435.26 CERTIFICATES OF INDEBTEDNESS.

Subdivision 1. **Issuance.** In all cities of the first class where special assessments for sprinkling streets and other public places are collected through the county treasurer's office, the council may, as soon as these special assessments shall have been extended on the general tax lists by the county auditor, by ordinance adopted by a two-thirds vote of all the members of the council, cause to be issued and sold from time to time as money is actually needed for the payment of the expense of sprinkling the streets and other public places of these cities certificates of indebtedness in anticipation of the collection of these special assessments for sprinkling, but the total amount of the principal of all these certificates issued in any one year shall not exceed 80 percent of the total of the sprinkling assessments levied and assessed for the next preceding year.

Subd. 2. **Maturity, interest.** No certificates shall be made to mature at a date later than the fifteenth day of November of the year following that in which the same shall be issued and the rate of interest shall not exceed six percent per year, payable semiannually. The certificates shall state upon the face thereof that the same are issued for the sprinkling fund and the principal sum of each certificate shall be in the amount the council may, in the ordinance directing the issue thereof, provide.

Subd. 3. **Payment.** The interest and principal of the certificates of indebtedness shall be payable solely out of the special assessments on whose account the certificates were sold and the liability of the city on these certificates or the interest coupons issued therewith shall be limited to the faithful and ratable application to payment thereof of the amounts of the sprinkling assessments which shall be collected and paid into the city treasury and as the same are received by the treasury, but interest at the rate of six percent per year shall run upon any unpaid principal thereof after maturity until the principal and the interest accruing thereon shall have been fully paid. The interest and principal of the certificates sold in any year on account of the sprinkling fund shall be a first charge upon the moneys received by the city treasury from the special assessments levied for any other purpose until the principal and interest of the certificates shall have been fully paid or the moneys for the payment thereof have been set apart in the city treasury.

Subd. 4. **Use of proceeds.** No part of the moneys arising from the sale of any certificates shall be used for any other purpose than that of the sprinkling fund on account of which the certificates were sold.

Subd. 5. **Sale.** No certificates shall be sold for less than par and accrued interest or issued after the close of the year in which the special assessments against which the same were issued are payable and no certificate shall be sold or issued more than four weeks in advance of the actual need of the proceeds for payment of orders drawn upon the sprinkling fund to which the proceeds belong.

History: *(1550-1, 1550-2, 1550-3, 1550-4, 1550-5) 1911 c 152 s 1-5*