



LYNDON A. SMITH
ATTORNEY GENERAL

CLIFFORD L. HILTON
ALEXANDER L. JANES
WILLIAM J. STEVENSON
C. LOUIS WEEKS
ALONZO J. EDGERTON
ASSISTANT ATTORNEYS GENERAL

Office of the Attorney General
St. Paul.

May 10, 1912.

Hon. Julius A. Schmahl,
Secretary of State,
Capitol.

Dear Sir:

Pursuant to the requirements of Section 25 of the Revised Laws of Minnesota for 1905, and the amendment thereto, I hereby transmit to you a statement of the purposes and effects of the amendments proposed to the Constitution of the State of Minnesota which are to be approved or rejected at the next general election, and I include in that statement a brief explanation of the purpose and effect of the law relative to the increase and payment of railroad gross earnings taxes.

Yours truly,

Lyndon A. Smith
Attorney General.

1027

DS
Enc

ORIGINAL

HON. JULIUS A. SCHMAHL,
SECRETARY OF STATE,
CAPITOL.

SIR:

As required by Section 25 of the Revised Laws, and Amendment, I have the honor to furnish you herewith a statement of the purposes and effects of the respective amendments to the Constitution of the State of Minnesota, proposed by the Legislature of 1911, which are to be submitted to the electors of this State at the general election in 1912.

I.

INCREASED ROAD ~~FUND~~ **FUND.**

Chapter 390 of the General Laws of Minnesota for 1911, proposes to the people of this State, for their approval or rejection, and amendment to Section 16 of Article 9 of the Constitution. This Section now reads as follows:

"Section 16. For the purpose of lending aid in the construction and improvement of public highways and bridges, there is hereby created a fund, to be known as the 'state road and bridge fund, said fund shall include all moneys accruing from the income derived from investments in the internal improvement land fund, or that may hereafter accrue to said fund, and shall also include all funds accruing to any state road and bridge fund, however provided.

"The legislature is authorized to add to such fund, for the purpose of constructing or improving roads and bridges of this state, by providing, in its discretion, for an annual tax levy upon the property of this state of not to exceed in any year one-fourth (1/4) of one mill on all the taxable property within the state.

"Provided, that no county shall receive in any year more than three (3) per cent or less than one-half (1/2) of one (1) per cent of the total fund thus provided and expended during such year; and provided, further, that in no case shall more than one-half (1/2) of the cost of constructing or improving any road or bridge be paid by the state from such fund."

This Section, if amended, will read as follows:

"Section 16. For the purpose of lending aid in the construction and improvement of public highways and bridges, there is hereby created a fund, to be known as the 'state road and bridge fund', said fund shall include all moneys accruing from the income derived from investments in the internal improvement land fund, or that may hereafter accrue to said fund, and shall also include all funds accruing to any state road and bridge fund, however provided.

"The legislature is authorized to add to such fund, for the purpose of constructing or improving roads and bridges of this state, by providing, in its discretion, for an annual tax levy upon the property of this state of not to exceed in any year one mill on all the taxable property within the state. Provided, that no county shall receive in any year more than three (3) per cent or less than one-half ($1/2$) of one (1) per cent of the total fund thus provided and expended during such year."

PURPOSE AND EFFECT. The approval of this amendment will authorize the Legislature to levy, in its discretion, a one mill tax upon all the property of this State for the benefit of the roads and bridges therein; and will repeal certain limitations as to the amount which may be paid by the State for such roads and bridges.

The present constitution authorizes the Legislature to add to the road and bridge fund by providing, in its discretion, for an annual tax levy upon the property of this State not to exceed one-fourth ($1/4$) of one (1) mill, while the amendment permits the Legislature, in its discretion, to provide for an annual tax levy of one (1) mill on all taxable property within the State.

The present constitution provides that in no case shall more than one-half ($1/2$) of the cost of constructing or improving any road or bridge be paid by the state from such fund. The amendment proposes to remove the limitation which now exists in

the constitution as to the amount which the state may pay from such fund towards the cost of constructing or repairing any road or bridge, and leaves the whole management of such fund to be provided for by law, as the Legislature shall deem wise.

II.

RAILROAD GROSS EARNINGS TAX.

Chapter 389, of the Laws of 1911, is an act which must be ratified by the people of the State in order to be of force and effect. Its purpose and effect is to make the gross earnings taxes of railroad companies payable semi-annually. This will give the State a cash income at a time when it now has to borrow money to pay current expenses. The law also defines the term "gross earnings" as

"all earnings on business beginning and ending within the state and a proportion based upon the proportion of the mileage within the state to the entire mileage over which such business is done, or earnings on interstate business passing through, into or out of the state, and also, in addition thereto, on all gross earnings of every nature whatsoever, from any other property owned, controlled or operated in this state."

The purpose of this definition of gross earnings is to include in the amount upon which taxes are to be paid by railroad companies such items as the income derived from ^{leased lines,} interests or exchange from money deposited in banks, interest on securities, rentals upon the right-of-way, garnishee fees, commissions from insurance companies, bill-board privileges, sales of hay and stumpage, and other miscellaneous items from which railroad companies actually derive a revenue, and which have not heretofore been brought within the gross earnings laws for the taxation of railroads. The act continues in effect the laws for the enforcement of the provisions of the railroad gross earnings tax laws, and for the collection of such taxes; and it is estimated that these taxes will be increased by the foregoing definition of gross earnings

several hundred thousand dollars a year.

III.

INSURANCE OF CROPS.

By this amendment is is proposed to add an entirely new section to Article 9 of the Constitution, to be known as Section 17, and which shall read as follows:

"The legislature may provide for the payment by the State of Minnesota of damages to growing crops by hail and wind, or either, and to provide a fund for that purpose, including the necessary expenses of giving effect to this act, may impose a specific tax upon lands, the owners of which, at their option, have listed the same with county auditors for that purpose, and no payment shall be made of any such damages except from the fund so provided."

PURPOSE AND EFFECT. This amendment, if adopted, will authorize the state to act in the collection and disbursements of a fund for the payment of damages to growing crops by hail or wind, or either. This fund is to be created and maintained by a specific tax imposed by the legislature upon the lands of such persons only as shall voluntarily list the same with their respective county auditors for that purpose. Under it, there could be no tax for such purpose imposed on the lands of any owner who does not consent thereto. The legislature is also authorized to include in the fund to be raised by taxation of such listed lands the necessary expenses of administration of the law. The adoption of the amendment will authorize the legislature to direct that the taxing machinery of the state be used to levy and collect the tax necessary to raise such fund, and to provide for the disbursement of same by the officers of the state; but any payments to be made by the state by reason of damage by hail or wind will have to be made from such fund, and from no other. In the settlement of any such damages, the state would assume no liability beyond the amount of such fund and could not further be rendered liable.

IV.

MORTGAGE LOANS TO STATE.

This amendment, if adopted, will permit the permanent school and university fund of the state to be invested in first mortgage loans upon improved and cultivated farm lands of the State. This amendment would change Section 6, Article 8, of the Constitution, which now reads as follows:

"The permanent school and university fund of this state may be invested in the bonds of any county, school district, city, town or village of this state, but no such investment shall be made until approved by the board of commissioners designated by law to regulate the investment of the permanent school fund and the permanent university fund of this state; nor shall such loan or investment be made when the bonds to be issued or purchased would make the entire bonded indebtedness exceed fifteen per cent of the assessed valuation of the taxable real property of the county, school district, city, town or village issuing such bonds; nor shall such loans or indebtedness be made at a lower rate of interest than three per cent per annum, nor for a shorter period than five years, nor for a longer period than twenty years, and no change of the town, school district, city, village or of county lines shall relieve the real property in such town, school district, county, village or city in this state at the time of the issuing of such bonds from any liability for taxation to pay such bonds."

so as to read as follows:

"Section 6. The permanent school and university fund of this state may be invested in the bonds of any county, school district, city, town or village of this state, and in first mortgage loans secured upon improved and cultivated farm lands ^{investment} of this state. But no such improvement shall be made until approved by the board of commissioners designated by law to regulate the investment of the permanent school fund and the permanent university fund of this state; nor shall such loan or investment be made when the bonds to be issued or purchased would make the entire bonded indebtedness exceed 15% of the assessed valuation of the taxable real property of the county, school district, city, town or village issuing such bonds; nor shall any farm loan or investment be made when such investment or loan would exceed 30% of the actual cash value of the farm land mortgaged to secure said investment; nor shall such loans or indebtedness be made at a lower rate of interest than 3% per annum, nor for a shorter period than five years, nor for a longer period than twenty years, and no change of the town, school district, city, village or county lines shall relieve the real property in such town, school district, county, village or city in this state at the time of issuing of such bonds from any liability for taxation to pay such bonds."

PURPOSE AND EFFECT. The present constitution authorizes the investment of the permanent school and university funds of

this state in the bonds of any county, school district, city, town or village of this state. This amendment, if adopted, will permit, in addition to the foregoing investments, said school and university funds to be invested also in first mortgage loans secured upon improved and cultivated farm lands of this state.

V.

COMMISSION FORM OF MUNICIPAL GOVERNMENT.

By this Amendment it is proposed to amend Section 36 of Article 4 of the Constitution, which now reads as follows:

"Any city or village in this state may frame a charter for its own government as a city consistent with and subject to the laws of this state, as follows: The legislature shall provide, under such restrictions as it deems proper, for a board of fifteen freeholders, who shall be and for the past five years shall have been qualified voters thereof, to be appointed by the district judges of the judicial district in which the city or village is situated, as the legislature may determine for a term in no event to exceed six years, which board shall, within six months after its appointment, return to the chief magistrate of said city or village a draft of said charter, signed by the members of said board, or a majority thereof. Such charter shall be submitted to the qualified voters of such city or village at the next election thereafter, and if four-sevenths of the qualified voters voting at such election shall ratify the same it shall, at the end of thirty days thereafter, become the charter of such city or village as a city, and supersede any existing charter and amendments thereof; Provided, that in cities having patrol limits now established, such charter shall require a three-fourths majority vote of the qualified voters voting at such election to change the patrol limits now established. Before any city shall incorporate under this act the legislature shall prescribe by law the general limits within which such charter shall be framed. Duplicate certificates shall be made setting forth the charter proposed and its ratification, which shall be signed by the chief magistrate of said city or village and authenticated by its corporate seal. One of said certificates shall be deposited in the office of the secretary of state, and the other, after being recorded in the office of the register of deeds for the county in which such city or village lies, shall be deposited among the archives of such city or village, and all courts shall take judicial notice thereof. Such charter so deposited may be

amended by proposal therefor made by a board of fifteen commissioners aforesaid, published for at least thirty days in three newspapers of general circulation in such city or village, and accepted by three-fifths of the qualified voters of such city or village voting at the next election and not otherwise; but such charter shall always be in harmony with and subject to the constitution and laws of the State of Minnesota. The legislature may prescribe the duties of the commission relative to submitting amendments of charter to the vote of the people, and shall provide that upon application of five per cent of the legal voters of any such city or village, by written petition, such commission shall submit to the vote of the people proposed amendments to such charter set forth in said petition. The board of freeholders above provided for shall be permanent, and all the vacancies by death, disability to perform duties, resignation or removal from the corporate limits, or expiration of term of office, shall be filled by appointment in the same manner as the original board was created, and said board shall always contain its full complement of members. It shall be a feature of all such charters that there shall be provided, among other things, for a mayor, or chief magistrate and a legislative body of either one or two houses; if of two houses, at least one of them shall be elected by general vote of the electors. In submitting any such charter or amendment thereto to the qualified voters of such city or village any alternate section or article may be presented for the choice of the voters, and may be voted on separately without prejudice to other articles or sections of the charter or any amendments thereto. The legislature may provide general laws relating to affairs of cities, the application of which may be limited to cities of over fifty thousand inhabitants, or to cities of fifty and not less than twenty thousand inhabitants, or to cities of twenty and not less than ten thousand inhabitants, or to cities of ten thousand inhabitants or less, which shall apply equally to all such cities of either class, and which shall be paramount while in force to the provisions relating to the same matter included in the local charter herein provided for. But no local charter, provision or ordinance passed thereunder shall supersede any general law of the state defining or punishing crimes or misdemeanors, "

so that said Section 36 of Article 4 of the State Constitution shall read as follows:

"Section 36. Any city or village in this state may frame a charter for its own government as a city, consistent with and subject to the laws of this state, as follows:

The legislature shall provide, under such restrictions as it deems proper, for a charter board of not to exceed fifteen freeholders, who shall be and for the past five years shall have been, qualified voters thereof, to be appointed by the judges of the district court of the judicial district in which the city or village is situated as the legislature may determine for a term in no event to exceed six years, which board shall within six months after its appointment return to the chief magistrate of said city or village a draft of a proposed charter, signed by the members of said board, or a majority thereof, and, if the same be not ratified may thereafter in like manner return other draft or drafts of a proposed charter until one thereof shall be ratified as herein provided.

Such charter shall be submitted to the qualified voters of such city or village at the next general or special election thereafter, and if a majority of the qualified voters voting at such election shall ratify the same, it shall, at the end of thirty days thereafter, or at such other time, if any, as shall be specified therein, become the charter of such city or village as a city and supersede any existing charter and amendments thereof; provided that in cities having patrol limits now established, such charter shall require a three-fourths majority vote of the qualified voters voting at such election to change the patrol limits now established.

Duplicate certificates shall be made setting forth the charter proposed and its ratification, which shall be signed by the chief magistrate of said city or village and authenticated by its corporate seal. One of said certificates shall be deposited in the office of the secretary of state and the other, after being recorded in the office of the register of deeds for the county in which such city or village lies, shall be deposited among the archives of such city or village, and all courts shall take judicial notice thereof.

Such charter so deposited may be amended, or revised, by proposal therefor made by said board and accepted by a majority of the qualified voters of such city or village voting at the next general or special election thereafter; but such charter shall always be in harmony with and subject to the constitution and laws of the State of Minnesota.

"The legislature may prescribe the duties of said board relative to submitting amendments of such charter to the vote of the people and shall provide that upon application of ten per cent of the legal voters of any such city or village by written petition, such board shall submit to the vote of the people proposed amendments to such charter set forth in said petition.

The board above provided for, shall be permanent and all vacancies by death, disability to perform duties, resignation or removal from the corporate limits, or expiration of term of office, shall be filled by appointment in the same manner as the original board was created, and said board shall always contain its full complement of members.

Any such charter or any amendment or revision thereof may provide for the commission form of government having legislative and administrative powers, or it may provide for a mayor or chief magistrate, and a legislative body of either one or two houses and, if of two houses, at least one of them shall be elected by a general vote of the electors, or it may provide for any other plan or system of municipal government; provided that the plan or form of government so adopted shall not violate the constitution of the state as hereby amended.

In submitting any such charter or amendment thereto, or revision thereof to the qualified voters of such city or village, any alternative section or article may be presented for the choice of the voters and may be voted on separately without prejudice to other articles or sections of the charter, or any amendments thereto or revision thereof.

The legislature may provide general laws relative to affairs of cities, the application of which may be limited to cities of over fifty thousand inhabitants, or to cities of fifty thousand and not less than twenty thousand inhabitants, or to cities of twenty thousand and not less than ten thousand inhabitants, or to cities of ten thousand inhabitants or less, which shall apply equally to all cities of either class, or if so specified in the law, to all cities in either such class not having charters adopted pursuant to this amendment, but no general law limited to one or more of said classes of cities shall apply to any city existing under a charter framed under this section of the constitution unless such general law shall be made applicable to such city by a declaration, therein, naming the city. Such laws shall be paramount while in force to the provisions relating to the same matter included in the local charter herein provided for.

" The legislature shall enact any and all laws necessary or proper to carry into effect the provisions of this amendment, and shall prescribe by law the general limits within which such charter shall be framed. No local charter, provision or ordinance passed thereunder shall supersede any general law of the state defining or punishing crimes of misdemeanors."

PURPOSE AND EFFECT. The purpose and object of this amendment is to permit cities already incorporated and villages desiring to be incorporated as cities to include in their charters, or by amendment or revision thereof, a commission form of government having legislative and administrative powers. The amendment sought enlarges the power of such municipalities in framing their own charters, reserving to the legislature, however, the authority to prescribe the general limits within which the said charters shall be framed.

A commission form of city government is generally understood to include the following characteristic features:

1. A small governing board;
2. The exercise of both legislative and administrative duties by this board;
3. The division among the members of the board of the administrative work of the city by departments over which a single member of the governing board of the city has control;
4. The election of the members of the governing board by all of the voters of the city and not by wards, precincts or districts;
5. The adoption of methods of direct popular control over the action and the continuance in office of the members of the governing board.

VI.

COUNTY SUPERINTENDENTS OF SCHOOLS.

By this Amendment it is sought to enlarge the provisions of Section 7, of Article 7, of the Constitution, which Section now reads as follows:

"Section 7. Every person who by the provisions of this article shall be entitled to vote at any election shall be eligible to any office which now is, or hereafter shall be, elective by the people in the district wherein he shall have resided thirty days previous to such election, except as otherwise provided in this constitution, or the constitution and laws of the United States."

so that it will read as follows:

"Section 7. Every person who by the provisions of this article shall be entitled to vote at any election shall be eligible to any office which now is, or hereafter shall be, elective by the people in the district wherein he shall have resided thirty days previous to such election, except county superintendents of schools who shall be required to have educational and professional qualifications to be determined by the legislature, and except as otherwise provided in the constitution, or the constitution and laws of the United States."

PURPOSE AND EFFECT. The purpose and effect of this amendment is to authorize the legislature to require educational and professional qualifications, in addition to all the other qualifications now required by law, for any person seeking the office of County Superintendent of Schools. As the Constitution now stands, any legal voter is eligible to the office of County Superintendent of Schools.

VII.

STATE SENATE.

Section 2 of Article 4 of the Constitution now reads as follows:

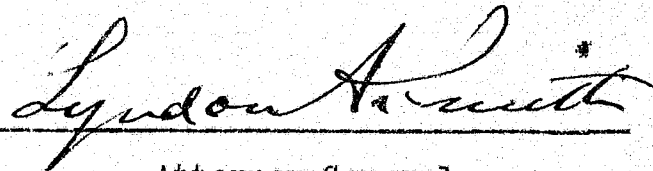
"Section 2. The number of members who compose the senate and house of representatives shall be prescribed by law, but the representation in the senate shall never exceed one member for every five thousand inhabitants, and in the house of representatives one member for every two thousand inhabitants. The representation in both houses shall be apportioned equally throughout the different sections of the state, in proportion to the population thereof, exclusive of Indians not taxable under the provisions of law."

It is proposed to substitute therefor the following:

"Section 2. Number of members. The senate shall be composed of sixty-three (63) members, and the house of representatives shall be composed of such number of members as may be prescribed by law. The representation in both houses shall be apportioned as nearly equal as practicable, throughout the different sections of the state in proportion to the population thereof, exclusive of Indians not taxable under the provisions of law. Provided, however, that a county may be divided into several legislative districts, but no county or any of the parts thereof shall ever constitute or be a part of more than seven (7) senatorial districts and not more than seven senators shall ever be apportioned to any one county."

PURPOSE AND EFFECT. The purpose and object of this amendment is to limit the State senate to sixty-three (63) members and to prevent any one county having more than seven (7) senators.

Yours respectfully,



Attorney General.

1027.

14

11

STATE OF MINNESOTA
DEPT OF STATE

in the office of Secretary

10th day
May 1913
Julius C. Schmidt
Secretary of State

I hereby certify that the within and foregoing is a true and correct copy of the original as the same appears in the files of the Department of State of the State of Minnesota, and that the same has been compared with the original and found to be a true and correct copy of the original as the same appears in the files of the Department of State of the State of Minnesota.

Witness my hand and the seal of the Department of State of the State of Minnesota, at St. Paul, Minnesota, this 10th day of May, 1913.

Julius C. Schmidt
Secretary of State

(A) Secretary