

shall be \$4,500 per annum, and the salary of the assistant municipal judge shall be \$2,100 per annum. The salary of the clerk of said municipal court shall be \$3,240 per annum. The salary of the first deputy clerk *and the chief counter clerk* shall be \$2,400 per annum. The salary of the second deputy clerk shall be \$2,340 per annum and the salary of the other deputy clerks herein provided for shall be \$2,040 each per annum. In case additional deputy clerks shall be appointed with the consent and sanction of the council of the city of Duluth, as provided in Section 11 of this act, the said city council shall fix the compensation of the deputy or deputies so appointed. The salary of the official court reporter appointed under Section 14 of this act shall be \$3,240 per annum. The salary of each officer shall be payable from the city treasury of Duluth in monthly installments, and neither of said officers shall receive any fee or compensation except as herein provided.

Approved April 20, 1943.

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CHAPTER 525—H. F. No. 1307.

*An act relating to extension of time for commencing actions under certain conditions pursuant to Mason's Minnesota Statutes for 1927, Section 1831.*

Be it enacted by the Legislature of the State of Minnesota:

**Section 1. Limitation of time in which certain actions may be brought.**—In respect to injuries sustained on or after October 26, 1941, the time to bring actions for damages under Mason's Minnesota Statutes for 1927, Section 1831, for injuries sustained is hereby extended for two years from the date of injury, whenever the claimant or his attorney is serving or has served in the armed services of the United States of America or the Minnesota State Guard, during any portion of the first year following the date of such injury.

Approved April 20, 1943.

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CHAPTER 526—H. F. No. 1360.

*An act relating to the financial affairs of certain cities, villages, towns and school districts more than 50 per cent of the assessed valuation of which consists of iron ore, prescribing penal-*

*ties for violation of its provisions, and repealing in part Laws 1929, Chapter 303; Laws 1931, Chapter 342; Laws 1933, Chapter 210; Laws 1933, Chapter 275; Laws 1933, Chapter 415; Laws 1935, Chapter 261.*

Be it enacted by the Legislature of the State of Minnesota:

Section 1. **Application of act.**—Subd. (a) This act shall apply to all cities, villages, towns and school districts in which more than 50 per cent of the assessed valuation of taxable real and personal property, excluding moneys and credits, consists of unmined iron ore. Its purpose is to secure sound fiscal policies in, and remedy the financial condition of, municipalities, a large proportion of the property of which consists of a diminishing natural resource in which the State has a substantial interest.

Subd. (b) In the case of any city within the class specified in Section 1, Subdivision (a) hereof having an assessed valuation as above defined in excess of \$9,000,000; and in the case of any village within such class having an assessed valuation, as above defined, of less than \$1,100,000; and in the case of any village within such class which is governed by Laws 1933, Chapter 211, or Laws 1937, Chapter 356; and in the case of any village within such class which is governed by Laws 1929, Chapter 208, and has an assessed valuation of less than \$20,000,000; and in the case of any school district within such class having an assessed valuation as above defined of less than \$6,000,000; and in the case of any school district within such class having an assessed valuation above defined of more than \$13,000,000; and in the case of all towns within said class, the act shall apply only if the governing body of such city or village, the board of any such school district, or the town board of any such town, shall have adopted a resolution determining to issue bonds under the provisions of this act or to go upon a cash basis in accordance with the provisions hereof.

Subd. (c) The term "municipality" as used herein includes cities, villages, towns and school districts, and the words "city", "village", "town", or "school district", as used herein, include only those of the class made subject to this Act by this section. The term "unfunded indebtedness" as used herein includes all general obligations and indebtedness except bonds and except indebtedness which is payable from special assessments against benefited property. The word "year" as used herein means calendar year, except that it shall mean "fiscal year" in the case of any school district or city as to which both of the following conditions exist, to-wit: (1) In the case of a city, the charter or law under which it is organized provides for a fiscal year differing from the calendar year; in the case of a school district, the books of account

are kept on the basis of a fiscal year differing from the calendar year; (2) The governing body of such city or school district shall have adopted a resolution determining that its operation under this act shall be on the basis of such fiscal year and giving the date of the beginning of said year.

**Sec. 2. May issue bonds to retire unfunded indebtedness.—**

Subd. (a) If any such municipality, prior to January 1, 1943, (or, in the case of municipalities referred to in Subd. (b) of Section 1 hereof, prior to January 1 of the year preceding the adoption of the resolution referred to in said subdivision) has incurred by proper authority a valid, unfunded indebtedness in excess of its cash on hand not specifically set aside for the retirement of bonds and interest thereon, it may, for the purpose only of paying and discharging such indebtedness and interest thereon, issue its bonds in the manner now provided by law, except that such bonds may be issued by vote of the governing body without a vote of the electors. The purchasers of such bonds shall not be charged with notice of the invalidity of any indebtedness, and bonds issued hereunder, in the total amount of such indebtedness as determined by resolution of the governing body, in the hands of any purchaser, shall be valid obligations of the municipality notwithstanding any claim of invalidity of any indebtedness funded thereby. If any money received from taxes payable, or local income received, in 1943 (or, in the case of municipalities referred to in subdivision (b) of Section 1 hereof, in the year of the adoption of the resolution referred to in said subdivision) have been used prior to the issuance of bonds authorized by this act for the retirement of indebtedness which could have been funded hereunder, the bonds issued hereunder may include the amount of such payments for the purpose of reimbursing the funds from which such moneys were paid.

Subd. (b) The governing body of any municipality issuing bonds hereunder shall, at the time of the issuance thereof, by resolution, provide for a levy of taxes for the payment thereof, such levy to be in accordance with the provisions of Mason's Minnesota Statutes of 1927, Chapter 10. Levies for the payment of such bonds shall be within the limitations upon tax levies for the payment of funding bonds in the particular municipality issuing such bonds. In the case of cities or villages, such levies shall in no event exceed the limitations of Laws 1921, Chapter 417, as amended by Laws 1929, Chapter 206, but, insofar as they represent indebtedness existing on December 31, 1940, may be in excess of any specific limitations imposed by any amendments of such laws adopted subsequent to December 31, 1940, to the extent permitted by such amendments. In the case of school districts, such levies shall

in no event exceed the limitations imposed by Laws 1921, Chapter 417, but, insofar as they represent indebtedness existing on December 31, 1940, may be in excess of any specific limitations imposed by any amendments of such law adopted subsequent to December 31, 1940, to the extent permitted by such amendments. In the case of towns, such levies shall in no event exceed the limitations of Laws 1927, Chapter 110, but may be in excess of any limitations imposed by any amendments of such law adopted subsequent to December 31, 1940. In all cases, the levies for such bonds shall be spread by the county auditor in full, and the levy of the municipality for other purposes shall be reduced, if necessary, so that the total amount levied for such municipality does not exceed said limitations.

Subd. (c) Such bonds may be issued and sold to the State of Minnesota pursuant to existing laws at the time of the issuance thereof, except as herein modified, or to private purchasers, or to both.

**Sec. 3. Not to draw orders unless there are sufficient funds.**

—Subd. (a) From and after January 1, 1944, (or, in the case of municipalities referred to in Subd. (b) of Section 1 hereof, from and after January 1 of the year following the adoption of the resolution referred to in said subdivision), no municipality subject to this act shall draw or issue any order or warrant on any fund (except as authorized by Subd. (f) of this Section) until there is sufficient money in such fund to pay the same, together with all warrants and orders previously issued against such fund.

Subd. (b) Whenever, from and after the date provided by subdivision (a) of this section, the expenses and obligations incurred chargeable to any particular fund of a municipality subject to this act in any year are sufficient to absorb such available cash as may remain in the fund from prior years or may have been received from other sources, plus (in the case of school districts) such amounts as have been certified by the State Department of Education as due for state aids of any kind, or income tax distributions for said district for such year, plus the percentage of the entire amount of the tax levy for such fund payable in that year indicated in subdivision (c) of this section, neither the governing body nor any officer, board or employee of such taxing district shall have power, and no power shall exist, to create any additional indebtedness (save as the remainder of such tax levy is collected or available money is received from other sources) which shall be a charge against that particular fund or shall be in any manner a valid claim against such municipality; but such additional indebtedness attempted to be created shall be a personal claim against the officer or member of the governing body voting for or attempting

to create the same. Whenever the county auditor shall have certified to the municipality the portion of the remainder of the tax levy which has been collected by the county treasurer, such portion shall be deemed to have been collected within the meaning of this section. At any time within six months after the passage of this act the governing body of any city subject thereto, upon the adoption of resolution finding that such action is necessary to its proper functioning hereunder, may transfer balances from any fund established by the city charter (except interest on sinking funds, or funds expenditures from which require authorization by popular vote) to any other fund for the purpose of reducing or eliminating overdrafts from such funds.

Subd. (c) The percentage of the entire amount of the tax levy which may be expended or against which obligations may be incurred under subdivision (b) of this section shall be 95 per cent in the case of any municipality in which the average tax delinquency in the three preceding years shall not exceed five per cent, and shall be 90 per cent in the case of any municipality in which the average tax delinquency in the three preceding years shall exceed five but shall not exceed ten per cent, and shall be 85 per cent in the case of any municipality in which the average tax delinquency in the three preceding years shall exceed 10 per cent. Provided, taxes involved in litigation as to the amount thereof shall not be considered delinquent within the meaning of this section.

Subd. (d) At any time after the first day of the year following the making of an annual tax levy, the governing body of any municipality may, for the purpose of meeting the obligations of the current year, by resolution, with or without advertisement for bids, issue and sell as many certificates of indebtedness as may be needed in anticipation of the collection of taxes so levied for any fund named in said tax levy, for the purpose of raising money for such fund. All certificates of indebtedness issued under the provisions of this act shall be negotiable and shall be payable to the order of the payee and shall have a definite due date, but may be made payable on or before such date. No certificate shall be issued to become due and payable later than the last day of the year of issuance. Such certificates shall not be sold for less than par and accrued interest, and shall not bear a greater rate of interest than six per cent per annum, which interest shall be payable at maturity or at such earlier times as the governing body may determine. Each certificate shall state upon its face for which funds the proceeds of the certificate shall be used, the total amount of the certificates so issued against such fund, and the total amount embraced in said tax levy for that fund. They shall be numbered consecutively and be in denominations of \$25.00 or any multiple

thereof and shall otherwise be in such form and be made payable at such place as will best aid in their negotiation.

Subd. (c) The total amount of certificates of indebtedness issued against any fund for any year, with interest thereon to maturity, shall not exceed in any municipality that per cent of the tax levy for said fund for such year which is prescribed by subdivisions (b) and (c) of this section as the maximum percentage of the tax levy against which obligations may be incurred in such municipality, and the aggregate of outstanding certificates against any fund at no time shall exceed the uncollected portion of such percentage of the tax levy for said fund, and prior to the beginning of the seventh month of the year shall not exceed fifty per cent of the uncollected portion of such percentage of said levy. Any such municipality may renew any outstanding certificates of indebtedness from any prior year or issue new certificates, notwithstanding the fact that prior certificates may be unpaid, whenever inability to pay such outstanding prior certificates is due solely to failure to collect sufficient moneys upon the tax levy against which they were issued to discharge such certificates; in the event such certificates are renewed, the municipality may pay accrued interest thereon at the time of renewal. Except as authorized in this subdivision, no certificate for any year shall be issued until all certificates for prior years have been paid, nor shall any certificate be extended.

Subd. (f) If any such municipality is unable to sell certificates of indebtedness in the manner prescribed hereby, it may issue such certificates, within the limitations herein provided, to the treasurer of the municipality, or his order, and deposit the same with him. Certificates so issued shall be held by the Treasurer until they may be sold and shall bear interest at not to exceed six per cent per annum. The municipality may thereupon, as long as such certificates are on deposit with the treasurer, issue warrants on funds against which such certificates were issued, the principal amount of such warrants not to exceed the total principal amount of the certificates so held by the treasurer. Such warrants shall bear interest at the rate specified by the governing body but not to exceed six per cent per annum from and after the day they are presented to the treasurer and stamped "Not paid for want of funds, but protected by certificates of indebtedness now held by me." Such certificates may be sold by the governing body of the municipality for not less than par and accrued interest, and the proceeds of such sale shall be used to take up such warrants in the order of which they were presented to the treasurer, registered by him, and stamped as aforesaid. Interest upon such warrants shall stop upon the date they are called by the treasurer for payment. Such certificates of indebtedness so held by the treasurer shall be

paid at the same time and the same manner as if they had been issued to a purchaser thereof. All warrants attempted to be issued and all obligations of indebtedness attempted to be incurred under authority of this subdivision in excess of the principal amount of the certificates of indebtedness so held by such treasurer shall be void.

Subd. (g) The proceeds of the taxes assessed as aforesaid on account of said fund, and the faith and credit of the municipality shall be irrevocably pledged for the redemption of the certificates issued hereunder in the order of issuance against each respective fund.

Subd. (h) From and after the date specified in subdivision (a) of Section 3 hereof, any such municipality shall be deemed for all purposes to be on a cash basis. All taxes shall be levied as now provided by law, but shall be considered as tax revenues for the year in which such taxes are payable. Any balance remaining in any fund at the end of any such year may be used in later years in addition to the taxes levied for such year or years.

Subd. (i) During the first month of each year the governing body of each municipality subject to this section, on the basis of the tax levy made, with allowance for probable delinquencies, if any, and on the basis of probable receipts from other sources, shall determine the moneys which will be available for each fund and department during each quarter of the ensuing year, and, by resolution, shall fix the maximum amount of money which shall be expended by each department and from each fund in each quarter of said year. When it appears that money budgeted for any fund is not needed therefor, the governing body, by resolution, may transfer the excess to any other fund unless such transfer is prohibited by any law governing such municipality. If under the law the governing body has no control over the expenditures of a particular department or board, such resolution shall, as to such department or board, set forth the amount of tax moneys or other funds, if any, which will be made available for such department or board by action of the governing body.

**Sec. 4. Clerk to make statement showing expenditures and obligations.**—The clerk or recording officer of each municipality subject to this act shall prepare and present to the governing body, at its first meeting in each month, a statement showing expenditures made and estimated obligations or indebtedness incurred for the preceding month and for the preceding portion of the year; the amount allotted by the resolution referred to in Section 3, for such month and quarter and the preceding quarters of the year; the amount allotted by such resolution and the probable

expenditures for the remaining quarters of the year. If at any time it appears from such statement or from other evidence that the municipality is incurring obligations at a rate or upon a scale which would make it probable, if such rate or scale of expenditures be continued, that the total attempted expenditures for said year would exceed the available revenues, after allowance for probable tax delinquencies, the district court, in an action by any taxpayer, may enjoin expenditures during the remainder of the year in excess of probable available revenues.

**Sec. 5. Shall not contract indebtedness in excess of revenue.**—Whenever any department, board or commission of such municipality has power under the law to expend money, such department, board or commission shall not contract any indebtedness or incur any obligations which, when added to other indebtedness, obligations or liabilities, previously incurred during the year, would be in excess of the sum that may be allotted to such department, board or commission for said year by the governing body of such municipality, plus available actual receipts from such other sources as are under its control.

**Sec. 6. Contracts to be null and void.**—Each contract attempted to be entered into or indebtedness or pecuniary liability attempted to be incurred in violation of the provisions of this act shall be null and void in regard to any obligation thereby sought to be imposed upon the municipality or any department thereof, and no claim therefor shall be allowed by the governing body or any officer, board or commission; nor shall the clerk or any other officer issue or execute, nor shall the treasurer or other disbursing officer thereof pay, any check, warrant or certificate of indebtedness issued on account thereof. Each member of the governing body, board or commission, and each other officer of the municipality participating in or authorizing any violation of this act shall be individually liable to the municipality for any damage that is caused thereby, and shall be individually liable to any person furnishing any labor, services or materials on any contract entered into or obligations assumed in violation hereof. Each member of the governing body or of a board or commission who is present at any meeting thereof when any action is taken with reference to paying money or incurring indebtedness or entering into any contract in violation of the provisions of this section shall be deemed to have participated in and to have authorized the same unless he shall have caused his dissent therefrom to be entered upon the minutes of the meeting.

**Sec. 7. Courts may enforce act.**—The district court may, at the suit of any taxpayer, enforce the performance by any governing body, board, commission, officer or agent of any municipality

of any action which he is directed to perform by this act, to the full extent necessary to carry out the purpose hereof.

**Sec. 8. Application of act.**—This act shall supersede inconsistent home rule charter provisions, but shall not supersede or repeal home rule charter provisions not inconsistent with it which impose other and additional restrictions on the incurring of obligations or expenditures of moneys.

**Sec. 9. Construction of act.**—Nothing herein shall be construed as restricting the power of a municipality to issue bonds for any purpose when authorized by any other law.

**Sec. 10. Law repealed.**—The following laws are hereby repealed, except that provisions thereof regulating the making and allocating of levies for the payment of bonds issued thereunder and interest thereon, and any other provisions relating to tax levies, shall remain in force; Laws 1929, Chapter 303; Laws 1931, Chapter 342; Laws 1933, Chapter 210; Laws 1933, Chapter 275; Laws 1933, Chapter 415; Laws 1935, Chapter 261.

**Sec. 11. Provisions severable.**—The provisions of this act are severable, and the unconstitutionality of any provision or the unconstitutionality of the act as applied to any municipality shall not invalidate other provisions or prevent the application of the act to other municipalities; provided, that if for any reason this act be held to be inapplicable to any municipality which now is governed by any of the laws specifically repealed by Section 10 hereof, such law shall not be repealed as to such municipality.

Approved April 20, 1943.

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#### CHAPTER 527—H. F. No. 1393.

*An act relating to the deputies and other assistants to the sheriff and their salaries in any county containing not less than 90 full and fractional congressional townships and having an assessed valuation, exclusive of money and credits, of more than \$18,000,000 and less than \$30,000,000; and amending Laws 1917, Chapter 156, Section 3, as amended.*

Be it enacted by the Legislature of the State of Minnesota:

**Section 1. Law amended.**—Laws 1917, Chapter 156, Section 3, as amended by Laws 1919, Chapter 383, Section 1, is amended to read as follows: