

CHAPTER 476

STATE LOANS

476.01 SPECIAL TAX LEVY.

HISTORY. 1897 c. 83 s. 12; R.L. 1905 s. 790; 1909 c. 94 s. 1; G.S. 1913 s. 1878; G.S. 1923 s. 1958; M.S. 1927 s. 1958; Ex. 1936 c. 81 s. 1; M. Supp. s. 1958.

Where a village created under Laws 1885, Chapter 145, dissolves, the council may levy taxes only for one year and within the limit, and if more remains to be paid, the county auditor will make the levy for subsequent years. OAG Aug. 20, 1936 (469a-4).

The money derived from a tax levy dedicated to the payment of bonds and interest due the state cannot be diverted to any other purpose. OAG July 5, 1939 (43B-3).

Distinguishing the levies made under Laws 1941, Chapter 543, from the procedure under section 476.01. Under Laws, 1941, Chapter 543, the retirement is initiated by the city, and the proceeds of the levies may be used to retire valid indebtedness in advance of its due date. 1942 OAG 334, April 6, 1942 (519-I).

476.02 MUNICIPALITY.

HISTORY. 1907 c. 122 s. 1; G.S. 1913 s. 1879; G.S. 1923 s. 1959; M.S. 1927 s. 1959.

Sections 476.02 to 476.11 do not restrict authority given by sections 124.01 and 124.09 to school districts to repeal and modify earlier proceedings by calling a special election to rescind authority given to issue and sell bonds to the state, the bonds not having been issued: Independent School District v Rosenow, 185 M 261, 240 NW 649.

If the village plans to sell its bonds to the state it must comply with the provisions of sections 476.02 to 476.11. 1936 OAG 26, July 9, 1935 (44a-4).

Detail of issuance of bonds to purchase or build a fire house and to equip same. 1938 OAG 46, June 27, 1938 (688c).

Procedure for sale of bonds to private parties may be found in section 475.15, et seq; and a separate and distinct procedure for sale of bonds to the state board of investment is contained in sections 476.02 to 476.11. 1940 OAG 119, Aug. 22, 1940 (44b-17).

Proceeds of bonds issued for a designated purpose such as the retirement of debts must be used for that purpose and cannot be diverted to something else, and if after all debts are retired there remains a surplus, said surplus must be held to apply in the retirement of the issue. 1942 OAG 124, May 15, 1942 (36).

Municipal bond procedure; code provisions. 20 MLR 583.

476.03 MUNICIPALITY MAY SELL ITS BONDS TO STATE.

HISTORY. 1907 c. 122 s. 2; G.S. 1913 s. 1880; G.S. 1923 s. 1960; M.S. 1927 s. 1960.

The city of Duluth may by ordinance declare a sewage disposal plant a public utility, and, without a vote of the electors, the council may issue and sell bonds to the state. OAG Sept. 23, 1937 (387b-9).

A common school district may construct a residence for teachers, and issue and sell bonds to the state board of investment. OAG July 15, 1938 (159a-5).

MINNESOTA STATUTES 1945 ANNOTATIONS

476.04 STATE LOANS

2652

476.04 PROCEDURE FOR SALE OF BONDS WHEN VOTE OF ELECTORS IS NOT REQUIRED.

HISTORY. 1907 c. 122 s. 3; G.S. 1913 s. 1881; G.S. 1923 s. 1961; M.S. 1927 s. 1961.

476.05 WHERE VOTE OF ELECTORS IS REQUIRED; PROCEDURE.

HISTORY. 1907 c. 122 s. 4; G.S. 1913 s. 1882; G.S. 1923 s. 1962; M.S. 1927 s. 1962.

A petition instituting proceedings for the issuance of municipal bonds to the state which contained ten qualified signatures was not rendered invalid because two of the signers were members of the board. *Sorenson v School District*, 122 M 59, 141 NW 1105.

The notice stated that the bonds were to be used for "building and equipment, including buses". The ballot merely stated "building and equipment". The variance does not affect the validity of the bonds. *Hagen v Consolidated*, 156 M 268, 194 NW 756.

In a contest of an election upon the issuance of school bonds to the state the only defect was in stating in the first notice that the interest rate was 4½ per cent and in all subsequent notices and in the certificate of expediency and in the ballot the rate was quoted as 4¼ per cent. Held, as the irregularity did not affect the fairness of the election, the election was legal and the issuance of bonds valid. In *re Boyes*, 183 M 542, 237 NW 412.

Irregularity in ballot does not vitiate the election, and the bonds may be purchased by the state board of investment. 1934 OAG 58, Jan. 2, 1934 (44a-5).

It is mandatory that notice of election to authorize a bond issue be statutory in form. OAG May 19, 1933; OAG May 18, 1934 (928-8).

If the school district does not contain ten freeholders who are also residents of the district, it cannot take advantage of the provisions of section 476.05. 1934 OAG 342, April 25, 1934 (771b).

The village council may adopt a later resolution amending a former resolution so as to cure defects in the earlier resolution. 1934 OAG 62, Dec. 31, 1934 (44a); 1934 OAG 64, Jan. 6, 1934 (44a-7).

Bonds for building and site may be stated on the ballot as one proposition. OAG Oct. 7, 1936 (159a-3).

A delay of two years in the issuance of the bonds after authority granted, does not invalidate the bond issue. OAG Oct. 1, 1937 (928a-11).

Unless the bonds are to be sold to the state the council cannot be made to call an election, but if the bonds are to be sold to the state proceedings may be had under section 475.05. 1942 OAG 123, May 13, 1942 (36-B).

476.06 ELECTION; BALLOT; SEVERAL PROPOSITIONS.

HISTORY. 1907 c. 122 s. 5; G.S. 1913 s. 1883; G.S. 1923 s. 1963; M.S. 1927 s. 1963.

"Erecting a grade school and erecting an addition to the high school" are two questions and should be voted on separately. OAG Aug. 23, 1933.

The legislature intended that the proposition as to whether or not the village council should be authorized to construct "a sewer and water system" might be submitted to the voters as a single question. 1934 OAG 138, Nov. 27, 1933 (44b-14).

After the village voted on the question of issuing bonds to the PWA, the council may by resolution amend former resolutions so as to conform to date of maturity so as to sell the bonds to the state. OAG Jan. 6, 1934.

Ballots must contain statement that bonds are to be sold to the state. OAG June 7, 1937 (159a-3).

Application not in conformity with the statute which stated "\$3,000 water tank and equipment, \$3,000 repairing pump house, and \$4,000 reserved for continuing sewer work" all in one proposition. OAG June 29, 1939 (928a-8).

MINNESOTA STATUTES 1945 ANNOTATIONS

2653

STATE LOANS 476.12

476.07 CONDUCT OF SPECIAL ELECTION; APPLICATION TO STATE FOR LOAN.

HISTORY. 1907 c. 122 s. 6; G.S. 1913 s. 1884; G.S. 1923 s. 1964; M.S. 1927 s. 1964.

If village bonds for hospital or other purposes are to be sold to private parties, procedure is under sections 475.13, 475.14 and require a five-eighths vote; if to the state, proceedings must be under sections 476.02 to 476.11 and require a majority vote only. 1936 OAG 15, Oct. 1, 1935 (44b-5); 1936 OAG 26, July 9, 1935 (44a-4).

Only ballots cast at the special election and not total cast at general election held on the same day should be considered. OAG Nov. 10, 1936 (64t).

476.08 PURCHASE OF BONDS BY STATE.

HISTORY. 1907 c. 122 s. 7; G.S. 1913 s. 1885; 1917 c. 270 s. 1; G.S. 1923 s. 1965; M.S. 1927 s. 1965; 1943 c. 162 s. 1.

Where the original resolution was irregular in that the date set for maturing of bonds was an illegal date, but the original resolution was later modified to comply with the constitutional requirement, and the change was inconsequential, the irregularity was not ground for an injunction against issuance of the bonds. Purchase of a new school house site by the school board, followed by the board's order on the treasurer and the payment of same, was completely ratified by the voters at the next annual meeting. *Sorenson v School District*, 122 M 59, 141 NW 1105.

Taxes levied and in the process of collection cannot be deducted from the present indebtedness in determining the debt limit. OAG May 26, 1936 (519c).

State may purchase the bonds of a village in an amount not exceeding 15 per cent of assessed valuation. OAG Feb. 9, 1937 (44a-7).

Real and personal property and money and credits are included in the term "taxable property". OAG May 22, 1939 (44B-8).

476.09 STATEMENT SHOWING VALUATION OF PROPERTY FURNISHED BOARD OF INVESTMENT.

HISTORY. 1907 c. 122 s. 8; G.S. 1913 s. 1886; G.S. 1923 s. 1966; M.S. 1927 s. 1966.

476.10 BLANKS TO BE FURNISHED BY STATE.

HISTORY. 1907 c. 122 s. 9; G.S. 1913 s. 1887; G.S. 1923 s. 1967; M.S. 1927 s. 1967.

476.11 VALIDITY OF BONDS NOT TO BE QUESTIONED; EXCEPTION; CHANGE OF BOUNDARIES.

HISTORY. 1907 c. 122 s. 10; G.S. 1913 s. 1888; G.S. 1923 s. 1968; M.S. 1927 s. 1968; 1943 c. 161 s. 1.

A vote may be taken on "sewer and water system" bonds as one question. OAG Nov. 27, 1933 (44b-14).

The state may not purchase bonds of a village in excess of 15 per cent of its assessed valuation. 1934 OAG 61, April 25, 1934 (928a-8).

476.12 BOARD OF INVESTMENT TO BUY MUNICIPAL BONDS.

HISTORY. 1925 c. 350 ss. 1, 2; M.S. 1927 ss. 1968-1, 1968-2.

State may not purchase village bonds if the total indebtedness of the village exceeds 15 per cent of the assessed valuation of its real property. 1934 OAG 157, July 28, 1933 (44b-17).

A village selling bonds to the federal government under NIRA need not advertise for bids. OAG Aug. 21, 1933.

Village council may pass resolution amending former resolution so as to conform with section 476.08. OAG Jan. 6, 1934 (44a-7).

MINNESOTA STATUTES 1945 ANNOTATIONS

476.13 STATE LOANS

2654

When there is an emergency in a farming community the county may sell and the state may buy bonds to finance aid in the nature of twine and harvesting machinery. OAG July 12, 1935 (125a-37).

The record by the clerk as entered in his record book is the official record of the meeting. OAG Nov. 15, 1935 (162f).

476.13 STATE BOARD OF INVESTMENT MAY PURCHASE CERTAIN BONDS.

HISTORY. 1933 c. 389 s. 1; M. Supp. s. 1968-3.

Laws 1933, Chapter 389, is valid and constitutional. 1934 OAG 734, June 7, 1933 (821).

Village may purchase its own refundment bonds at a discount. OAG June 5, 1935 (476a-12).

476.14 STATE BOARD OF INVESTMENT TO INVESTIGATE LOANS.

HISTORY. 1933 c. 389 s. 2; 1935 c. 329 s. 1; M. Supp. s. 1968-4.

476.15 STATE MAY ISSUE CERTIFICATES OF INDEBTEDNESS.

HISTORY. 1933 c. 389 s. 3; M. Supp. s. 1968-5.

476.16 TAX LEVY TO RETIRE CERTIFICATES.

HISTORY. 1933 c. 389 s. 4; M. Supp. s. 1968-6.

476.17 MAY PURCHASE CERTAIN COUNTY BONDS.

HISTORY. 1933 c. 389 s. 5; M. Supp. s. 1968-7.

476.18 SALE OF BONDS TO THE UNITED STATES.

HISTORY. Ex. 1933 c. 17 s. 1; M. Supp. s. 1968-8.

Ex. Laws 1933, Chapter 17, was passed with long title in the house and short title in the senate, and is legal and constitutional. OAG Oct. 18, 1934 (869-8).