

OFFICE OF ATTORNEY GENERAL

ST. PAUL, MINNESOTA

June 30, 1922

Honorable Mike Holm
Secretary of State
Capitol

Sir:

As required by section 46, General Statutes of the state of Minnesota for the year 1913, I have the honor to furnish you, herewith, a statement of the purposes and effects of all amendments proposed to the constitution of the state of Minnesota by the legislature of 1921 and which are to be submitted to the electors of said state at the general election in 1922.

PROPOSED AMENDMENT NO.

Chapter 528, Session Laws of Minnesota for the year 1921 proposes an amendment to section 10 of article 9 of the constitution of said state. Said section now reads as follows:

"The credit of the state shall never be given or loaned in aid of any individual, association or corporation. Nor shall there be any further issue of bonds denominated 'Minnesota state railroad bonds,' under what purports to be an amendment to section ten of article nine, of the constitution, adopted April 15, 1858, which is hereby expunged from the constitution, saving, excepting and reserving to the state, nevertheless, all rights, remedies and forfeitures accruing under said amendment."

If amended, said section will read as follows:

"The credit of the state shall never be given or loaned in aid of any individual, association or corporation, except as hereinafter provided. Nor shall there be any further issue of bonds denominated 'Minnesota State Railroad Bonds,' under what purports to be an amendment to Section 10 of Article 9 of the constitution, adopted April 15, 1858, which is hereto expunged from the constitution, saving, excepting and reserving to the state, nevertheless, all rights, remedies and

226

"forfeitures accruing under said amendment. Provided, however, that for the purpose of developing the agricultural resources of the state, the state may establish and maintain a system of rural credits and thereby loan money and extend credit to the people of the state upon real estate security in such manner and upon such terms and conditions as may be prescribed by law, and to issue and negotiate bonds to provide money to be so loaned. The limit of indebtedness contained in Section 5 of this article shall not apply to the provisions of this section, and the purposes for which the credit of the state or the aforesaid municipal subdivisions thereof may be given or loaned as herein provided are declared to be public purposes."

The purpose of said amendment is to develop the agricultural resources of the state by authorizing the lending of money and credit of the state to the people upon real estate security.

The effect of said amendment, if adopted, will be to authorize the enactment of laws by the legislature for the establishment and maintenance of a system of rural credits. The legislature will be empowered to provide money by the issuance and negotiation of bonds of the state to be loaned upon real estate security to the people of the state, and will be enabled to prescribe the terms and conditions upon which such money may be lent and such credit extended. There will be no limit of indebtedness in this respect, and the state will be enabled to issue and negotiate as many bonds for this purpose as it deems advisable.

PROPOSED AMENDMENT NO.

Chapter 529, Session Laws of Minnesota for the year 1921, proposes an amendment to the constitution of the state of Minnesota by adding a new section to Article 9, to be known as section 1A, to read as follows:

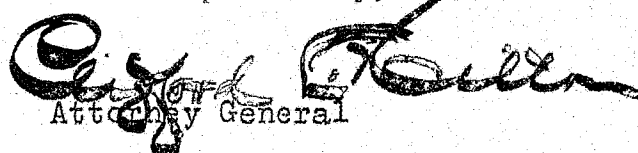
"Every person, co-partnership, company, joint stock company, corporation, or association, however or for whatever purpose organized, engaged in the business of mining or producing iron ore or other ores in this state, shall pay to the state of Minnesota an occupation tax on the valuation of

"all ores mined or produced, which tax shall be in addition to all other taxes provided by law, said tax to be due and payable from such person, co-partnership, company, joint stock company, corporation, or association however or for whatever purpose organized, on May first of the calendar year next following the mining or producing thereof. The valuation of ore for the purpose of determining the amount of tax to be paid shall be ascertained in the manner and method provided by law. Funds derived from the tax herein provided for shall be apportioned; fifty per cent to the state general revenue fund, forty per cent to the permanent school fund and ten percent to the permanent university fund. The legislature shall by law make the necessary provisions for carrying out the provisions of this section."

The purpose of said amendment is to direct the legislature of the state of Minnesota to impose and to keep in effect an occupation tax upon those engaged in the business of mining or producing iron ore or other ores in this state, in addition to other taxes imposed by law, at a rate, based upon the valuation of the ore produced, to be determined by the legislature; and to provide for the proportionate distribution of such taxes to the general revenue fund, the permanent school fund, and the permanent university fund.

The effect of the amendment, if adopted, will be to direct the legislature to impose and keep in effect such a tax upon those engaged in said business; and to require that the proceeds of such taxes shall be distributed in the manner following, to-wit; fifty per cent to the state general revenue fund, forty per cent to the permanent school fund, and ten percent to the permanent university fund.

Yours respectfully,


Attorney General

ESO:M

224

STATE OF MINNESOTA
DEPARTMENT OF STATE
FILED

JUL 5 1977

Wickstrom

Secretary of State