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GENERAL STATUTES OF MINNESOTA

SUPPLEMENT 1917

CONTAINING THE AMENDMENTS TO THE GENERAL STATUTES
AND OTHER LAWS OF A GENERAL AND PERMANENT
NATURE, ENACTED BY THE LEGISLATURE
IN 1915, 1916, AND 1917

WITH NOTES OF ALL APPLICABLE DECISIONS

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WEST PUBLISHING CO.

1918

CHAPTER 50

WEIGHTS AND MEASURES

5799. Penalty for violation—

See note under § 8913, post.

5801. Sealing—

Failure to comply with statute does not prevent introduction of recorded weights in evidence (121-321, 141+298). Weights and Measures, ☞7.

CHAPTER 51

INTEREST AND NEGOTIABLE INSTRUMENTS

INTEREST

5805. Rate—

Notes given for the price of land located in another state, though executed and delivered in this state, will be presumed to be governed by the law of the state which renders the notes valid as against a claim of usury (128-30, 150+229, L. R. A. 1916D, 739). Usury, ☞2(1).

Where one makes a loan to another from his own funds, but with a view to sell one of the notes to a third person, and the borrower actually receives less, after computing interest at the highest legal rate, than he agrees to repay, the transaction is usurious (132-323, 156+666). Usury, ☞55.

Whether a transaction is usurious is usually a question of fact; but where the facts are undisputed, and only one inference can be drawn therefrom, usury becomes a question of law (132-323, 156+666). Usury, ☞119.

In action for damages for false representations in the sale of a stallion, plaintiff was entitled to interest on the amount paid for the animal as an element of damages (124-265, 144+954). Damages, ☞157(4).

A building loan is not usurious, though the addition of specified monthly dues to the stipulated rate of interest would call for a total rate of 12 per cent. per annum, where there is a further provision in the loan agreement that the borrower shall participate in the profits of the building association, the amount of which is not shown, and which may be sufficient to reduce the rate actually paid to less than 10 per cent. (132-19, 155+765). Building and Loan Associations, ☞33(6).

5807. Usurious contracts invalid—Exceptions—

Where a loan is made under an agreement that it shall be governed by the laws of another state, in which state the money is made payable, and under the laws of that state the loan is not usurious, though it would be usurious under the laws of this state, a mortgage given to secure the loan on lands in this state is valid (132-19, 155+765). Usury, ☞2(4).

Though a note secured by mortgage has passed to a bona fide purchaser of the note free from the defense of usury, the mortgage cannot be enforced (132-323, 156+666). Usury, ☞128.

Expenses incident to making a loan which do not give the lender a greater return than the maximum rate on interest do not render the loan usurious. A loan for which the borrower paid the maximum rate of interest, and in addition paid the mortgage registry tax, held not usurious (125-218, 146+350, 51 L. R. A. [N. S.] 465, Ann. Cas. 1915C, 774). Usury, ☞53.

5812. Salary loans and chattel mortgage loans—License—Before any such corporation shall engage in the business of making such loans, and charge the rates and fees permitted by this act, it shall first obtain and have in force and effect a license for carrying on such business in the city in which such business shall be transacted. Such license shall be issued by the city clerk or corresponding officer of such city, and it shall be renewed annually, and shall not be transferable. Such license shall be granted on application to such city clerk or corresponding officer in writing pursuant to such form as such clerk or corresponding officer, or city council, or corresponding body may prescribe, for which license the licensee shall pay annually to the treasurer of said city at the time of taking out said license or renewal a uniform fee of \$25.00 per year. Such licenses shall not be granted until the applicant there-