACTS.

HISTORY. 1895 c. 8 s. 345; 1909 c. 374 s. 2; G.S. 1913 s. 1459; G.S. 1923 s. 1445; M.S. 1927 s. 1445.

426.13 ACCESS TO BOOKS, PAPERS.

HISTORY. 1909 c. 374 s. 3; G.S. 1913 s. 1460; G.S. 1923 s. 1446; M.S. 1927 s. 1446.

426.14 DEPUTY COMPTROLLER IN CITIES OF FIRST CLASS.

HISTORY. 1911 c. 112 s. 1; G.S. 1913 s. 1461; G.S. 1923 s. 1447; M.S. 1927 s. 1447.

426.15 DEPUTY TREASURER; POWERS AND DUTIES.

HISTORY. 1911 c. 227 s. 1; G.S. 1913 s. 1462; G.S. 1923 s. 1448; M.S. 1927 s. 1448.

426.16 LIMITATION IN USE OF PROCEEDS OF BONDS.

HISTORY. 1929 c. 126 s. 1; M. Supp. s. 1630-2½.

426.17 CERTAIN CITIES MAY ISSUE DRAFTS FOR PAYMENT OF EMPLOYEES UPON PAY-ROLLS AND FOR PAYMENT OF CURRENT BILLS.

HISTORY. 1941 c. 260 ss. 1, 2.

426.18 INVESTMENT IN FEDERAL BONDS.

HISTORY. 1943 c. 350 ss. 1 to 3.

426.19 MUNICIPAL LIQUOR STORE PROFITS.

HISTORY. 1945 c. 273.