458.39 USE OF BOND PROCEEDS; QUARRY AND DOCK FUND.

Subdivision 1. **Proceeds.** The proceeds of bonds issued and sold under sections 458.36 to 458.40 must be used only: to acquire by gift, purchase, or condemnation, a site containing rock; to remove and use the rock for a municipal purpose, especially to construct public grounds, public docks, harbor terminals, and a breakwater for protection of the grounds, docks, and terminals; to get and pay for equipment or machinery, tracks, and labor required to make the public improvements; and to clear rock obstructions from public highways near the public improvement sites.

Subd. 2. **Quantity of rock.** The city department in charge of removing and disposing of the rock shall record the exact amount of the rock or crushed rock made from it that is removed and used by the city on its highways, or sold to contractors for the same use, or used for making other improvements under city authority or franchise.

Subd. 3. **Quarry and dock fund.** If on its highways the city uses the rock or crushed rock made from it, then the city department that maintains the streets shall pay into the city's quarry and dock fund, money equal to what it would fairly spend for the material if obtained elsewhere in the city.

If the rock is sold to contractors making public improvements in the city, or under franchise from the city, then the money must also go into the quarry and dock fund. The money in the fund must be used only to pay interest on the bonds and to retire and pay the principal of the bonds. A tax must not be levied unless there is a deficiency in the quarry and dock fund to pay the interest or principal.

If a tax is needed to make up for a deficit in the quarry and dock fund, the amount levied must be paid to the city's general fund out of proceeds of the quarry and dock fund as soon as there is enough money in the quarry and dock fund to make the payment.

History: *(1600-4) 1925 c 64 s 4; 1985 c 265 art 8 s 1*