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CHAPTER 10

PUBLIC INDEBTEDNESS

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1934. Scope of chapter—The provisions of this chapter shall not be construed as relating to the debt of the state, or to current and ordinary public expenses, but only to the authorized indebtedness, payable with interest at future and stated times, of cities, villages, boroughs, counties, towns, and school districts; and the terms "municipal corporation," "corporation," and "municipality," as herein used shall embrace any or all of said bodies. (776) [1847].

139-95, 165+880; 146-415, 178+1006; 189+932.

1935. Net indebtedness defined—The words "net indebtedness," as used herein, shall mean the sum of all outstanding money obligations of the corporation referred to, after deducting:

1. Orders or warrants drawn upon the treasurer, and payable forthwith.

2. Certificates of indebtedness and bonds issued for the creation or maintenance of a permanent improvement revolving fund.

3. Obligations incurred in respect to the construction of public drainage ditches and in acquiring lands for streets, parks, or other public improvements, and payable from the proceeds of assessments levied upon property especially benefited by such ditches or other improvements.

4. Bonds issued for the purchase or construction of public waterworks, or for the enlargement, protection or distribution of the water supply, for the establishment of public lighting, heating, or power plants, and for the acquisition and equipment by purchase or otherwise, of street railways, telegraph or telephone lines, or any other public convenience from which a revenue is or may be derived.

5. The amount of all money, and the face value of all securities, held as a sinking fund for the extinguishment of corporate debts other than those enumerated in this section. (R. L. § 777; amended '13 c. 145 § 1) [1848]

1936. Assessed value defined—The words "assessed value," as used herein, shall mean the latest valuation for purposes of taxation, as finally equalized, of all property taxable within the municipality referred to. (778) [1849]

1937. Charter powers not modified—Nothing herein shall be construed as abrogating any restriction imposed, or as modifying or extending any power conferred, upon a city, village, or borough, by any provision of its charter relating to corporate indebtedness. Except as so limited, all municipal corporations shall be governed in respect thereto by the provisions of this chapter. (779) [1850]

1938. Limit of debt—Excess void—Subject to § 1937, no city of the first class shall hereafter incur or be subject to a net indebtedness in excess of five per cent of its assessed value, nor shall any other municipal corporation except school district become so indebted beyond ten per cent of such value; and all contracts and promises made in violation hereof shall be void: Provided, that if the net indebtedness of any municipality, at the time when the Revised Laws take effect, shall exceed the limit herein fixed, or if any village thereafter organized as a city under a home rule charter shall be subject to such excess when so organized, either may issue and sell new bonds sufficient in amount to refund all or any part of such existing in-

debtedness, but the same shall not thereby be increased. (780) [1851]

See G. S. 1894 §§ 1639, 1090, 1092, 1095, 1096, 1441, 2771; 10-340, 268; 27-64, 6+411; 54-331, 56+49; 57-434, 59+488; 58-418, 59+1088, 523; 63-125, 65+115, 83-119, 85+933; 89-477, 95+310; 91-290, 97+1049; 93-290, 101+180; 94-397, 103+11; 87-381, 92+328; 82-202, 84+754; 189+933.

G. S. 1894 §§ 1095, 1639, limiting indebtedness, not applicable to city under home rule charter (102-329, 113+899).

1939. Bonds—Except when otherwise expressly provided by law, all public indebtedness hereafter incurred or refunded shall be represented by the bonds of the debtor corporation, signed by the officers thereunto authorized by resolution of its governing body, and countersigned by the official charged with the keeping of its accounts. Such bonds shall express the amount and terms of payment, and have coupons attached for the several interest payments to be made, which interest shall in no case exceed the annual rate of six per cent, payable half-yearly. The bonds of cities of the first, second, and third classes shall be payable not more than thirty years after their issue, and those of all other municipal corporations not more than twenty years thereafter, and no bonds of either class shall be disposed of for less than their face value, with accrued interest. (781) [1852]

May be made payable in gold with semi-annual interest without authorization from electors (116-371, 133+962; 123-514, 144+161).

1940. Registered bonds—If, however, the purchaser or holder of negotiable bonds issued by a city shall so request, the council of such city, by a resolution prescribing the method and terms of exchange, may authorize the proper city officers to issue registered bonds in lieu thereof, in such denominations as may be desired. The governing body of any municipal corporation may, by a resolution prescribing the method and terms of registration, authorize the proper officer of such municipal corporation designated in such resolution to register as to the payment of principal only any negotiable bonds heretofore or hereafter issued by such municipal corporation when requested by the purchaser or holder thereof, such registration to be by endorsement on such bonds of a certificate of registration which shall recite that the principal thereof will be payable only to such person as by such registration appears to be the owner thereof or to his legal representatives, and such resolution shall provide for the keeping of a permanent record of bonds so registered. But bonds so registered shall not extend the time of maturity, nor shall the indebtedness of the municipal corporation be by such registration increased. (R. L. '05 § 782; G. S. '13 § 1853; amended '23 c. 313)

1941. Vote required—No bonds of any municipality shall be issued without the approval, first obtained, of the majority hereinafter specified of the voters of such municipality, voting at a special election called for the purpose or at a general election or town meeting in the notice whereof the proposed issue shall have been plainly submitted for approval or rejection: Provided, that such requirement shall not apply to the registered bonds mentioned in Section 1853, nor to those authorized by this chapter for funding or refunding purposes. The majorities required shall be as follows:

1. In the case of towns, counties and cities a majority of those voting at the election.

2. In villages and boroughs, five-eighths of those voting on the question.

3. In school districts, two-thirds of those present and voting. (R. L. '05 § 783; G. S. '13 § 1854; amended '21 c. 209 § 1)

116-371, 133+962; 146-413, 178+1006; 188+429.

1942. Bonds, for what purposes—When the governing body of any municipality shall have resolved that it is expedient to borrow money, for one or more of the purposes hereinafter named, and to an amount which will not increase its net indebtedness beyond the limit fixed by law, and a proposal so to do, if required by law, shall have been duly submitted to and approved by the voters thereof, the bonds of such corporation may be issued and sold, conformably to the provisions of this chapter, to the amount so authorized, as follows:

1. Cities, villages, and boroughs—In the case of a city, village or borough, for the acquisition, construction, maintenance, or improvement of any of the public conveniences mentioned in § 1848, subd. 4; for the purposes of a permanent improvement revolving fund; for the purchase or erection of needful public buildings; for establishing and maintaining garbage crematories, or other means of garbage disposal, hospitals, schools, libraries, museums; and art galleries; for the construction of sewers, subways, streets, sidewalks, pavements, culverts, and parks and parkways; and for changing, controlling, or bridging streams and other waterways within the corporate limits, and constructing and repairing bridges and roads within two miles of the corporate limits thereof.

2. Counties—In the case of counties, for the erection and furnishing of a court house and jail, or either of them; for the purchase of a poor farm and equipping the same with suitable buildings, tools and stock; for establishing morgues and hospitals; for laying out, opening, building and improving public highways in the nature of county roads; for laying out and opening steam traction roads or other special public highways authorized by law; and for the bridging of waters within the county or bordering thereon.

3. Towns—In the case of towns, for the erection and furnishing of a town hall, and for the laying out and opening of town roads, and the building of bridges thereon.

4. School districts—In the case of school districts, including special and independent districts, whether lying within a city or village or not, for the purchase of sites for school houses, and for defraying the expenses incurred and to be incurred in building, rebuilding, remodelling, repairing and furnishing school houses, and installing heating, ventilating and plumbing plants in the same, and equipping the same with libraries, apparatus and other school furniture.

5. In the case of all of the before-mentioned municipal corporations, for paying any judgment lawfully rendered against them, or for refunding outstanding bonds or for funding floating indebtedness provided, however, that bonds hereafter issued for the purpose of funding floating indebtedness under authority of this act shall be payable in annual installments, as nearly equal in amount as conveniently may be, the first of which installments shall be due in not more than three years from the date of the issue, and the last of which installments shall be due in not more than fifteen years from the date of the issue. (R. L. '05 § 784, amended '07 c. 297; '09 c. 261; '21 c. 209 § 2) [1855]

As to powers of various municipalities to issue bonds for certain purposes. Cited (105-403, 117+611). 188+429, 188+932.

1943. Sale of bonds—Before any municipal corporation, as defined by Section 1847, General Statutes of 1913, shall sell or enter into any contract for the sale

of any bonds or certificates of indebtedness, however authorized, and for whatever purpose issued, unless a different method of sale is specifically provided in the act or charter authorizing the same, at least two weeks' published notice shall be given of a meeting of the governing body to open and consider bids therefor. The time and place of said meeting shall be fixed, and the newspaper in which the notice shall be published, if other than the official newspaper, designated by a resolution or motion duly passed and recorded which may provide for additional notice. At the time and place so fixed, the bids shall be opened, and the offer complying with the terms of such sale, and deemed most favorable, shall be accepted; provided that the governing body may reject any and all such offers and award said bonds to a lower bidder, or upon like notice, it may invite other bids. Such bonds or certificates shall not be sold or disposed of for less than their face value with accrued interest, except when specifically provided by law. Any officer of any municipality having bonds or certificates of indebtedness for sale which are required by the provisions hereof to be so advertised, that shall enter into or approve any contract or agreement for the sale of such bonds or certificates contrary to the provisions hereof, or tending to prevent competitive bidding therefor, shall be guilty of a misdemeanor. (R. L. '05 § 785; G. S. '13 § 1856; amended '23 c. 299)

73-225, 75+1050; 190+597.

1944. Delivery—Proceeds—Upon payment to the treasurer of the amount offered therefor by the successful bidder, the bonds shall be delivered, and the treasurer shall hold the proceeds thereof as a separate fund for the use named in the resolution under which the vote was taken. If the contemplated improvement be afterward abandoned, such fund may be devoted to any other public improvement authorized by law, and approved by vote taken in the same manner as the original vote. Any balance remaining after the improvement has been completed and paid for shall become a part of the general fund of the municipality. (786) [1857]

See '23 c. 90 legalizing bonds.

1945. Tax levy for payment of bonds—If the method of levying a tax for the payment of municipal indebtedness and interest be not otherwise provided for, and in all cases of failure on the part of municipal authorities to cause such levy to be made, the county auditor shall add to the other taxes charged upon the property taxable in the municipality an amount sufficient to meet such obligations as they mature, which additional levy shall be extended and collected with the other taxes of the year. (787) [1858]

1946. Selling bonds by popular subscription—Any municipality in this state which may hereafter issue any bonds shall have the right to sell and dispose of the same or any part thereof by popular subscription from the citizens of the municipality issuing the same, for not less than par and accrued interest. The officers of any such municipality who are charged with the duty of selling such bonds shall have the right, upon giving published notice to that effect in the official paper of the municipality, to receive bids from its citizens for such bonds in amounts of one hundred dollars or any multiple thereof, and such officers shall also have the right to receive bids from any source for the whole amount of bonds so to be issued, and when all bids are received to award the bonds to any one or more of such bidders in accordance with what, in their judgment, will be for the best interests of the municipality; provided, that in no case shall any such bonds be sold at less than their par value and accrued interest thereon. ('07 c. 462 § 1) [1864]

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1947. Sinking fund in counties—Investment in mortgages—That the board of county commissioners of any county in this state, having a bonded indebtedness sinking fund, is hereby authorized and empowered to invest the money of the said fund not at any time necessary for use in paying the matured bonded indebtedness of the said county upon the security of first mortgages on improved real estate of the said county; provided that no loan or investment of the said funds shall in any case, be made for an amount greater than fifty per centum of the market value of the said real estate security at the time the said loan or investment is made, exclusive of the value of any structures situated thereon; also provided that no money or funds shall in any case, be loaned for a period of time extending beyond the time when the said funds shall be required for payment of the matured bonded indebtedness of the said county nor for a rate of interest to be paid annually, lower than five per cent per annum. ('05 c. 202 § 1) [1865]

1948. Proceedings to enforce—Assignment—Whenever any such loan has been made, the board of county commissioners shall have the same rights in reference to the enforcement of any suit or proceeding for the collection of the same, or the foreclosure of any such mortgage, as any other lender or mortgagee, and if necessary may sell and assign any such note or mortgage at a discount of not more than two per cent of the interest unpaid. When authorized by resolution of the board, the chairman and county auditor may execute any such assignment. ('05 c. 202 § 2) [1866]

1949. Sinking fund in school districts, how invested—The treasurer of any school district in the state is authorized to invest any of the sinking funds in his hands belonging to such school district in bonds of the state of Minnesota, or of any other state, or in bonds of any county, school district, city, town or village of the state, but no investment shall be made in bonds issued to aid in the construction of any railroad; provided, however, that the net return of any such investment, taking into account the price paid for the bonds, the date when the same shall fall due and the rate of interest thereon, shall be at a rate not less than 3½ per cent per annum for the whole period elapsing before the maturity thereof; and provided further, that any such investment shall be made only after the same has been duly authorized at a general or special meeting of the board of directors or trustees of such school district. ('07 c. 354 § 1) [1867]

1950. Liability of treasurer—For any loss occurring by reason of the depreciation of any securities purchased under the provisions of this act, or by reason of the failure to pay the same, or any part thereof, on the part of the public body or corporation issuing the same, the treasurer making the investment and the sureties upon his official bond as such shall not be liable. ('07 c. 354 § 2) [1868]

1951. Apportionment of bonded indebtedness of divided town—Whenever heretofore any town in this state has issued its bonds for any lawful purpose, and the proceeds thereof have been used for the benefit of such town as then constituted; and such town has thereafter been divided into one or more additional towns or villages, and one of said towns or villages has paid said bonds so issued with interest, or any part thereof or either of the same, the total amount so paid, together with interest thereon from the time of payment, shall constitute and be valid and subsisting debt against all such towns and villages, forming a part of said original town at the time of the issuance of the same; and the amount thereof that each of such town or village shall be liable for, shall be the proportion to the total amount so paid which the assessed valu-

ation of all property in each such town or village, as fixed by the state board of equalization next preceding the time of the payment of said bonds and interest thereon bears to the assessed valuation of all property as then likewise equalized, in the entire territory comprising said town at the time of the issuance of said bonds, provided that nothing herein contained shall affect in any manner whatsoever any action or proceeding now pending in any of the courts of this state in relation to any bonds so issued. ('07 c. 273 § 1) [1871]

113-203, 129+381.

1952. Towns may sue to recover—Any town which has paid any of said bonds or interest as hereinbefore provided, may maintain an action in any of the courts of this state to recover from any town or village the portion of the same for which said town or village is liable, as provided in section 1 of this act. ('07 c. 273 § 2) [1872]

1953. Division of bonded indebtedness of townships and villages—That in any case where any township and village are jointly liable for the payment of any bonded indebtedness, or where all the property of any township or village is liable to taxation for the payment of any such indebtedness any such township or village at the time of the maturity of such bonds may assume and pay such proportion of the entire bonded indebtedness as the amount of the last assessment of real and personal property situate in such town or village bears to the total assessed valuation of both such township and village; provided, however, that if either such township or village deems such assessment to be inequitable the town board or village council, as the case may be, or a majority of either, may demand in writing that the Minnesota tax commission appoint a disinterested assessor, not a resident of either such township or village, to make a re-assessment of all the real and personal property situate in both such town and village, and thereupon it shall be the duty of such commission to appoint such assessor, and the valuation and assessment so made by such assessor shall govern in the division of the bonded indebtedness as between such township and such village. ('09 c. 254 § 1) [1873]

1954. Bonds for indebtedness assumed—Any township or village jointly liable for any such indebtedness shall have authority to issue its bonds for the payment of the amount of the total bonded indebtedness for which it may be liable ascertained as provided in the foregoing section. ('09 c. 254 § 2) [1874]

1955. School-fund loans, etc.—If any municipality desires to dispose of its bonds to the state board of investment, application to such board may be made as hereinafter provided, and no advertisement for bids shall be necessary. A resolution shall be adopted by the governing body of the municipality, stating the amount and purpose of the loan desired, and authorizing its treasurer to apply to the board therefor. Such application shall be accompanied by a statement of the existing bonded and floating indebtedness of the municipality, and by a certificate of the county auditor showing the last assessed valuation of real and of personal property taxable therein. The application and accompanying documents shall be filed with the state auditor. (788). [1875]

This section and the two following sections appear to be superseded by § 1959 et seq.

1956. Loans, how made—On the first Monday of each month, said board shall consider all applications then on file, any of which may be rejected. No such investment shall be made until the regularity of the application and the legality of the bonds have been approved by the attorney general. Such loans shall not

be made for a period of less than five nor more than twenty years, nor at a rate of interest less than four per cent. per annum, nor when the net indebtedness of the municipality would be increased thereby beyond seven per cent. of the assessed value of the real property taxable therein. The principal and annual interest shall be payable on July 1. If accepted, bonds executed by the proper officers, in form satisfactory to the board of investment, shall be delivered to the auditor, who shall issue to the treasurer of the municipality his warrant for the proper amount, payable from the permanent school or university fund; but such warrant shall not be paid by the state treasurer until the bonds are delivered to him. (789) [1876]

1957. Limit of debt—Authorization—Period—Change of boundaries—No loan shall be made which with all other indebtedness shall exceed the sum of fifteen per cent. of the assessed valuation of the taxable real property of such county, school district, city, village or township, nor until the county, school district, city, village or township shall have been authorized to issue bonds therefor in accordance with the provisions of law applicable thereto. No loan shall be made for a shorter period than five years, nor for a longer period than twenty years. No change of boundary lines shall in any way relieve such county, school district, city, village or township from any liability for taxation to pay such bonds. ('97 c. 83 § 7, amended '05 c. 8 § 1) [1877]

1958. Special tax levy.—The annual tax levy for the payment of principal and interest on account of such bonds shall be for an amount fifty per cent in excess of the sum to be paid therefrom. The state auditor, at the time of certifying the state tax, shall also certify to each county auditor the amount necessary to pay such principal and interest. When collected so much of such tax as may be necessary shall be paid into the state treasury. The excess remaining shall be held over in the county treasury to be applied on the next future payment due on such bonds, and the amount of such excess shall be reported by the county auditor to the state auditor, on or before August first of each year, who shall deduct the same from his next annual tax levy for such purpose. The remainder, when such bonds are paid in full, shall be credited to the general fund of the municipality; and in case a portion of the territory embraced in such municipality at the time such bonds were issued, have since been set off to another municipality, or organized into a new municipality, such remainder shall be divided with such other municipality, using as a basis for such division the last assessed valuation of the territory affected by such bonds. Provided, that any such municipality which shall make payment to the state of the full amount of principal and interest due on account of such bonds prior to the extending of such tax therefor by the state auditor shall be exempt from the provisions of this section. (R. L. § 790, amended '09 c. 94 § 1). [1878]

1959. Sale of bonds to state—Municipality defined—The word "municipality" as used herein shall be held to mean and include the respective counties, cities, villages, boroughs, towns and school districts of the state of Minnesota. ('07 c. 122 § 1) [1879]

The act contains no repealing clause, but it appears to supersede §§ 1955-1957.

1960. Power of municipality—Whenever any municipality is authorized by law to issue its bonds and borrow money thereon, the same may be issued, negotiated, sold and delivered to the state of Minnesota by conforming hereto. ('07 c. 122 § 2) [1880]

1961. Where vote of electors is not required—Procedure—Whenever any municipality desires to issue its bonds for any purpose not now, or hereafter, re-

quiring a vote of the electors thereof, the governing body of such municipality at any regular meeting or at any regularly called special meeting, may adopt, by majority vote, a resolution stating the authority of law under which the right is claimed to issue such bonds, the purpose for which it is proposed to issue the same, the number, the face value of each thereof, the time when each bond, to be issued thereunder, shall mature, the rate of interest the same shall bear, and direct that the same be issued to the state of Minnesota in accordance therewith. Thereupon the treasurer of such municipality shall forthwith make application to the state board of investment to purchase the same, and upon the approval of such application by the attorney general, as to form and execution, and otherwise by the state board of investment, such bonds may be issued, executed by the officers of the respective municipalities, sold to and purchased by the state of Minnesota, and shall thereupon become and be the valid obligation of the municipality issuing the same. Money obtained upon bonds issued to refund indebtedness previously existing shall be used for that purpose and no other. Whenever the state board of investment shall so request, each municipality issuing refunding bonds by virtue hereof, shall file with the state auditor the bonds or other evidence of indebtedness so refunded. ('07 c. 122 § 3) [1881]

1962. Where vote of electors is required—Procedure—Submission to voters—Notice of election—Whenever any municipality desires to issue its bonds to the state of Minnesota for any purpose now, or hereafter requiring a vote of the electors, the governing body of such municipality may adopt, by majority vote, a resolution stating that it is expedient, in the opinion of such governing body to issue to the state of Minnesota the bonds of such municipality for the purpose or purposes therein stated, to the amount therein mentioned, to mature, to bear the rate of interest and to be of the number and amount therein set forth, or whenever a petition is filed with the clerk, or other like officer of such municipality, signed by ten or more freeholders, residents therein, stating that in the opinion of such persons signing the same it is expedient to issue to the state of Minnesota the bonds of such municipality for the purpose or purposes therein stated and to the amount therein mentioned, said clerk or other like officer shall furnish and give proper notice to said governing body which shall meet within ten days after such notice, and if the proposition contained in said petition be deemed by it expedient it shall adopt a resolution setting out the same facts as hereinbefore provided in case the initiative for such bond issue to the state is taken by said governing body; in either event the clerk or other like officer of such municipality shall submit the proposition or propositions therein contained to the electors thereof at a special election, to be held therein at a date not more than thirty days after the adoption of such resolution and shall give notice thereof by posting in three or more public places in said municipality, and in case of counties the same notice in each election precinct therein; and if there be one or more legal newspapers in said municipality, by publishing twice in not less than one such newspaper to be designated by the said clerk or other like officer, at least ten days before such election, the following notice:

NOTICE OF SPECIAL ELECTION.

Notice is hereby given that a special election will be held in the..... (village, city, town, county) of..... (name) on the..... (figures) day of..... (month), 190.., for the purpose of voting upon the

1958 311

1959-1968
240nw 649
See 2794
See 2798
156-M 268
194-NW 756
1961
25 - 350

1962
237nw 412

proposition of issuing to the state of Minnesota, the bonds of said municipality in the aggregate sum of \$..... (total amount), bearing interest at the rate of (figures) per centum per annum, the proceeds thereof to be used for the purpose of (describing it generally, as construction of electric light plant, water works, municipal building, naming it, or bridge, as the case may be), and to be numbered and to mature as set forth in the (resolution), now on file in the office of the (clerk or other like officer).

Dated 190...

Such notice shall be signed by the clerk or other like officer. ('07 c. 122 § 4) [1882]

122-59, 141+1105.

1963. Election—Form of ballot—Several propositions—Such special election may be held on a day separate, or on the day fixed for any other election, in which latter event the judges acting as such for the election then to be held shall act as the judges for said special election, but in either case a special ballot box shall be provided and the ballots cast on the proposition of issuing bonds shall be kept separate from all other ballots cast; such special election shall be by ballot and the ballot to be used thereat shall be in the following form:

BOND BALLOT.

Shall the bonds of the (town, city, village, county) of (name) be issued to the state of Minnesota in the aggregate amount of \$..... (total amount), bearing interest at the rate of (figure) per centum per annum, the proceeds thereof to be used for the purpose of (describing it generally, as construction of electric light plant, water works, municipal building, naming it, or bridge, as the case may be), and to be numbered and to mature as set forth in the (resolution) now on file in the office of the (clerk or other like officer).

Yes []
No []

More than one proposition may be submitted at such special election, in which event each proposition contained in such resolution or petition shall be stated separately on the notice and on the ballot and shall be voted on separately, and the wording of any proposition to be voted for, as the same appears in the notice, shall also be the wording employed to state said proposition upon the ballot. Electors desiring to vote in favor thereof shall make their cross mark, thus X, opposite the word "Yes," and electors desiring to vote against the proposition shall make their cross mark, thus, X, opposite the word "No." ('07 c. 122 § 5) [1883]

1964. Election, how held, etc.—Application to state—The special election shall be conducted, the ballots counted and canvassed and the result certified in the manner then fixed by law, for the conduct of general elections therein, and if it appears therefrom that a majority of the electors voting thereat have voted in favor of any proposition, then submitted, to issue bonds to the state of Minnesota, the governing body of such municipality shall forthwith adopt a resolution issuing said bonds to the state of Minnesota, in accordance with the terms of such proposition and directing its

treasurer or other like officer to apply to the state for a loan thereon. Such application shall be directed to the state board of investment of which the state auditor shall be clerk and shall also state the law, or laws, under which authority is claimed to issue the bonds therein mentioned. ('07 c. 122 § 6) [1884]

1965. Purchase of bonds by state—Upon the approval of such application by the attorney general, as to form and execution, and otherwise by said state board of investment, such governing body and the respective officers thereof shall have authority to issue, execute and deliver to the state of Minnesota the bonds of such municipality, in accordance with the vote of said electors, and said state board of investment shall have authority to purchase the same to an amount not exceeding 15 per cent of the assessed valuation of the taxable property of such municipality, according to the last preceding assessment. Such bonds shall not run for a shorter period than five years, nor for a longer period than twenty years. Forthwith upon the delivery to the state of Minnesota of any bonds issued by virtue thereof, the state auditor shall certify to the respective auditors of the various counties wherein are situated the municipalities issuing the same, the number, denomination, amount, rate of interest and date of maturity of each such bond, and each county auditor shall keep a record thereof in his office in a book to be furnished him by the state auditor, at the expense of the state. ('07 c. 122 § 7, amended '17 c. 270 § 1) [1885]

122-59, 141+1105.

1966. Statement to board of investment, etc.—Any municipality issuing its bonds in accordance with the terms of this act shall also furnish a copy of the ballots used and such other information as may be required by the state board of investment, including a statement showing the valuation of the real and personal property situated therein at the last preceding assessment. ('07 c. 122 § 8) [1886]

1967. Blanks to be furnished by state—The various forms of petitions, resolutions, notices, ballots, applications and bonds contemplated by this act shall be printed by and at the expense of the state, from forms prepared by the attorney general, and shall be furnished by the state auditor, without cost to any municipality applying for the same. ('07 c. 122 § 9) [1887]

1968. Validity of bonds not to be questioned, except—Change of boundaries—The validity of any bond issued under the terms of this act shall never be questioned except on the ground that the same and the loan made thereon was not approved by the state board of investment; that the bonds in question made the entire bonded indebtedness exceed 15 per cent. of the assessed valuation of the taxable real property of the municipality issuing such bonds; that such bonds bear a lower rate of interest than 3 per cent.; that such bonds run for a shorter period than five years, or for a longer period than twenty years, or that the principal thereof was never paid by the state to, or received by the officers of the municipality issuing the same; and no change of the boundary lines of any such municipality shall relieve the real property therein at the time of the issuing of such bonds from any liability for taxation to pay for the same. ('07 c. 122 § 10) [1888]

For purchase of certificates of indebtedness issued in aid of construction of public buildings see '11 c. 52. 122-59, 141+1105.

1969—Bonds purchased by state legalized—1. The word "municipality," as used herein, shall be held to mean and include the various counties, cities, villages, boroughs, towns and school districts in the state of Minnesota.

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156-M 269
194-NW 756
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2. Whenever the state board of investment shall have heretofore purchased with the funds of the state of Minnesota the bonds of any municipality in this state, the validity of any such bond shall never be questioned except upon the ground that the same and the loan made thereon was not approved by the state board of investment; that the bond in question made the entire bonded indebtedness exceed fifteen (15) per cent of the assessed valuation of the taxable property of the municipality issuing such bonds; that such bonds bear a lower rate of interest than three (3) per cent; that such bonds run a shorter period than five years, or for a longer period than twenty years; or that the principal thereof was never paid by the state to, or received by, the officers of the municipality issuing the same; and no change of the boundary lines of any such municipality shall relieve the real property therein at the time of the issuing of such bonds from any liability from taxation to pay for the same, and all such bonds so purchased are hereby declared to be the valid and subsisting indebtedness of each municipality respectively issuing the same. ('13 c. 363 § 2; '23 c. 273) [1891]

This section is identical with '15 c. 290 and '17 c. 234, except that "property" is used instead of "real property" in '15 c. 290 and '17 c. 234.
For similar curative acts, see 1907 c. 102; 1909 c. 99; 1911 c. 270.

1970. Defaced bonds, etc., duplicates—Whenever any bond or other obligation of a municipality shall become so mutilated or defaced as to be unfit for circulation, it may be surrendered and canceled, and a duplicate thereof, and of the unpaid coupons, if any, may be issued to the owner, marked with the word "duplicate" and the date of issue; such marking to be signed by the treasurer then in office. But no such duplicate shall issue unless authorized by vote of the governing body of the municipality. (791) [1893]

1971. Lost instruments—Indemnity—If any such obligation be destroyed or lost, another, upon a like vote, may be issued to the owner in its place, corresponding with the missing instrument in number, date, amount, and unpaid coupons, signed by the proper officials who are then in office, and marked and dated as provided in § 1893. But in such case the owner shall first give bond to the municipality, in a sum double the amount of the lost obligation, conditioned to save it harmless in the premises, which bond shall be approved by a judge of the district court. A record of all such reissues and duplicates shall be kept by the treasurer, showing the date of issue and the persons to whom issued. (792) [1894]

1972. Laws as to outstanding bonds continued—Notwithstanding the repeal by the Revised Laws of statutes relating to bonds theretofore issued by any municipality, the obligations of such municipalities thereunder, and the duties of all public officers in any way relating thereto, shall continue in respect to such bonds until the same are fully paid. (793) [1895]

POWERS OF CITIES WITH RESPECT TO BONDS.

The following acts have not been included. See also Villages and Cities, c. 9.

- '05 c. 19, bonds for water works.
- '05 c. 76, legalizing school bonds for graded school buildings, etc., under 1893 c. 204, and amendatory acts.
- '05 c. 77, legalizing school bonds for high school buildings etc., under 1893, c. 204, and amendatory acts.
- '05 cc. 76, 77 are curative, and not special legislation, (97-402, 106+477).
- '11 c. 99, legalizing bonds issued for permanent improvement revolving fund.
- '13 c. 303, street improvement and bridge bonds.

POWERS OF CITIES OF THE FIRST CLASS WITH RESPECT TO BONDS.

The following acts have not been inserted: See also Cities and Villages.
'05 c. 58, authorizing bonds in aid of certain street improvements.

- '05 c. 172, authorizing bonds to take up bonds which are lien on water or gas plant.
- '07 c. 20, as amended by 1909 c. 360, and '11 cc. 119, 340, authorizing \$1,000,000 bonds for high schools. Not applicable to cities under home rule charters.
- '07 c. 21, authorizing \$300,000 bonds for graded schools.
- '07 c. 52, authorizing \$500,000 bonds for main sewers. Not unconstitutional as special legislation (105-178, 117+422).
- '07 c. 93, authorizing \$300,000 bonds for parks and parkways.
- '07 c. 147, validating sale of bonds for water and light plant, etc.
- '07 c. 264, authorizing \$175,000 bonds for improvements in street intersections and in front of exempt property.
- '07 c. 265, authorizing \$500,000 bonds for cost of local improvements in advance of special assessments.
- '07 c. 271, authorizing \$1,000,000 bonds for streets leading to state buildings or institutions, etc.
- '07 c. 287, authorizing \$100,000 bonds for engine houses and equipment for fire department.
- '07 c. 376, authorizing \$2,000,000 bonds for purchasing and establishing gas works.
- '09 c. 47, authorizing \$100,000 bonds for bridges over railways.
- '09 c. 89, authorizing \$60,000 bonds for street paving.
- '09 c. 156, as amended by '11 c. 208, authorizing \$1,000,000 bonds for graded schools. Not applicable to city under home rule charter.
- '09 c. 185, as amended by '11 c. 40, authorizing issue by cities not under home rule charters of \$850,000 bonds for constructing bridges over navigable streams running through such cities.
- '09 c. 206, authorizing \$300,000 bonds for parks and parkways. Not applicable to city under home rule charter.
- '09 c. 213, authorizing \$50,000 bonds for central police stations.
- '09 c. 228, as amended by '11 c. 189, authorizing \$1,000,000 bonds for waterworks.
- '09 c. 231, authorizing \$400,000 bonds for wagon and foot passenger bridge over navigable stream within city. Not applicable to city under home rule charter.
- '09 c. 357, authorizing \$100,000 bonds for playground sites.
- '09 c. 367, authorizing \$200,000 bonds for improvements in street intersections and in front of exempt property. Not applicable to city under home rule charter.
- '09 c. 370, as amended by '11 c. 157, authorizing \$100,000 bonds for fire engine houses; Not applicable to city under home rule charter.
- '09 c. 399, authorizing \$150,000 bonds for bridge across navigable stream forming part of boundary line of city for traffic other than railways, street railways and tramways. Applicable to city under home rule charter.
- '09 c. 406, authorizing \$50,000 bonds for main sewers and repealing inconsistent acts.
- '09 c. 489, authorizing issue by cities not under home rule charters of \$200,000 bonds for main sewers, etc.
- '11 c. 20, legalizing bonds issued by cities organized under 1895 c. 8 in certain cases, etc.
- '11 c. 75, authorizing \$700,000 bonds for electric light, heat and power plant, etc. Applicable to city under home rule charter.
- '11 c. 108, authorizing \$150,000 bonds for main sewers. Applicable only to city under home rule charter.
- '11 c. 117, authorizing \$800,000 bonds for high school buildings, etc. Not applicable to city under home rule charter.
- '11 c. 118, authorizing \$900,000 bonds for graded school buildings, etc. Not applicable to city under home rule charter.
- '11 c. 137, authorizing \$25,000 bonds for artesian wells, etc. Not applicable to city under home rule charter.
- '11 c. 146, authorizing cities not under home rule charter to issue \$400,000 bonds for hospital buildings, etc.
- '11 c. 155, authorizing \$800,000 bonds for parks and parkways. Not applicable to city under home rule charter.
- '07 c. 93, '09 c. 206, and '11 c. 155, each authorizing bonds for park purposes, are valid and cumulative (115-188, 131+1015).
- '11 c. 164, authorizing \$80,000 bonds for public playgrounds, etc. Applicable also to cities under home rule charter.
- '11 c. 230, authorizing \$450,000 bonds for main sewers. Not applicable to city under home rule charter.
- '11 c. 231, authorizing \$250,000 bonds for street intersections. Not applicable to city under home rule charter.
- '11 c. 262, authorizing cities under home rule charter to issue bonds to defray damages, costs and expenses in condemnation and taking of slaughtering or rendering establishments.
- '11 c. 294, authorizing \$75,000 bonds for additional fire engine house, etc. Not applicable to city under home rule charter.
- '11 c. 307, authorizing \$50,000 bonds for electric light, heat and power plant in connection with crematory, etc. Not applicable to city under home rule charter.
- '13 c. 382, authorizing \$50,000 bonds for arching creek, etc. Applicable only to cities not under home rule charters.

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'13 c. 46, authorizing \$300,000 bonds for hospitals and workhouses, etc. Applicable only to cities not under home rule charters.

'13 c. 117, authorizing \$50,000 bonds for improving certain streets.

'13 c. 138, authorizing \$50,000 bonds for public playgrounds. Applicable to cities under home rule charters.

'13 c. 149, authorizing \$500,000 bonds for waterworks system, etc. Applicable to cities under home rule charters.

'13 c. 162, interest rate on bonds.

'13 c. 231, authorizing \$125,000 bonds for street lighting equipment, etc. Applicable only to cities under home rule charters.

'13 c. 266, authorizing \$250,000 bonds for sewers, etc. Applicable also to cities under home rule charters.

'13 c. 262, authorizing \$350,000 bonds for sewers, etc. Applicable only to cities not under home rule charters.

'13 c. 268, authorizing \$1,500,000 bonds for grade school buildings, etc. Applicable only to cities not under home rule charters.

'13 c. 274, authorizing \$325,000 bonds for parks and parkways, etc. Applicable only to cities under home rule charters.

'13 c. 300, authorizing \$150,000 bonds for sewers, etc. Applicable only to cities not under home rule charters.

'13 c. 304, authorizing \$375,000 bonds for parks and parkways, etc. Applicable only to cities not under home rule charters.

'13 c. 311, authorizing \$275,000 bonds for cost of certain local improvements not paid out of special assessments. Applicable only to cities not under home rule charters.

'13 c. 351, authorizing \$50,000 bonds for plant for manufacture of street paving materials, etc. Applicable only to cities under home rule charters.

'13 c. 382, authorizing cities not under home rule charters to issue \$50,000 bonds for arching creek, etc.

'13 c. 383, ratifying investments in city bonds and authorizing resale. Applicable only to cities not under home rule charters.

'13 c. 577, authorizing \$150,000 bonds for fire houses, etc. Applicable only to cities not under home rule charters.

'15 c. 12, authorizing cities which have sold bonds under '13 c. 274 for parks and parkways to use the unexpended portion of the proceeds.

'15 c. 53, interest on bonds.

'15 c. 204, sale of bonds.

'15 c. 205, authorizing \$100,000 bonds for erecting additions to and improvements of hospitals.

'15 c. 206, authorizing \$310,000 bonds for so much of cost of paving, curbs and gutters and lateral and other sewers as is not assessable upon abutting or benefited property.

'15 c. 207, authorizing \$85,000 bonds for constructing bridges over any navigable stream running through such city.

'15 c. 214, authorizing \$250,000 bonds for cost of main or trunk line sewers.

'15 c. 232, authorizing \$125,000 bonds for improving parks and parkways.

'15 c. 266, authorizing \$300,000 bonds for graded school buildings and \$375,000 for high school buildings.

'15 c. 289, authorizing \$18,000 bonds for incinerators at crematory plants.

'15 c. 340, authorizing \$100,000 bonds for arching or covering over creek, etc.

'17 c. 99, authorizing \$125,000 bonds for improving parks and parkways.

'17 c. 219, authorizing \$100,000 bonds for improving and acquiring parks, parkways and playgrounds.

'17 c. 379, authorizing \$150,000 bonds for caring for flood waters of creeks, etc.

'17 c. 420, authorizing \$200,000 bonds for constructing and repairing bridges and viaducts.

'19 c. 100, tax for sinking fund.

'23 c. 36, waterworks bonds.

POWERS OF CITIES OF THE SECOND CLASS WITH RESPECT TO BONDS.

The following acts have not been included:

'13 c. 16, authorizing \$145,000 bonds for high school buildings, etc.

'13 c. 242, authorizing \$25,000 bonds for hospitals. Applicable to cities under home rule charters.

'13 c. 243, authorizing \$75,000 bonds for city halls and lockups, etc. Applicable also to cities under home rule charters.

'15 c. 5, authorizing board of park commissioners to issue \$35,000 bonds for parks and parkways.

'17 c. 16, authorizing \$150,000 bonds for paving and curbing and storm water sewers.

POWERS OF CITIES OF THE THIRD CLASS WITH RESPECT TO BONDS.

The following acts have not been included:

See also Villages and Cities.

'13 c. 394, bonds for local improvements in cities not under home rule charter.

'15 c. 58, bonds for local improvements in cities not under home rule charter.

'17 c. 258, bonds for city hall.

POWERS OF CITIES OF THE FOURTH CLASS WITH RESPECT TO BONDS.

The following acts have not been included:

See also Villages and Cities.

'05 c. 20, authorizing bonds to take up floating indebtedness, the provisions of which must be availed of within six months.

'05 c. 28, authorizing cities having less than 2,500 inhabitants to issue bonds for waterworks and electric light plants, to be issued prior to January 1, 1906.

'05 c. 152, legalizing certain floating indebtedness and authorizing bonds to pay same.

'05 c. 334, amended '07 c. 59, '07 c. 178; '23 c. 181, bonds for waterworks or light plants. (See 123-48, 142+1042).

'07 cc. 6, 7, legalizing bonds voted or issued by cities under home rule charter.

'07 c. 62, authorizing bonds to take up floating indebtedness, and limited to eight months.

'07 c. 64, legalizing bonds issued in certain cases.

'07 c. 67, bonds for water works.

'07 c. 244, bonds in aid of railroads.

'09 c. 28, failure to advertise does not invalidate bonds.

'09 c. 35, legalizing bonds voted or issued for water plant system, and for purchasing fire engine, etc.

'13 c. 60, legalizing bonds.

'13 c. 277, bonds for floating indebtedness legalized.

'13 c. 338, approved April 17, 1913, authorizing bonds to take up overdue bonds, within 8 months after approval of act.

'17 c. 335, authorizing refunding bonds.

'19 c. 262, authorizing pumping and reservoir system bonds.

'23 c. 89, waterworks.

POWER OF VILLAGES WITH RESPECT TO BONDS.

The following acts have not been included:

See also Villages and Cities.

'05 c. 111, legalizing bonds issued in certain cases.

'05 c. 123, amended '15 c. 169; '17 c. 336, bonds for floating indebtedness of village.

'07 c. 306, legalizing orders or other evidences of indebtedness to defray cost of purchasing electric light or waterworks plant.

'09 c. 227, legalizing certain floating indebtedness and authorizing issue of refunding bonds.

'09 c. 166, legalizing bonds issued or voted for refunding floating indebtedness.

'13 c. 225, legalizing bonds issued for refunding floating indebtedness.

'15 c. 7, legalizing bonds issued in purchasing a site and building for village hall.

'15 c. 320, bonds for floating indebtedness of village.

'17 c. 62, legalizing bonds issued for funding floating indebtedness.

POWER OF COUNTIES WITH RESPECT TO BONDS.

The following acts have not been included:

See also Counties, c. 7.

'05 c. 23, authorizing bonds for building court house, prior to September 1, 1905.

'05 c. 24, legalizing acts of commissioners in creating indebtedness for poor house in certain cases.

'05 c. 65, authorizing refunding bonds in certain cases, prior to January 1, 1906.

'05 c. 175, amended '21 c. 22; '21 c. 117, bonds for erection of court house. (See also 109-328, 123+590).

'07 c. 126, authorizing certificates of indebtedness for heating plant in court house.

'07 c. 130, authorizing certificates of indebtedness to aid in erection, construction and furnishing of court house, jail and other county buildings in counties having property of assessed valuation of not less than \$100,000,000 and bonded indebtedness of not more than \$700,000. Constitutional (105-403, 117+611).

'07 c. 214, authorizing purchase of outstanding bonds by counties.

'07 c. 461, authorizing refunding bonds by certain counties prior to January 1, 1908.

'09 c. 16, authorizing certificates of indebtedness to aid in erection, construction and furnishing of court house, jail and other county buildings in counties having property of assessed valuation of not less than \$200,000,000, and bonded indebtedness of not more than \$1,400,000.

'09 c. 245, authorizing bonds to pay floating indebtedness.

'09 c. 405, authorizing counties having 275,000 inhabitants to issue \$1,000,000 bonds for roads and bridges. Unconstitutional (110-98, 124+635).

'11 c. 161, authorizing bonds or certificates for destroyed bridges.

'11 c. 375, authorizing bonds to pay floating indebtedness.

'13 c. 100, authorizing bonds for improving lakes prior to May 15, 1913.

'13 c. 207, authorizing bonds to aid railroads in counties having no railroad connection at county seat.

'15 c. 179, authorizing counties having valuation of \$6,000,000 and not more than \$10,000,000 and area of not less than 75 nor more than 100 townships to issue prior to December 31, 1916, bonds for paying interest coupons on drainage bonds, etc.

'17 c. 13, authorizing counties to issue \$600,000 certificates of indebtedness to take up certificates issued un-

der '07 c. 130 (applicable to counties having valuation of \$100,000,000 and bonded indebtedness of not more than \$700,000). See G. S. '13 p. 404.

'17 c. 111, authorizing counties having 300,000 inhabitants wherein a county sanitarium is established to issue \$300,000 bonds for enlarging, etc., such sanitarium.

'17 c. 192, authorizing counties having valuation of more than \$6,000,000 and less than \$8,000,000 to issue bonds to take up floating indebtedness.

'17 c. 199, authorizing counties to issue not after May 15, 1917, \$25,000 bonds for improving lakes within such counties.

'17 c. 443, authorizing adjoining counties \$30,000 bonds for roads. Such bonds must be authorized before June 1, 1917.

'23 c. 34, authorizing \$100,000 for the purpose of acquiring and equipping sites and buildings for aviation fields. Applicable only to counties having an area of over 5,000 square miles and population of more than 200,000.

'23 c. 90, legalizing county bonds.

'23 c. 258, authorizing \$50,000 for acquiring and equipping tracts of land for use as park, bathing beach, picnic or recreational grounds. Applicable only to counties having property of an assessed valuation of not less than \$125,000,000 and not more than \$250,000,000.

'23 c. 320, authorizing \$250,000 for the purpose of permanently improving certain roads and providing for reimbursement by state.

'23 c. 345, authorizing extension of time of payment of installments for ditch work.

'23 c. 388, authorizing \$6,000,000 to construct or improve roads and bridges. Applicable only to counties having an assessed valuation of not less than \$200,000,000 and having a bonded indebtedness of not to exceed \$1,000,000.

'23 c. 397, authorizing \$2,000,000 for constructing and improving of roads and bridges. Applicable only to counties having an assessed valuation of not less than \$295,000,000, exclusive of money and credits, and having a bonded indebtedness of not to exceed \$4,500,000.

'23 c. 398, authorizing \$400,000 for hospital buildings. Applicable only to counties which with a city therein maintain a joint board of control.

POWERS OF TOWNS TO ISSUE BONDS.

The following acts have not been inserted:

See also Towns, c. 8.

'05 c. 11, authorizing bonds for roads, bridges and town halls. (116-371, 133+962).

'05 c. 64, amended '07 c. 63, bonds for roads and bridges.

'05 c. 244, legalizing certain bonds issued by organized towns for building roads, bridges or town halls.

'07 c. 154, legalizing bonds issued by organized townships in certain cases.

'09 c. 44, legalizing town or village orders and certificates of indebtedness and expenditures on account of drainage of wet lands for benefit of highways and streets. Application of act (112-1, 127+420).

'09 c. 446, authorizing refunding bonds to take up and refund bonds issued and sold prior to 1903 for building roads and bridges, whether or not bonds have been declared illegal, etc.

'15 c. 3, bonds for children's home in counties over 200,000.

'15 c. 103, authorizing tax levy to pay interest on bonds.

'15 c. 256, legalizing refunding bonds of county.

'17 c. 52, authorizing issuance of bridge bonds without submission to voters.

'17 c. 59, legalizing bonds.

'17 c. 389, legalizing town bonds.

1973. Bonds of school districts—The trustees or board of education of any school district in this state, whether such district be organized by or under any special law of this state, or otherwise, are hereby authorized and fully empowered to issue the orders or bonds of their respective districts, with coupons, in such amounts and at such periods as they may be directed by a vote of a majority in favor thereof of the legal voters present and voting at any annual meeting, or at any special meeting, called for the purpose, of the district; said orders or bonds to be payable in such amounts and at such times, not exceeding fifteen years, as the legal voters thereof at such meeting shall determine, with interest not to exceed seven per cent per annum; which orders or bonds and coupons shall be signed by the directors and countersigned by the clerk of said district, or by the president of (the) board of education and the clerk of the board of education. (G. S. 1894 § 3688, amended '05 c. 272 § 1) [1968]

151-33, 185+1019.

POWER OF SCHOOL DISTRICTS WITH RESPECT TO BONDS.

The following acts have not been included:

'13 c. 73, authorizing bonds by special school districts.

'11 c. 363, authorizing bonds of independent school district in city. (189+701)

'13 c. 18, legalizing proceedings by school districts to borrow money.

See '15 c. 339, legalizing bonds issued by independent school district to pay expenses incurred in construction of grade or high school buildings.

See '17 c. 54, legalizing bonds for same purpose.

See '17 c. 260, legalizing action taken by consolidated school districts relative to voting additional bonds to the State of Minnesota for completing a new school building.

See '17 c. 138, legalizing indebtedness incurred by the school directors of special school district in cities of the third class when the boundaries of such city or school district are identical.

See '23 c. 16, legalizing bonds heretofore voted upon, issued and sold by independent school district for the purpose of purchasing a school house site, and building a school building.

'23 c. 28, authorizing reduction of interest on school loans.

See '23 c. 122, authorizing retirement of bonds.

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CHAPTER 11

TAXES

GENERAL PROVISIONS

1974. Property subject to taxation—All real and personal property in this state, and all personal property of persons residing therein, including the property of corporations, banks, banking companies, and bankers, is taxable except such as is by law exempt from taxation. (794) [1969]

1. General rules.—All property within the state and subject to its jurisdiction is taxable unless expressly exempted (23-280; 24-251; 72-200, 75+210; see Const art. 9 § 3). The taxing power of the state has no extraterritorial force (56-24, 57+313; see 72-87, 91, 75+108). The state cannot tax property unless it has jurisdiction over the owner or the property (35-215, 28+256; 76-155, 78+962, 1117). Corporeal personal property is taxable wherever it has a fixed situs, regardless of the domicile of the owner (35-215, 28+256; 94-320, 102+721). If such property is within one state and its owner is domiciled in another it may be taxed in the former, although it is also

taxed in the latter (56-24, 57+313). Incorporeal personal property is generally taxable where it is owned, that is, at the domicile of the creditor, but he may give it a business situs elsewhere (35-215, 28+256; 177 U. S. 133, 20 Sup. Ct. 585, 44 L. Ed. 701). Constitutionality of taxation of shares in foreign corporation (107-319, 119+1058).

A seat on stock exchange is non-exempt and taxable at its location. (124-398, 145+108; 136-260, 161+516).

2. Credits of non-residents in the hands of local agents.—If a non-resident owner of credits places them in the hands of an agent in this state for collection or renewal with a view of retaining the money and keeping it invested here indefinitely they are taxable here (35-215, 28+256; 80-277, 83+339; 177 U. S. 133, 20 Sup. Ct. 585, 44 L. Ed. 701; see 7-268, 198; 63-80, 65+138; 77-190, 79+829; 83-512, 86+775; 95-43, 103+731); otherwise if the local agent is given no power of reinvestment or general control but merely receives money, loans it, and returns the papers to his principal (76-155, 78+962, 1117). It is immaterial that the principal is insolvent and his local business is being closed up (80-277, 83+339).

Stock of merchandise in storage at a branch house is taxable there. (147-339, 180+108).

Table with 2 columns: Statute Number, Page Number. Rows include 155-M, 156-M, 193-NW, 194-NW, 196-NW.