

Upon default in the conditions of the contract, the association may terminate the interest of the member, his representatives or assigns by serving the notice provided by Minnesota Statutes 1941, Section 559.21, upon such member, his representatives or assigns.

No association shall make the purchase and sale of mortgages or contracts for deed a substantial part of its business, but it may purchase from any governmental agency or instrumentality first lien mortgages and contracts for deed, the security for which is situate in this state, and may incidentally purchase and or sell loans of any type which it is permitted to that it may otherwise make, and may also purchase and sell any loan, guaranteed or insured by the United States or any agency thereof, and secured by a home or combination of home and business property located outside of its regular lending area; and it may participate with other lenders in making, purchasing, or selling such loans, if provided the property securing such loan is located within 50 miles of the principal office of another lender or lenders and that such lender or lenders participate to the extent of at least 50 percent in such loan; but the purchase of such loans hereafter made shall not constitute more than 25 percent of the total assets of such association.

Approved March 31, 1961.

CHAPTER 199—H. F. No. 924

[Not Coded]

An act authorizing the village of Babbitt to enter into contracts for public improvements and to issue its bonds to pay for the costs thereof, and validating such contracts heretofore made.

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

Section 1. Babbitt, public improvement. The village of Babbitt in St. Louis county, Minnesota, is hereby authorized to enter into contracts for the improvement of streets, alleys, and sidewalks, and for the acquisition, extension, enlargement, or replacement of water supply, treatment and distribution plants, facilities, and supplies and storm and sanitary sewer treatment and collection plants, facilities, and supplies, without first advertising for bids and without a contractor's bond being furnished.

Changes or additions indicated by *italics*, deletions by ~~strikeout~~.

Sec. 2. Contracts validated. All such contracts made by the village after January 1, 1961, are hereby legalized and validated, and are hereby declared to be valid and binding obligations of said village in accordance with their terms; provided that any such contracts heretofore and hereafter made may be amended, modified, extended, or rescinded by the parties.

Sec. 3. Bond issue authorized. The village is hereby authorized to issue its general obligation bonds in an amount not exceeding \$1,200,000, for the purpose of meeting payments to be made under the terms of such contracts, and for the purpose of paying any expenses incidental to the making of improvements thereunder, and incidental to the issuance of such bonds.

Sec. 4. Conditions of contract. This act shall apply only to those contracts of the village which satisfy both of the following conditions:

(a) The improvements to be made thereunder are needed in connection with the additional housing and community facilities required by the expansion of taconite mining and crushing operations within the village and the resulting increase in the population of the village; and

(b) The owner or owners of or lessee or lessees obligated by law or contract to pay taxes assessed against the properties to be taxed for the payment of bonds issued hereunder, as set forth in sections 6 and 7 hereof, have approved the contract.

The adoption of a resolution by the village council determining that a contract satisfies both of said conditions shall be prima facie evidence of such fact, and, in the absence of legal proceedings to enjoin the issuance of bonds hereunder, shall be conclusive evidence of such fact.

Sec. 5. Issuance of bonds. Except as hereinafter otherwise provided, the bonds issued hereunder shall be authorized, issued, sold, executed, and delivered in the manner provided by Minnesota Statutes 1957, Chapter 475, as amended. Such bonds may be authorized by a resolution adopted by a majority vote of all the members of the village council, without the approval of the electors of the village being required.

Sec. 6. Taconite land, taxation. The lands containing taconite and the taconite plants and lands upon which

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located, or which are used in connection therewith, and the buildings, machinery, equipment, and other fixtures used in the production of taconite, as referred to and defined in Minnesota Statutes 1957, Sections 298.23 to 298.28, both inclusive, as amended, located in said village, are hereby made subject to taxes for the payment of principal of and interest on any and all bonds issued under authority of this act, anything in said sections to the contrary notwithstanding. In the event such properties are all owned or leased as aforesaid by one person it shall not be necessary to make any determination of the value thereof. In the event such properties are owned or leased as aforesaid by more than one person, the taxes shall be apportioned annually between them by the county auditor on the basis of the relative values thereof owned by each, upon such investigation of the facts as the auditor shall deem necessary. The taxes levied in accordance with this act shall be billed to and collected from such person or persons at the time and in the same manner as taxes levied in and for said village upon real property subject to taxation therein, provided, any portion of such taxes levied for the payment of installments of principal of such bonds may be paid without penalty on or before October 31 of the year in which such taxes became due and payable if such installment of principal is not due until more than 60 days thereafter.

Sec. 7. **Tax levy.** After the sale and before the delivery of any bonds under authority of this act, the village council shall, by resolution, levy upon all of the property described in Section 6 hereof located in said village, a direct, general tax for each year of the term of the bonds in amounts such that, if collected in full, they will produce the amounts needed to meet when due the principal and interest payments on the bonds, and no excess over such amounts shall be included in the levy of such tax. A copy of such resolution shall be filed and the taxes so levied shall be extended, assessed and collected, and remitted as nearly as may be in the manner specified in Minnesota Statutes 1957, Section 475.61. Such levy shall not be included in computing permissible levies under Minnesota Statutes 1957, Section 275.11, or any amendments thereof.

Sec. 8. The bonds issued under authority of this act shall be the general obligations of the village, for which its full faith and credit and unlimited taxing power shall be pledged. In the event there shall be any deficiencies in the collection of the taxes pursuant to section 7 hereof, the de-

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ficiencies shall be made good by general levies, without limitation as to rate or amount, on all taxable properties in the village in accordance with Minnesota Statutes 1957, section 475.74. If any such deficiency levies are found necessary, the village council is empowered to effect a temporary loan or loans on certificates of indebtedness issued in anticipation thereof for the purpose of meeting payments of principal or interest on the bonds due or about to become due. Bonds may be issued under authority of this act notwithstanding any limitations upon the indebtedness of said village, and the amounts thereof shall not be included in computing the indebtedness of the village for any purpose, including the issuance of subsequent bonds and the incurring of subsequent indebtedness.

Sec. 9. The authority to enter into contracts and to issue bonds under this act shall expire on January 1, 1963.

Sec. 10. The powers conferred by this act on said village are supplementary to any of the powers of the village existing under the laws of this state.

Sec. 11. This act shall be effective only after it has been approved by a resolution adopted by a majority of the members of the village council of the village of Babbitt, and upon compliance with Laws 1959, Chapter 368.

Approved March 31, 1961.

CHAPTER 200—H. F. No. 1059

[Not Coded]

An act relating to the housing and redevelopment authority of Duluth, Minnesota; providing additional taxation for the support of an urban renewal project and providing for pledging of proceeds of tax levies toward payment of any bonds issued to defray the cost thereof.

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

Section 1. Duluth housing and redevelopment authority, tax levy. The Housing and Redevelopment Authority of Duluth, Minnesota, may by resolution levy a tax not to exceed five cents per \$100 per year of taxable valuation in its area of operation for a period of ten years, but such levy shall not be effective until ratified by the city council of the

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