

Sec. 2. A probate judge of the county of Renville who voluntarily retires prior to July 1, 1972, who prior thereto has attained the age of 68 years and has served as such probate judge for 22 years or more, shall upon retirement, receive one half of the compensation allotted to his office at the time of such retirement for the remainder of his life, as provided in Minnesota Statutes 1969, Section 490.12, and acts amendatory thereof.

Approved July 22, 1971.

EXTRA SESSION
CHAPTER 20—H.F.No.137

[Coded in Part]

An act relating to waters, including water pollution control; providing for water and sewer improvements; establishing the Minnesota state water pollution control fund for the appropriation and loan of money to municipalities for public land and buildings and other public improvements of a capital nature needed for this purpose; authorizing the issuance and sale of state bonds for the purpose of the fund pursuant to the Constitution, Article IX, Section 6; and appropriating money in connection therewith; amending Laws 1971, Chapter 916, Section 12, Subdivision 2, and by adding subdivisions; Section 17, Subdivision 3, and Section 18, Subdivision 3; repealing Laws 1971, Chapters 916, Section 12, Subdivisions 3 and 5; Section 13, Subdivision 8; Section 15, Subdivision 3; and 953.

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

Section 1. **[116.16] WATERS; POLLUTION CONTROL; MINNESOTA STATE WATER POLLUTION CONTROL FUND.** Subdivision 1. PURPOSE. A Minnesota state water pollution control fund is created as a separate bookkeeping account in the general books of account of the state, to record receipts of the proceeds of state bonds and other money appropriated to the fund and disbursements of money appropriated or loaned from the fund to agencies and subdivisions of the state for the acquisition and betterment of public land, buildings, and improvements of a capital nature needed for the prevention, control, and abatement of water pollution in accordance with the long range state policy, plan, and program established in sections 115.41 to 115.63, and in accordance with standards adopted pursuant to law by the Minnesota pollution control agency. It is determined that state financial assistance for the construction of

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water pollution prevention and abatement facilities for municipal disposal systems is a public purpose and a proper function of state government, in that the state is trustee of the waters of the state and such financial assistance is necessary to protect the purity of state waters, and to protect the public health of the citizens of the state, which is endangered whenever pollution enters state waters at one point and flows to other points in the state.

Subd. 2. DEFINITIONS. In this section and section 2:

(1) Agency means the Minnesota pollution control agency created by chapter 116;

(2) Municipality means any county, city, village, borough, and town, the metropolitan sewer board created by chapter 473C and the metropolitan council when acting under the provisions of that chapter, and any other governmental subdivision of the state responsible by law for the prevention, control, and abatement of water pollution in any area of the state;

(3) Pollution control fund means the Minnesota state water pollution control fund created by subdivision 1;

(4) Bond account means the Minnesota state water pollution control bond account created in the state bond fund by section 2, subdivision 4;

(5) Terms defined in section 115.01 have the meanings therein given them;

(6) The cost of any project includes (a) preliminary planning to determine the economic, engineering, and environmental feasibility of the project; (b) engineering, architectural, legal, fiscal, economic, sociological, project administrative costs of the agency and the municipality, and other investigations and studies; (c) surveys, designs, plans, working drawings, specifications, procedures, and other actions necessary to the planning, design, and construction of the project; (d) erection, building, acquisition, alteration, remodeling, improvement, and extension; (e) inspection of performance, monitoring, or control and supervision; and (f) all other expenses of the kinds enumerated in section 475.65.

Subd. 3. RECEIPTS. The state auditor and treasurer shall deposit in the fund as received (a) all proceeds of Minnesota water pollution control bonds, except accrued interest and premiums received upon the sale thereof, (b) all other money appropriated by law for purposes stated in subdivision 1, (c) all money granted to the state for such purposes by the federal government or any agency thereof, (d) all income from the investment of the fund, which income shall be credited thereto in each fiscal year in an amount equal to the approximate average rate of return that year on all funds invested by

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the state treasurer, as estimated by the treasurer, times the average balance in the fund that year, and (e) all money appropriated to the agency by section 116.15, subdivision 5, and not yet expended or committed. All such receipts are annually appropriated for the permanent construction and improvement purposes of the fund, and shall be and remain available for expenditure in accordance with this section and federal law until the purposes for which such appropriations were made have been accomplished or abandoned.

Subd. 4. DISBURSEMENTS. Disbursements from the fund shall be made by the state treasurer upon order of the state auditor at the times and in the amounts requested by the agency in accordance with the federal laws and regulations and the state appropriation acts governing such disbursements; except that no appropriation or loan of state funds for any project, except for a grant in aid of the payment of interest under section 116.15, shall be disbursed to any municipality until and unless the agency has by resolution determined the total estimated cost of the project, and ascertained that financing of the project is assured by:

(1) A grant to the municipality by an agency of the federal government within the amount of funds then appropriated to that agency and allocated by it to projects within the state; or

(2) A grant of funds appropriated by state law; or

(3) A loan authorized by state law; or

(4) The appropriation of proceeds of bonds or other funds of the municipality to a fund for the construction of the project; or

(5) Any or all of the means referred to in paragraphs (1) to (4); and

(6) An irrevocable undertaking, by resolution of the governing body of the municipality, to use all funds so made available exclusively for the construction of the project, and to pay any additional amount by which the cost of the project exceeds the estimate, by the appropriation to the construction fund of additional municipal funds or the proceeds of additional bonds to be issued by the municipality; and

(7) Conformity of the project and of the loan or grant application with the state water pollution control plan as certified to the federal government and with all other conditions under federal laws and regulations for a grant of federal funds of the nature and in the amount involved.

Subd. 5. RULES. The agency shall promulgate rules for the administration of grants and loans authorized to be made from the fund, which rules, however, shall not be applicable to the issuance of

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bonds by the state auditor as provided in section 2. The rules shall contain as a minimum:

- (1) Procedures for application by municipalities;
- (2) Conditions for the administration of the grant or loan;
- (3) Criteria for eligibility for grants or loans, including those specified in subdivision 6; and
- (4) Such other matters as the agency and the director find necessary to the proper administration of the grant program.

Subd. 6. PRIORITIES. The rules of the agency shall provide that a high priority shall be given to applications from municipalities which because of limited tax base, excessive bonded indebtedness, or critical conditions of water pollution requiring agency action pursuant to law, would face extreme financial hardship without the assistance provided by this act, and to applications from sanitary districts or for systems to be constructed to serve more than one municipality. The rules shall contain criteria relating to:

- (1) The extent and nature of pollution,
- (2) Per capita costs of the proposed projects,
- (3) Financial capability of the municipality,
- (4) The technological feasibility of the project,
- (5) The availability of other sources of financing, and
- (6) The adequacy of provision made to assure proper and efficient operation and maintenance of the project after the construction is completed.

Subd. 7. INTEREST GRANTS. To the extent that money is available in the fund from time to time, it may be used by the agency to assist municipalities in defraying interest costs during construction as provided in section 116.15.

Subd. 8. LOANS. Each loan made to a municipality from the proceeds of state bonds, when authorized by law, shall be evidenced by resolutions adopted by the agency and by the governing body of the municipality, obligating the municipality to repay the loan to the state treasurer, for credit to the water pollution control bond account in the state bond fund, in annual installments including both principal and interest, each in an amount sufficient to pay the principal amount within such period as may be provided by the agency in accordance with the law authorizing the loan, with interest on the declining balance thereof at a rate not less than the average annual interest rate on state bonds of the issue from the proceeds of which

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the loan was made, and obligating the municipality to provide money for such repayment from user charges, taxes, special assessments, or other funds available to it. For the purpose of repaying such loans the municipality by resolution of its governing body may undertake to fix rates and charges for disposal system service and enter into contracts for the payment by others of costs of construction, maintenance, and use of the project in accordance with section 444.075, and may pledge the revenues derived therefrom, and the agency may condition any such loans upon the establishment of rates and charges or the execution of contracts sufficient to produce the revenues pledged.

Subd. 9. APPLICATIONS. Applications by municipalities for grants or loans from the fund shall be made to the director of the agency on forms requiring information prescribed by rules of the agency. The director shall certify to the agency those applications which appear to meet the criteria set forth in this act and the rules promulgated hereunder, and the agency shall award grants or loans on the basis of the criteria and priorities established in its rules and in this act.

Sec. 2. [116.17] MINNESOTA STATE WATER POLLUTION CONTROL BONDS. Subdivision 1. PURPOSE AND APPROPRIATION. For the purpose of providing money to be appropriated or loaned to municipalities from the Minnesota state water pollution control fund for the acquisition and betterment of public land, buildings, and improvements of a capital nature needed for the prevention, control, and abatement of water pollution in accordance with the provisions of section 1, when such appropriations or loans are authorized by law and funds therefor are requested by the agency, the state auditor shall sell and issue bonds of the state of Minnesota for the prompt and full payment of which, with interest thereon, the full faith, credit, and taxing powers of the state are irrevocably pledged. Bonds shall be issued pursuant to this section only as authorized by a law specifying the purpose thereof and the maximum amount of the proceeds authorized to be expended for this purpose. Any act authorizing the issuance of bonds for this purpose, together with this section, constitutes complete authority for such issue, and such bonds shall not be subject to restrictions or limitations contained in any other law.

Subd. 2. ISSUANCE OF BONDS. Upon request by resolution of the agency and upon authorization as provided in subdivision 1 the state auditor shall sell and issue Minnesota state water pollution control bonds in the aggregate amount requested, upon sealed bids and upon such notice, at such price, in such form and denominations, bearing interest at such rate or rates, maturing in such amounts and on such dates, without option of prepayment or subject to prepayment upon such notice and at such times and prices, payable at such bank or banks within or outside the state, with such provisions for

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registration, conversion, and exchange and for the issuance of notes in anticipation of the sale or delivery of definitive bonds, and in accordance with such further regulations, as the auditor shall determine, subject to the approval of the attorney general, but not subject to the provisions of sections 15.0411 to 15.0422. The bonds shall be executed by the state auditor and attested by the state treasurer under their official seals. The signatures of the officers on the bonds and any appurtenant interest coupons and their seals may be printed, lithographed, engraved, or stamped thereon, except that each bond shall be authenticated by the manual signature on its face of one of the officers or of an officer of a bank designated by them as authenticating agent. The state auditor shall ascertain and certify to the purchasers of the bonds the performance and existence of all acts, conditions, and things necessary to make them valid and binding general obligations of the state of Minnesota, subject to the approval of the attorney general.

Subd. 3. EXPENSES. All expenses incidental to the sale, printing, execution, and delivery of bonds pursuant to this section, including but not limited to actual and necessary travel and subsistence expenses of state officers and employees for such purposes, and any expenses of litigation relating to the validity of the bonds, shall be paid from the pollution control fund, and the amounts necessary therefor are appropriated from that fund; provided that if any amount is specifically appropriated for this purpose in an act authorizing the issuance of bonds pursuant to this section, such expenses shall be limited to the amount so appropriated.

Subd. 4. STATE WATER POLLUTION CONTROL BOND ACCOUNT IN THE STATE BOND FUND. The state auditor shall maintain in the state bond fund a separate bookkeeping account which shall be designated as the state water pollution control bond account, to record receipts and disbursements of money transferred to the fund to pay Minnesota state water pollution control bonds and income from the investment of such money, which income shall be credited to the account in each fiscal year in an amount equal to the approximate average return that year on all funds invested by the state treasurer, as determined by the treasurer, times the average balance in the account that year.

Subd. 5. APPROPRIATIONS TO BOND ACCOUNT. The premium and accrued interest received on each issue of Minnesota state water pollution control bonds, and all loan payments received under the provisions of section 1, subdivision 5, shall be credited to the bond account. In order to reduce the amount of taxes otherwise required to be levied, there shall also be credited to the bond account therein from the general fund in the state treasury, on November 1 in each year, a sum of money sufficient in amount, when added to the balance then on hand therein, to pay all Minnesota water pollution control bonds and interest thereon due and to become due to and

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including July 1 in the second ensuing year. All money so credited and all income from the investment thereof is annually appropriated to the bond account for the payment of such bonds and interest thereon, and shall be available in the bond account prior to the levy of the tax in any year required by the Constitution, Article IX, Section 6, Subdivision 4. The state auditor and treasurer are directed to make the appropriate entries in the accounts of the respective funds.

Subd. 6. TAX LEVY. On or before December 1 in each year the state auditor shall levy on all taxable property within the state whatever tax may be necessary to produce an amount sufficient, with all money then and theretofore credited to the bond account, to pay the entire amount of principal and interest then and theretofore due and principal and interest to become due on or before July 1 in the second year thereafter on Minnesota water pollution control bonds. This tax shall be levied upon all real property used for the purposes of a homestead, as well as other taxable property, notwithstanding the provisions of section 273.13, subdivisions 6 and 7, and shall be subject to no limitation of rate or amount until all such bonds and interest thereon are fully paid. The proceeds of this tax are appropriated and shall be credited to the state bond fund, and the principal of and interest on the bonds are payable from such proceeds, and the whole thereof, or so much as may be necessary, is appropriated for such payments. If at any time there is insufficient money from the proceeds of such taxes to pay the principal and interest when due on Minnesota water pollution control bonds, such principal and interest shall be paid out of the general fund in the state treasury, and the amount necessary therefor is hereby appropriated.

Sec. 3. [116.18] WATER POLLUTION CONTROL FUND APPROPRIATIONS AND BONDS. Subdivision 1. APPROPRIATION FROM THE FUND FOR FEDERALLY AIDED PROJECTS. The sum of \$34,750,000, or so much thereof as may be necessary, is appropriated from the Minnesota state water pollution control fund in the state treasury to the pollution control agency, for the period commencing on the effective date of this act and ending June 30, 1973, to be granted and disbursed to municipalities and agencies of the state in aid of the construction of projects conforming to section 1, in accordance with the rules, priorities, and criteria therein described. Except as otherwise provided in subdivision 2, these funds shall be expended only for projects for which there becomes available, through use of these funds, a grant of federal funds at a percentage of cost exceeding the percentage which would be available for the project if these state funds were not available. Not less than 20 percent of such cost shall be paid by the municipality or agency constructing the project. It is the purpose of this appropriation that a grant of state funds for each project approved in each of the fiscal years ending June 30, 1971, 1972, and 1973, shall be made in an amount not less than that required in federal law and regulations

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as a condition for the grant of federal funds for the project and for all other water pollution control projects for which federal grants are allocated in the same year, in the maximum amount permissible under such law and regulations.

Subd. 2. ADDITIONAL PURPOSES OF APPROPRIATION. If the pollution control agency, acting in accordance with section 1, subdivisions 4 to 6, determines that the public health of the state requires the construction of a project by a municipality or agency that is unable to provide 20 percent of the eligible cost thereof, the funds appropriated in subdivision 1 may be expended to reduce its contribution to not less than 15 percent of the eligible cost. Funds estimated by the pollution control agency to be available, consistent with the fulfillment of the purpose expressed in subdivision 1, may also be granted to assist in defraying interest costs during construction of water pollution control projects for which federal grants are anticipated, as provided in Minnesota Statutes, Section 116.15.

Subd. 3. APPROPRIATION FROM GENERAL FUND; REIMBURSEMENT. The sum of \$9,750,000, or so much thereof as may be necessary, is appropriated from the general fund to the Minnesota state water pollution control fund, for the purpose of providing money appropriated in subdivision 1 for expenditure from that fund for the purpose therein stated, provided that no amount shall be credited at any time to the water pollution control fund, pursuant to this appropriation, which would cause the balance then on hand in the fund to exceed the aggregate amount of grants approved and not theretofore disbursed by the pollution control agency, as certified by its director.

Subd. 4. BOND AUTHORIZATION. For the purpose of providing money appropriated in subdivision 1 for expenditure from the Minnesota state water pollution control fund through grants to municipalities and agencies of the state for the acquisition and betterment of public land, buildings, and improvements of a capital nature needed for the prevention, control, and abatement of water pollution, including reimbursement of amounts expended from the general fund for this purpose, the state auditor is authorized upon request of the pollution control agency to sell and issue Minnesota state water pollution control bonds in the amount of \$25,000,000, in the manner and upon the conditions prescribed in section 2 and in the Constitution, Article IX, Section 6. The proceeds of such bonds, except as provided in section 2, subdivision 5, are appropriated and shall be credited to the Minnesota state water pollution control fund. The amount of bonds issued pursuant to this authorization shall not exceed at any time the amount needed to produce a balance in the water pollution control fund equal to the aggregate amount of grants then approved and not previously disbursed, plus the amount of such grants to be approved in the current and the following fiscal year, as estimated by the pollution control agency.

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Subd. 5. FEDERAL AND OTHER FUNDS. All federal and other funds made available for any purpose of the water pollution control fund are also appropriated to that fund.

Subd. 6. CONTINUANCE OF APPROPRIATIONS. None of the appropriations made in this section shall lapse until the purpose for which it is made has been accomplished or abandoned. The amount of each grant approved for disbursement from the water pollution control fund shall be and remain appropriated for that purpose until the grant is fully disbursed or part or all thereof is revoked by the pollution control agency.

Sec. 4. VALIDATION. All actions heretofore taken by the pollution control agency pursuant to Laws 1971, Chapter 953, are hereby legalized and validated.

Sec. 5. Laws 1971, Chapter 916, Section 12, Subdivision 2, is amended to read:

[116A.12] Subd. 2. **FORM OF NOTICE.** The notice shall state the pendency of the petition, that the engineer's and viewers' reports have been filed, and the time and place set for the hearing. The notice shall contain a brief description of the proposed system in general terms, the lands affected thereby, the area proposed to be assessed, and the municipal and other corporations affected thereby as shown by the engineer's and viewers' reports. It shall be sufficient if the names are listed in narrative form and if the lands affected are separately listed in narrative form by governmental sections or otherwise.

In judicial proceedings, separate notices may be prepared, published, posted and mailed in each county affected, showing only that portion of the water or sewer system or combination thereof and the names and descriptions of the properties affected in the county.

Sec. 6. Laws 1971, Chapter 916, Section 12, is amended by adding a subdivision to read:

[116A.12] Subd. 3a. **PERSONS ENTITLED TO NOTICE; PUBLICATION.** The auditor or clerk shall cause notice of the time and place of the hearing to be given to all persons interested by publication, posting and mailing. The publication shall be made no less than three weeks before the date of the hearing. A printed copy of the notice of hearing made for each county shall be posted within one week after the beginning of publication at the front door of the court house in each county. Within one week after the beginning of publication, the auditor or clerk shall give notice by mail of the time and place of the hearing to all persons, corporations, and public bodies affected by the proposed system as shown by the engineer's and viewers' reports.

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Sec. 7. Laws 1971, Chapter 916, Section 12, is amended by adding a subdivision to read:

[116A.12] Subd. 5a. JURISDICTION. Upon due publication, posting and mailing of the notice provided in this section, the board or court shall have jurisdiction of all lands and properties described in the engineer's and viewers' reports, and of all persons and corporations, municipal or otherwise, named therein, and all persons or corporations having any interest in any mortgage, lien or encumbrance against any of the lands or properties referred to in such reports.

Sec. 8. Laws 1971, Chapter 916, Section 12, is amended by adding a subdivision to read:

[116A.12] Subd. 6. FINDINGS AND ORDER. At the time and place specified in the notice, or at any adjournment thereof, the board or court shall consider the petition for the water or sewer system, together with all matters pertaining to the engineer's and viewers' reports, and consider all oral or written testimony presented by interested parties. The board or court shall have authority to amend the engineer's and viewers' reports as it deems necessary or proper. If the board or court shall find that the engineer's and viewers' reports have been made and all other proceedings in the matter had in accordance with law, that the estimated benefits are greater than the total estimated cost, including damages, that the benefits and damages have been duly determined, that the proposed water or sewer system will be of public utility and benefit, and will promote the public health, and that the proposed system is practicable, then the board or county shall by order containing such findings establish the water or sewer improvement and adopt and confirm the viewers' report as made or amended.

Sec. 9. Laws 1971, Chapter 916, Section 17, Subdivision 3, is amended to read:

[116A.17] Subd. 3. ASSESSMENT ROLL AND PREPAYMENT. After the adoption of the assessment the auditor shall prepare a final assessment roll with each installment of the assessment, and interest thereon, set forth separately, and shall extend same on the proper tax lists of the county. All assessments and interest thereon shall be collected and paid over in the same manner as other county taxes. The owner of any property so assessed may, at any time before the assessment has been extended on the tax lists pay the whole of the assessment on such property, with interest accrued to the date of payment, except that no interest shall be charged if the entire assessment is paid within 30 days from the adoption thereof; and, except as hereinafter provided, he may at any time prior to November 15 of any year prepay the whole assessment remaining due with interest accrued to December 31 of the year in which said prepayment is made.

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Sec. 10. Laws 1971, Chapter 916, Section 18, Subdivision 3, is amended to read:

[116A.18] Subd. 3. **REAPPORTIONMENT UPON LAND DIVISION.** When a tract of land against which a special assessment has been levied is thereafter divided or subdivided by plat or otherwise, the board or court may, on application of the owner of any part of the tract or on its own motion equitably apportion among the various lots or parcels in the tract all the installments of the assessment against the tract remaining unpaid and not then due if it determines that such apportionment will not materially impair collection of the unpaid balance of the original assessment against the tract. The board or court may, and if the special assessment has been pledged to the payment of improvement warrants shall, require the owner or owners, as a condition of such apportionment, to furnish a satisfactory surety bond fully protecting the county against any loss resulting from failure to pay any part of the reapportionment assessment when due. Notice of such apportionment and of the right to appeal shall be mailed to or personally served upon all owners of any part of the tract. Within 30 days after the mailing or service of the notice of such apportionment any such owner may appeal as provided in section ~~16~~ 19 of this act.

Sec. 11. Laws 1971, Chapter 916, Section 12, Subdivisions 3 and 5; Section 13, Subdivision 8; Section 15, Subdivision 3; and Chapter 953, are repealed.

Approved July 22, 1971.

**EXTRA SESSION
CHAPTER 21—S.F.No.65**

[Not Coded]

An act relating to retirement allowances for employees of cities of the first class.

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

Section 1. CITIES OF THE FIRST CLASS; RETIREMENT ALLOWANCES. Subdivision 1. In any city of the first class which has heretofore adopted a retirement allowance system, pursuant to the provisions of Minnesota Statutes, Chapter 422, the retirement board in charge of operating such system shall increase the retirement allowance of each employee on retirement, or the benefits of his

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