

1936 Supplement  
To  
**Mason's Minnesota Statutes**  
1927

(1927 to 1936)  
(Superseding Mason's 1931 and 1934 Supplements)

Containing the text of the acts of the 1929, 1931, 1933 and 1935 General Sessions, and the 1933-34 and 1935-36 Special Sessions of the Legislature, both new and amendatory, and notes showing repeals, together with annotations from the various courts, state and federal, and the opinions of the Attorney General, construing the constitution, statutes, charters and court rules of Minnesota together with digest of all common law decisions.



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annum, payable semi-annually. The principal thereof shall be made to mature and fall due at such different times and in such amounts as said Board may prescribe, providing however that all of the said bonds shall be made to mature and fall due at or before five years from the date of issuance thereof. Said bonds and the coupons attached thereto shall be signed severally by the President and the Clerk of said Board and drawn payable to bearer, and shall have the seal of said Board affixed thereto. (Act Apr. 1, 1931, c. 112, §2.)

**1973-½ b. Shall not be sold for less than par.**—Such bonds shall not be sold at less than their par value, and the proceeds arising from their sale shall be deposited with the city treasurer and held subject to the order of said board for application to the purposes for which the bonds were issued. The full faith and credit of each such city shall be pledged and all of the taxable property in each such city shall be liable for the payment of the principal and interest of said bonds when issued. Provided, however, that no bonds shall be issued under this act if such issue shall make the total indebtedness of said city aggregate more than ten per cent of the assessed valuation of such city according to the last preceding assessment. (Act Apr. 1, 1931, c. 112, §3.)

**1973-½ c. Tax levy to retire.**—When any of the bonds herein authorized shall have been issued and sold as above provided, it shall thereafter be the duty of the board of education to provide for and secure the levy of an annual tax of such amount as may be necessary to pay the principal and interest of such bonds as the same become due, and such annual tax shall be certified, levied and collected in the same manner as other school taxes are certified, levied and collected, and when collected shall be paid over to the city treasurer to be applied to the payment of the principal and interest of said bonds and to no other purpose. (Act Apr. 1, 1931, c. 112, §4.)

Act Feb. 8, 1935, c. 9, repeals and re-enacts Act Jan. 9, 1934, Ex. Ses., c. 75. Omitted as local and temporary.

Act Jan. 13, 1936, c. 14, §1, validates bonds issued by independent districts having assessed value of not more than \$275,000.

Act Jan. 21, 1936, Sp. Ses. 1935-36, c. 60 legalizes bonds theretofore authorized or issued for erecting school buildings by school districts in fourth class cities pursuant to Laws 1935, c. 121.

**1973-½ d. Bonds validated.**—All bonds otherwise valid heretofore issued by any school district under authority of any law other than General Statutes 1894, Section 3688, as amended by Laws 1905, Chapter 272, Section 1, being Mason's Minnesota Statutes of 1927, Section 1973, are hereby legalized and validated, notwithstanding any failure of the school district, its officers or officials, to comply with the provisions of said section in the issuance thereof. (Act Apr. 5, 1935, c. 123, §2.)

**1973-½ e. Not to affect pending litigation.**—This act shall not apply to or affect any action or proceedings now pending in which the validity of such proceedings or bonds is questioned. (Act Apr. 5, 1935, c. 123, §3.)

#### POWER OF SCHOOL DISTRICTS WITH RESPECT TO BONDS

Act Ex. Ses., Dec. 21, 1933, c. 5, authorizes board of education in any district embracing an entire county in which is located a city of the second class, and which board has power to levy school taxes, to issue bonds or certificates of indebtedness not exceeding \$300,000 for erection of an additional grade school building to replace old buildings. Omitted as local in application.

Act Jan. 9, 1934, Ex. Ses., c. 75, authorizes independent school districts within cities of the first class, the charters of which do not provide for school government, to issue bonds not exceeding \$17,500 in amount to pay cost of improvements on school property. It is omitted as local and temporary.

Laws 1935, c. 9, Authorizes independent school district with territorial limits which coincide with territorial limits of city of first class to issue bonds not exceeding \$17,500 and repealing Laws Ex. Ses. 1934, c. 75.

Where electors of Wells school district voted to issue bonds in the sum of \$120,000, and a request for a special election to vote upon rescinding authorization for issuance of bonds was filed, it would be confusing and possibly invalid to call another election to vote upon proposition of issuing bonds for a lesser amount without having first rescinded the original authorization. Op. Atty. Gen., Mar. 7, 1932.

Vote of electors is not necessary for issuance of school district refunding bonds. Op. Atty. Gen. (40c-1), Dec. 7, 1934.

## CHAPTER 10A

### Depositories of Public Funds

**1973-1. Depository bonds.**—Any bank or trust company authorized to do a banking business in this state, designated as a depository of county, city, village, borough, town or school district funds, as provided by law, may, in lieu of the corporate or personal surety bond required to be furnished to secure such funds, deposit with the treasurer of the municipality making such designations; such bonds, certificates of indebtedness or warrants, except bonds secured by real estate, as are legally authorized investments for savings banks under the laws of the state of the bonds of any of the insular possessions of the United States, or the bonds of any state, or its agency, the payment of the principal and interest of which, or either, is provided for otherwise than by direct taxation—, or notes secured by first mortgages of future maturity, upon which interest is not past due, on improved real estate free from delinquent taxes, within the county wherein said bank or trust company is located, or within counties immediately adjoining such county in the State of Minnesota. The total in amount of such collateral computed at its market value shall be at least ten per cent more than the limit of deposit which would be permitted if a corporate or personal surety bond was furnished. The depository may in its discretion furnish both a bond and collateral aggregating the required amount. Any collateral so deposited shall be accompanied by an assignment thereof to the municipality designating

such depository, which assignment shall recite that such depository shall pay over to the treasurer, or his order, on demand, or if a time deposit when due, free of exchange or any other charges all moneys deposited therein at any time during the period such collateral shall be so deposited, and to pay the interest thereon when due at the agreed rate; and that in case of any default upon the part of the depository the governing body of the municipality making the designation shall have full power and authority to sell such collateral, or as much thereof as may be necessary to realize the full amount due the municipality and to pay over any surplus to the depository, or its assigns. A depository may in its discretion deposit collateral of a value less than the total designation and may from time to time during the period of its designation deposit additional collateral and make withdrawals of excess collateral, or substitute other collateral for that on deposit, or any part thereof. Authority is vested in the treasurer to return the collateral to the depository when the trust so created is terminated and he shall in the case of a reduction of the deposit permit the depository to withdraw the excess portion thereof. All interest on the collateral so deposited when collected shall be paid to the depository so long as it is not in default. Before any collateral is deposited with the treasurer it shall first be approved by the same authority that designated the depository but no such authority shall

be necessary for the withdrawal of collateral. The closing of a depository shall be deemed a default upon the part of the depository and no demand upon the part of the municipality, or its treasurer, shall be necessary to establish such default. If a depository shall close, any time deposit placed therein shall immediately become due and payable. If both bond and collateral is furnished by a depository, all or any part of the collateral may be withdrawn without in any way impairing the full force and effect of the bond unless it shall contain a provision that the collateral shall not be withdrawn without the consent of the surety thereon. If a corporate surety bond is furnished by a depository it shall be in a penal sum not to exceed the amount designated as the limit of deposit therein notwithstanding any other provisions of law to the contrary. At no time shall the treasurer maintain a deposit in any depository against collateral in excess of ninety per cent of the market value thereof. Any provision of law authorizing any county, city, village, borough, town or school district to designate banks as depositories shall be construed to include trust companies authorized to do a banking business. All bonds furnished under the provisions of this Act shall be approved by the governing body of the municipality making such designation and shall be filed in the office of the county auditor as provided by Chapter 118, of the Laws of the State of Minnesota for the year 1927, and all collateral deposited under the provisions of this Act shall be approved by the governing body of the municipality making such designation and after such approval be deposited with the treasurer of such municipality, unless the governing body of such municipality shall by resolution fix and determine some other place for the safe keeping of such collateral. Provided such collateral shall not be re-deposited in the bank or trust company furnishing the same. ('25, c. 173, §1; Apr. 25, 1929, c. 370, §1; Mar. 1, 1933, c. 41, §1.)

Sec. 2 provides that the act shall take effect from its passage.

City did not have a preferred claim against an insolvent depository bank in which city treasurer had made deposits in excess of securities deposited by the bank, the overdeposit not constituting an offense under §10303. 172M324, 215NW174.

A bank has no power to pledge any of its assets to secure the repayment of the deposits, except as given by statute. 174M286, 219NW163.

Where an unauthorized pledge of assets is made by bank and it becomes insolvent, receiver may recover assets pledged, or damages, if they have been converted. 174M286, 219NW163.

A commercial bank has no power to pledge bills receivable to secure deposits, even though it be to induce an extension of a past-due deposit. 175M363, 221NW242.

Surety held not liable where bank continued to do business several years after the close of the year covered by the bond. 175M482, 221NW869.

This section must be construed as a part of a depository bond, and liability of sureties is limited to the penalty of the bond, and where the bank closes, the liability of the sureties becomes absolute, and when they pay the loss they are subrogated to the rights of the obligee, and such right of subrogation cannot be questioned by the sureties on the treasurer's bond. 181M271, 232NW320. See Dun. Dig. 2701, 9045.

Bondsmen of depository for school district, designated without any specifications as to time, were liable to school district where bank was taken over for liquidation three years and two days after designation. School Dist. No. 75 of Kittson County v. F., 182M381, 234NW594. See Dun. Dig. 2701, 2702.

The evidence is not sufficient to sustain a finding that Liberty bonds deposited with the defendant bank, a designated depository of the plaintiff school district, were a substitute or in lieu of a bond executed with individual sureties, or that the taking of Liberty bonds discharged such bond, or that another bank was designated as a depository; and the trial court was right in so directing the jury. School Dist. No. 75 of Kittson County v. F., 182M381, 234NW594. See Dun. Dig. 2701.

Officers and stockholders of a bank may sign a depository bond. Op. Atty. Gen., Mar. 5, 1929.

Banks are without authority to assign collaterals or securities to protect thrift funds collected from school children by school officers or teachers. Op. Atty. Gen., Apr. 8, 1929.

School district may not designate bank located outside state. Op. Atty. Gen., June 8, 1929.

Approval of collateral offered is now to be had by the county board rather than the board of audit. Op. Atty. Gen., Aug. 21, 1929.

Consolidated bank does not succeed to position as county depository. Op. Atty. Gen., Oct. 4, 1929.

Deposits cannot exceed capital and surplus even though secured by both bond and collateral. Op. Atty. Gen., Oct. 31, 1929.

County only has priority up to the amount of the capital and surplus, no matter how much collateral is pledged by the bank. Op. Atty. Gen., Dec. 12, 1929.

The word "municipality" in this section as amended by Laws 1929, c. 370, includes counties, and the collateral must be approved by the county board. Op. Atty. Gen., Feb. 10, 1930.

The City of Cleveland is not an "agency" of the state of Ohio, and bonds of that city are not receivable as collateral under this section as amended by Laws 1929, c. 370, but such bonds might qualify under §7714. Op. Atty. Gen., Feb. 10, 1930.

This section as amended by Laws 1929, c. 370, requires the deposit with the county auditor of all depository bonds taken by counties, towns, school districts and cities. Op. Atty. Gen., May 3, 1930.

A bank designated as a depository of county funds must furnish the bond, or in lieu thereof the collateral security required by statute, and no exceptions are made. Op. Atty. Gen., Mar. 2, 1931.

County attorney is under no obligation to check the facts relative to the issuance of any municipal bonds offered as collateral to see that the bonds were properly issued by the municipality purporting to issue the same. Op. Atty. Gen., Feb. 20, 1931.

While a state bank may give a bond to secure the government for deposit of postal savings, it may not pledge any portion of its assets. Op. Atty. Gen., May 22, 1931.

A bank cannot pledge a customer's notes to secure public deposits. Op. Atty. Gen., June 11, 1931.

There is no statute regarding depositories, which is applicable to the City of Marshall. Op. Atty. Gen., June 18, 1931.

A bank had no legal authority to pledge certificates of deposit, but in view of Laws 1931, c. 296, school district warrants may be pledged to secure public deposits. Op. Atty. Gen., Aug. 18, 1931.

This act should be construed in connection with §7714 in determining what securities may be lawfully accepted by a village in pledge as collateral security for deposit of village moneys. Op. Atty. Gen., Dec. 2, 1931.

Notes secured by first mortgages on real estate in Minnesota are not authorized securities under this statute. Op. Atty. Gen., Jan. 12, 1932.

Bond for city depository with individual sureties should be twice amount city has on deposit. Op. Atty. Gen., May 3, 1932.

If collateral is furnished by city depository, its market value should be at least ten per cent more than limit of deposit which would be permitted if corporate or personal surety bond was furnished. Op. Atty. Gen., May 3, 1932.

City depository, and not city, should pay premium on bond. Op. Atty. Gen., May 3, 1932.

Payment of interest by city depository is matter of contract between bank and city council. Op. Atty. Gen., May 3, 1932.

City council may designate, as depository, a bank outside city. Op. Atty. Gen., May 3, 1932.

Depository for county funds may deposit and assign county warrants as collateral security. Op. Atty. Gen., May 31, 1932.

Practice of reassigning collateral following redesignation of city depositories is proper. Op. Atty. Gen., Jan. 24, 1933.

Depository of city and school district could deposit bonds of city as collateral for city and district. Op. Atty. Gen., Feb. 2, 1933.

Notes secured by mortgages on village real estate may not be deposited as collateral by village depository. Op. Atty. Gen., Feb. 4, 1933.

A bank, while in process of reorganization, may, with consent of commissioner, complete purchase and sale of bonds under contracts. Op. Atty. Gen., Mar. 17, 1933.

Salaries and wages of bank officers and employees rendered during reorganization may be paid out of funds in hands of bank at time of issuance of Lieutenant governor's proclamation. Op. Atty. Gen., Mar. 17, 1933.

Where state moneys in hands of county treasurer are lost through closing of county depository, state is not entitled to preference in moneys collected from collateral or sureties upon depository's bond. Op. Atty. Gen., Mar. 18, 1933.

It is not mandatory upon municipalities to accept collateral referred to as "notes secured by first mortgages," etc. Op. Atty. Gen., Mar. 20, 1933.

County attorney must examine abstract of title to real estate covered by mortgages substituted in lieu of bond as security from depositories, without extra compensation. Op. Atty. Gen., Mar. 22, 1933.

Where county board permits substitution of real estate mortgages in lieu of bond as security from depositories as permitted by this act it is the duty of county attorney to examine abstracts of title without additional compensation. Op. Atty. Gen., Mar. 22, 1933.

Securities which have been assigned to county by depository must be deposited with the county treasurer unless county board provides for their safe-keeping by one other than the treasurer, and board may not select bank or trust company furnishing same as their custodian. Op. Atty. Gen., Mar. 29, 1933.

Under this section as amended by Laws 1933, c. 41, school board may accept, in addition to personal bonds of depositaries, real estate mortgages to guarantee the obligation of the depository, but not to guarantee the obligation of the sureties. Op. Atty. Gen., Mar. 30, 1933.

There is no statutory limit as to amount a village may deposit in any one bank other than the requirement that designation of depository should specify amount which may be deposited therein, and the depository must give bond in at least double the amount so specified. Op. Atty. Gen., Apr. 3, 1933.

Where village has deposit in closed bank for which it holds as part security certain of its own refunding bonds, such bonds may be cancelled at their face value and set-off against the right of the village to an equal sum of money due it from the bank as a depositor. Op. Atty. Gen., Apr. 19, 1933.

A village holding its own bonds as security for deposit in bank may cancel bonds and permit face value as equitable offset against deposit claim. Op. Atty. Gen., Apr. 19, 1933.

County board must approve collateral deposited to secure county deposits. Op. Atty. Gen., Apr. 28, 1933.

Money deposited by clerk of court who took certificate of deposit would not be protected by securities deposited with county treasurer by bank, such money being held by clerk for distribution to private persons. Op. Atty. Gen., Apr. 28, 1933.

Under this section, as amended by Laws 1933 c. 41, a school district may invest its funds in liberty loan bonds. Op. Atty. Gen., May 3, 1933.

Bonds as security for township funds classified. Op. Atty. Gen., May 6, 1933.

County is a preferred creditor as to funds remaining in designated depository after expiration of term. Op. Atty. Gen., July 27, 1933.

City treasurer was relieved of liability for loss of funds where he deposits money lawfully in depository designated by city council. Op. Atty. Gen., May 31, 1933.

United States treasury notes are authorized security in lieu of depository bonds, but it is question of fact whether "South Park Commissioners, Improvement, Chicago, Ill.," bonds, qualify. Op. Atty. Gen., Aug. 2, 1933.

Under this section as amended by Laws 1933, c. 41, where mortgages are assigned to county to secure deposits, assignments should be recorded, and on return of security, proper assignments should be made under §41. Op. Atty. Gen., Aug. 11, 1933.

Depositing of bonds by bank in lieu of depository bonds does not constitute an unlawful preference in case of insolvency. Op. Atty. Gen., Aug. 28, 1933.

County may accept deposit of real estate mortgages instead of bonds. Op. Atty. Gen., Oct. 6, 1933.

Where school district is holding certificates of deposit with bonds placed with it by national bank as collateral, and bank has been reorganized, district is entitled to interest on certificates of deposit and not on bonds placed as collateral. Op. Atty. Gen., Mar. 26, 1934.

National banks may pledge assets to secure public funds. Op. Atty. Gen. (29b-3), Apr. 13, 1934.

Federal home loan bank bonds and home owners' loan corporation bonds may be pledged as security. Op. Atty. Gen. (355e), May 10, 1934.

Home owners' loan corporation bonds may be deposited in lieu of surety bonds. Op. Atty. Gen. (401b-11), May 11, 1934.

Municipal deposit may equal 90% of collateral plus insured deposit liability. Op. Atty. Gen. (450a-6), Oct. 6, 1934.

Provisions of act apply to cities operating under home rule charters containing inconsistent provisions. Op. Atty. Gen. (140b-8), Apr. 26, 1935.

### 1973-6. Depositories — Bank delinquent in payment of taxes on stock shares.

This statute is still in force. Op. Atty. Gen., May 29, 1930.

Treasurer of school district who was also cashier and stockholder of bank was not protected from liability by designation of the bank for deposits made in bank where it had not paid taxes on its stock. Op. Atty. Gen. (159a-21), Apr. 3, 1934.

**1973-8. Certain banks may be depositaries.**—In every case where a bank which is eligible under the provisions of General Laws 1927, Chapter 381 [Mason's Minn. Stat., 1927, §1973-6], merges or consolidates with another bank under the charter of either, such consolidated bank shall, so long as all taxes levied and assessed against its shares under the laws of this state subsequent to such consolidation are paid as required by law, be eligible to receive deposits of public moneys under said act. (Act Apr. 19, 1929, c. 262.)

### 1973-9. Treasurer to be reimbursed for losses.—

Where the treasurer of any town, village or city of the fourth class has or shall hereafter reimburse such town, village or city for loss of funds of the town, village or city on deposit in any bank which has or may become insolvent, such town, village or city shall reimburse said treasurer for the money so paid when a majority of the electors voting thereon at the annual town meeting or at any regular or special village or city election vote so to do; provided, that the notice of such annual meeting or election shall specify that such matter will be considered thereat. (Laws 1931, c. 35; Apr. 20, 1931, c. 279.)

Supersedes Laws 1929, c. 133, limited to town treasurers.

Laws 1931, cc. 35 and 279 do not repeal Laws 1929, c. 133 so as to prevent vote to reimburse town treasurer at special town meeting. Op. Atty. Gen., July 8, 1932.

### 1973-10. Depositaries insured under federal act excused from giving security to extent of insurance coverage.—

No bank or trust company authorized to do a banking business in this state, designated as a depository of state, county, village, borough, town, or school district funds, and Cities howsoever organized, provided by law, the deposits of which bank or trust company are insured in whole or in part, under the provisions of the Act of Congress of the United States of June 16, 1933 (creating the Federal Deposit Insurance Corporation and the Temporary Federal Deposit Insurance Fund) [Mason's U. S. C. A., tit. 12, §264], shall be required to furnish any corporate or personal surety bond, or deposit any collateral in lieu of bond, to secure such funds, in so far as such funds shall constitute "insured Deposit liabilities" of such bank or trust company within the provisions of said Act of Congress. Provided, that nothing in this Act shall be construed to release any bank or trust company from furnishing surety bond or collateral for all deposits in excess of the insurance afforded by the National Banking Act. (Act Jan. 9, 1934, Ex. Ses., c. 62, §1.)

See §7697-8 relating to deposits generally. Collateral may be released to extent of federal deposit insurance. Op. Atty. Gen., Feb. 6, 1934.

Amount allowed by statutes to be deposited by school treasurer without bond is not to be added to amount of deposit protected by federal deposit insurance. Op. Atty. Gen., Mar. 19, 1934.

As to depositaries under contracts at time Congress enacted deposit insurance, it is optional with county either to release or hold security, this act not being mandatory. Op. Atty. Gen., Mar. 27, 1934.

Deposit liability exemption as provided by this act is not in addition to exemption of \$2,000 provided for in §1049-1. Op. Atty. Gen., Mar. 27, 1934.

County may consider federal bank guaranty fund to extent of \$2500 as a part of security for county deposit. Op. Atty. Gen. (107a-2), Apr. 11, 1934.

Municipalities are not obliged to return securities pledged prior to enactment of this section. Op. Atty. Gen. (450d-3), May 1, 1934.

No depository bond is necessary to the extent of insured deposit liabilities. Op. Atty. Gen. (355e), May 10, 1934.

Exemption applies to each of several depositaries of county. Op. Atty. Gen. (107a-2), May 15, 1934.

County board and county treasurer may look upon federal deposit insurance as proper security for deposit of county funds without other security, but only to the extent of such federal insurance, and security should be required for deposit in excess of federal insurance. Op. Atty. Gen. (140a-16), July 25, 1934.

Federal deposit insurance corporation guarantees up to amount testified in federal act regardless of whether or not total of deposit is more than guaranteed fund. Op. Atty. Gen. (355E), Oct. 1, 1934.

Municipal deposit may equal 90% of collateral plus insured deposit liability. Op. Atty. Gen. (450a-6), Oct. 6, 1934.

Municipalities are not obliged to return securities pledged prior to passage of this act. Op. Atty. Gen. (140a-16), Oct. 22, 1934.

If depository furnishes collateral, it is to be regarded as additional security and not security in lieu of federal insurance. Op. Atty. Gen. (159a-9), Nov. 7, 1934.

Board of auditors may designate a bank, whose deposits are insured by Federal Deposit Insurance Corporation, and not require it to furnish bonds or collateral security. Op. Atty. Gen. (401b-2), Feb. 4, 1935.

Independent school district may deposit up to \$5,000 in depository, protected by federal insurance, without collateral. Op. Atty. Gen. (159a-9), Mar. 18, 1935.

Municipal funds may not be deposited in excess of amount that such deposits are insured under provisions of federal reserve act without requiring collateral security. Op. Atty. Gen. (29a-12), May 31, 1935.

**1973-11. Same—repeal.**—All Acts or parts of Acts, inconsistent herewith, are hereby repealed. (Act Jan. 9, 1934, Ex. Ses., c. 62, §2.)

**1973-12. Limitation of deposits dependent on capital and surplus.**—No designation of a bank or trust company as a depository of state, county, town, city, village, borough or school district funds, and no deposit of such funds in such designated depository shall

be limited by the amount of the capital or surplus of such depository, but the authority designating such depository may nevertheless fix the limit of deposit to be made therein and shall require security therefor as provided by law. (Act Apr. 29, 1935, c. 318, §1.)

**1973-13. Application of act.**—This act shall apply to all cities, villages, and boroughs, however organized. (Act Apr. 29, 1935, c. 318, §2.)

Sec. 3, of Act Apr. 29, 1935, cited, repeals all inconsistent laws.

CHAPTER 11

Taxes

Laws 1929, c. 38, creates a bank tax commission to study question of national bank taxation and to report at next session of legislature. Laws 1931, c. 275, continues the commission to the end of the 1933 session. Laws 1933, c. 323, continues commission.

Laws 1931, c. 303, authorizes the tax commission to compromise taxes assessed against shareholders of national banks. See, also, Res. No. 8, Laws 1931, p. 627.

GENERAL PROVISIONS

1974. Property subject to taxation.

1. General rules.

Intangibles, if so used as to become integral part of local business, may acquire situs for taxation other than domicile of their owner. Baker v. S., 186M160, 242NW 697. See Dun. Dig. 9155, 9572b.

Power of taxation is inherent in sovereignty and reposes in legislature, except as limited by state or national Constitution, and except as so limited, it is exhaustive and embraces every conceivable subject of taxation. Reed v. B., 191M254, 253NW102. See Dun. Dig. 9115.

City of Mankato could not enact an ordinance requiring one starting a new mercantile business to post a bond conditioned that if the concern does not stay in business for more than one year, the amount thereof should be forfeited to the city in liquidation of personal property taxes, license, etc. Op. Atty. Gen., Mar. 27, 1931.

Taxes assessed against land owned by state are not a lien thereon and may be cancelled. Op. Atty. Gen. (770e), June 12, 1934.

2. Credits of non-residents in the hands of local agents.

Intangible managed by a resident trustee where right of revocation is reserved by non-resident trustor is subject to tax. Op. Atty. Gen. (421c-15), Apr. 29, 1935.

6. Federal property and agencies.

An allotment to a mixed blood Chippewa Indian, fee patent for which had not been delivered, issue of patent not even having been applied for by him, is not subject to taxing power of state or any of its municipal subdivisions. Warren v. M., 192M464, 257NW77. See Dun. Dig. 9120.

7. Interstate commerce.

Cattle, temporarily owned by licensed dealers at stock-yards as they arrive and are purchased and resold outside state, are not subject to state taxation, such holding constituting interstate commerce. State v. Blasius, 187M420, 245NW612. Rev'd 54SCR34. See Dun. Dig. 4894.

The power of the states to tax intangibles. 15Minn LawRev741.

8. Held taxable.

A membership in the South St. Paul Traders' Livestock Exchange is property, and subject to taxation. State v. Blasius, 187M420, 245NW612. See Dun. Dig. 9128.

Franchises are subject to taxation. City of South St. Paul, 189M26, 248NW288. See Dun. Dig. 9125.

**1975. Property exempt from taxation.**—All property described in this section to the extent herein limited shall be exempt from taxation, to-wit:

- (1) All public burying grounds.
- (2) All public schoolhouses.
- (3) All public hospitals.
- (4) All academies, colleges, and universities, and all seminaries of learning.
- (5) All churches, church property and houses of worship.
- (6) Institutions of purely public charity.
- (7) All public property exclusively used for any public purpose.
- (8) Personal property of every household of the value of \$100. The county auditor shall deduct such exemption from the total valuation of such property as equalized by the tax commission assessed to such household, and extend his levy of taxes upon the remainder only.

In case there is an assessment against more than one member of a household the \$100 exemption shall be divided among the members assessed in the proportion that the assessed value of the personal property of each bears to the total assessed value of the personal property of all the members assessed. (R. L. '05, §795; '13, c. 259, §1; G. S. '13, §1970; '25, c. 171, §1; Apr. 29, 1935, c. 385. Jan. 24, 1936, Ex. Sess., c. 66.)

Op. Atty. Gen. (414d-10), July 19, 1934; note under §113.

Farm lands acquired by state through foreclosure of mortgages are not subject to taxation. State, Appeal of, 234M691. See Dun. Dig. 9151a.

The courts cannot acquire jurisdiction in proceedings to enforce taxes over state property. State, Appeal of, 182M437, 234NW691. See Dun. Dig. 9151a.

In the absence of express law so declaring, property of the state is not subject to taxation. State, Appeal of, 182M437, 234NW691. See Dun. Dig. 9151a.

Where city acquired land for airport pursuant to condemnation proceedings on Dec. 26, 1929, it was subject to 1929 levy of taxes which was spread on the books prior to that date. Op. Atty. Gen., Mar. 4, 1931.

A municipal golf course purchased by a city on Jan. 3, 1931, is exempt from taxation for 1931 and subsequent years, assuming that it is without unreasonable delay devoted to the purpose for which purchased. Op. Atty. Gen., Mar. 4, 1931.

Land owned and used by Boy Scouts is not exempt from taxation. Op. Atty. Gen., Aug. 11, 1930.

Property of Young Men's Christian Association used for boys' camp is not exempt from taxation. Op. Atty. Gen., Aug. 11, 1930.

Property purchased by an institution under a contract for a deed is not exempt from taxation. Op. Atty. Gen., July 20, 1931.

It is not necessary in arriving at assessed valuation of property in a county for salary purposes to go behind assessed valuation as determined by tax commission, and lands to which state has acquired title through operations of rural credit department should not be included, while so-called \$100 exemption of personal property should be included. Op. Atty. Gen. (104a-9), Dec. 27, 1934.

Under a statute providing that county auditor merely deducts total sum of exemptions from total valuation of property in county as equalized by tax commission, personal property exemption to each householder is not to be deducted in determining assessed valuation of all taxable property of county for purpose of determining sheriff's salary. Op. Atty. Gen. (104a-1), Jan. 2, 1935.

Exemption of property from taxation. 18MinnLawRev 411.

3. Special assessments.

Constitutional exemption of church property from taxation has no application to special assessment for local improvements. Op. Atty. Gen., Sept. 21, 1932.

On deed by state of land to private party, city has no authority to levy assessment for local improvements made while state owned premises. Op. Atty. Gen., Feb. 14, 1933.

Special assessment against state land on which is located teachers' college cannot be paid in absence of special appropriation of legislature. Op. Atty. Gen., Jan. 30, 1934.

4. Held exempt.

Property purchased by a church as a site for new church buildings is exempt at least from time architect is employed to prepare plans. State v. Second Church of Christ, Scientist, 185M242, 240NW532. See Dun. Dig. 9152.

Fact that church purchasing site for new buildings receives some small incidental revenue from the property was not sufficient ground for denying tax exemption. State v. Second Church of Christ, Scientist, 185M 242, 240NW532.

Evidence shows that real estate has since 1928 been continuously occupied and used as a seminary of learn-