- Sec. 12. Minnesota Statutes 1984, section 65B.49, is amended by adding a subdivision to read:
- Subd. 4a. LIABILITY ON UNDERINSURED MOTOR VEHICLES. With respect to underinsured motor vehicles, the maximum liability of an insurer is the lesser of the difference between the limit of underinsured motorist coverage and the amount paid to the insured by or for any person or organization who may be held legally liable for the bodily injury; or the amount of damages sustained but not recovered.
- Sec. 13. Minnesota Statutes 1984, section 65B.525, subdivision 1, is amended to read:

Subdivision 1. The supreme court and the several courts of general trial jurisdiction of this state may, on or before January 1, 1975, shall by rules of court or other constitutionally allowable device, provide for the mandatory submission to arbitration, upon mutual consent of all parties to the action, of all cases at issue where a claim in an amount of \$5,000 or less is made by a motor vehicle accident victim, whether in an action to recover economic loss or non-economic detriment for the allegedly negligent operation, maintenance, or use of a motor vehicle within this state, or against any reparation obligor for benefits as provided in sections 65B.41 to 65B.71.

## Sec. 14. EFFECTIVE DATE.

Sections 1 to 4, 8, 11, and 12 are effective July 1, 1985, and apply to all insurance policies providing benefits for injuries arising out of the maintenance or use of a motor vehicle or motorcycle that are executed, issued, issued for delivery, delivered, continued, or renewed in this state after June 30, 1985. Sections 5 and 9 are effective the day following final enactment.

Approved May 21, 1985

## CHAPTER 169 — H.F.No. 889

An act relating to local government; providing for the conduct of the business of towns; providing for certain town debt; authorizing certain towns to provide certain services; revising various other town laws; allowing certain municipalities to set shorter voting hours; amending Minnesota Statutes 1984, sections 160.17, subdivision 1; 160.25, subdivision 3; 163.11, subdivision 5a, and by adding a subdivision; 164.06; 204C.05, subdivision 1; 365.10; 365.37; 365.44; 366.095; 367.03, subdivision 2; 367.10; 367.23; 444.075; and 471.56, subdivisions 1 and 3; proposing coding for new law in Minnesota Statutes, chapter 379; repealing Minnesota Statutes 1984, section 375.18, subdivisions 4, 5, and 6.

## BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 1984, section 160.17, subdivision 1, is amended to read:

Subdivision 1. PLANS AND SPECIFICATIONS TO BE FILED IN CERTAIN CASES. No contract for the construction or improvement of any road by a county or town in which the contract price exceeds the amount for which sealed bids are required as provided in section 471.345 shall be let unless the plans and specifications for the construction or improvement of the county or county state-aid highway are on file in the office of the county auditor and a true copy of them available for reference in the office of the county highway engineer with respect to county and county state-aid highways, and the plans and specifications for the construction or improvement of the town road are on file with the town clerk with respect to town roads.

- Sec. 2. Minnesota Statutes 1984, section 160.25, subdivision 3, is amended to read:
- Subd. 3. TUNNEL TO BE MAINTAINED BY ROAD AUTHORITY. Any tunnel constructed as provided in this section under any highway shall be maintained by the road authority having jurisdiction over the highway. A town board may charge the costs of maintenance of the tunnel to the users.
- Sec. 3. Minnesota Statutes 1984, section 163.11, subdivision 5a, is amended to read:
- Subd. 5a. HEARINGS ON CERTAIN REVERSIONS. Before adopting a resolution revoking a county highway that would revert in whole or in part to a town, the county board shall fix a date, time and place of hearing in the town where the highway is located to consider the revocation. Not less than 30 days before the hearing, the county board shall serve notice of the hearing by certified mail on each member of the town board of supervisors. At the hearing the town board and all interested persons shall be entitled to be heard and express their views on the proposed reversion of the highway to the town. After the hearing the county board may adopt a resolution revoking the highway. The resolution revoking the highway shall not be effective until the county has completed repairs or improvements on the highway that are necessary to meet the county standards for a comparable road in the county in which the town is located following conditions are met:
- (1) The county has completed repairs or improvements on the highway that are necessary to meet the county standards for a comparable road in the county in which the town is located; and
- (2) The county has properly recorded with the county recorder all county interest in real estate used for the highway.

- Sec. 4. Minnesota Statutes 1984, section 163.11, is amended by adding a subdivision to read:
- Subd. 5b. REVOKED HIGHWAYS; MAINTENANCE. A county highway that is revoked by a county board to a town under this section shall be maintained by the county for a period of two years from the date of revocation.
  - Sec. 5. Minnesota Statutes 1984, section 164.06, is amended to read: 164.06 ESTABLISH, ALTER, OR VACATE BY RESOLUTION.

A town board, when authorized by a vote of the electors at the annual meeting, or at a special meeting called for that purpose, may establish, alter, or vacate a town road by resolution, and may acquire the right-of-way as may be necessary for the road by gift, purchase or as provided in section 164.07.

Sec. 6. Minnesota Statutes 1984, section 204C.05, subdivision 1, is amended to read:

Subdivision 1. **OPENING AND CLOSING TIMES.** Except as otherwise provided in this section, at the state primary and the state general election the hours for voting in every precinct in the state shall begin at 7:00 a.m. and shall extend continuously until 8:00 p.m.

- Subd. 1a. ELECTIONS; ORGANIZED TOWN. The governing body of a town with less than 500 inhabitants according to the most recent federal decennial census, which is located outside the metropolitan area as defined in section 473.121, subdivision 2, may fix a later time for voting to begin at state primary, special, or general elections, if approved by a vote of the town electors at the annual town meeting. The question of shorter voting hours must be included in the notice of the annual town meeting before the question may be submitted to the electors at the meeting. The later time may not be later than 10:00 a.m. for special, primary, or general elections. The town clerk shall either post or publish notice of the changed hours and notify the county auditor of the change 30 days before the election.
- Subd. 1b. ELECTIONS; UNORGANIZED TERRITORY. An unorganized territory or unorganized territories which constitute a voting district may have shorter voting hours if at least 20 percent of the registered voters residing in the voting district sign a petition for shorter hours and present it to the county auditor. The later time may not be later than 10:00 a.m. for special, primary, or general elections. The county auditor shall either post or publish notice of the changed hours, within the voting district, 30 days before the election.
  - Sec. 7. Minnesota Statutes 1984, section 365.10, is amended to read: 365.10 TOWN MEETINGS, POWERS.

The electors of each town have power, at their annual town meeting:

- (1) To determine the locations of pounds, and number of poundmasters, and to discontinue any such pounds;
  - (2) To select such town officers as are to be chosen;
- (3) To make lawful orders and bylaws as they deem proper for restraining horses, cattle, sheep, swine, and other domestic animals from going at large on the highways, provide for impounding those animals so going at large, and to fix penalties for violations of the orders or bylaws;
- (4) To vote money for the repair and construction of roads and bridges, and to vote such sums as they deem expedient for other town expenses, including the construction and maintenance of docks and breakwaters;
- (5) When they deem it for the interest of the town to direct that a specified amount of the road tax be expended, under the direction of their town board, on the roads of an adjoining town;
- (6) To authorize the town board to purchase or build a town hall or other building for the use of the town, and to determine, by ballot, the amount of money to be raised for that purpose; but, if a site for a town hall is once obtained, it shall not be changed for another site, except by vote therefor designating a new site by two-thirds of the votes cast at such election of the legal voters of the town;
- (7) To authorize the town board, by vote, to purchase grounds for a town cemetery, and limit the price to be paid, and to vote a tax for the payment thereof:
- (8) To authorize the town, either by itself or in conjunction with one or more other towns, to purchase grounds for a public park and to limit the price to be paid therefor, to authorize the town, alone or in conjunction with such other town or towns, to care for, improve, and beautify such parks, and to determine, by ballot, the amount of money to be raised for that purpose, and to vote a tax for the payment thereof;
- (9) To vote money to aid in the construction of community halls, to be erected by farm bureaus, farmers clubs, or other like organizations;
  - (10) To vote a tax to purchase and maintain a public dumping ground;
- (11) To authorize the town board, by resolution, to determine whether to open or maintain town roads or town cartways under the jurisdiction of the town board upon which no maintenance or construction has been conducted for 25 years or more. For purposes of this clause the provisions of section 163.16 shall not apply to town roads described in this clause, nor shall the provisions of this clause apply to cartways. Nothing in this clause shall be construed to abridge the right of town voters or land owners to petition for the establishment of a cartway as provided in section 164.08;

- (12) To authorize the town board to spend money in an amount as determined by the electors for the purpose of commemorating an event of historical significance to the town;
- (13) To authorize the town board to provide, by ordinance, for licensing and regulating the presence or keeping of dogs and cats and their running at large within the town; and
- (14) To authorize the town board to contract with nonprofit organizations for health, social, or recreational services in an amount not to exceed a total of \$5,000 in any year when deemed in the public interest and of benefit to the town.
  - Sec. 8. Minnesota Statutes 1984, section 365.37, is amended to read:

# 365.37 CONTRACTS; LET ON BIDS, OFFICERS NOT TO BE INTERESTED.

Except as provided in sections 471.87 to 471.89, no supervisors, town clerk, or town board shall become a party to, or be directly or indirectly interested in, any contract made or payment voted by the town board and all contracts let on bid shall be let to the lowest responsible bidder after ten days public notice, posted in the three most public places in the town or published for two weeks in a newspaper generally circulated in the town, of the time and place of receiving bids. In cases of special emergency, a contract may be let without the notice being given or sealed bids solicited. Every contract made and payment voted or made contrary to the provisions of this section shall be void and any such officer violating the provisions of this section shall be guilty of a misdemeanor and, in addition to the provisions prescribed by law, removed from office.

Sec. 9. Minnesota Statutes 1984, section 365.44, is amended to read:

## 365.44 SEPARATION FROM A STATUTORY CITY.

Upon filing with the clerk of any town, except in any town having an area of more than two congressional townships and an assessed valuation of more than \$1,500,000 or having a population of more than 1,000 including the population of any statutory city located within the town, of a notice, signed by not less than 50 town voters thereof residing either within or without the statutory city to be separated stating that the question of the separation of such the town for all purposes from any statutory city located therein within the town will be voted upon at the next annual town meeting, the clerk shall insert such the statement in the notice of such the meeting, and the question shall be voted upon by a ballot. If a majority of the votes cast upon such the proposition be in favor of the separation, such the town shall thereafter be separated from such the statutory city for all purposes. Only voters residing without the statutory city shall be entitled to may vote upon such the question at said the town meeting.

Sec. 10. Minnesota Statutes 1984, section 366.095, is amended to read:

## 366.095 FINANCING PURCHASE OF CERTAIN EQUIPMENT.

The town board may issue certificates of indebtedness within the existing debt limits for the purpose of purchasing fire or police equipment or ambulance equipment or road construction or maintenance equipment a town purpose otherwise authorized by law. The certificates shall be payable in not more than five years and shall be issued on the terms and in the manner as the board may determine. If the amount of the certificates to be issued to finance the purchase exceeds one percent of the assessed valuation of the town, excluding money and credits, they shall not be issued for at least ten days after publication in a newspaper of general circulation in the town of the board's resolution determining to issue them; and if before the end of that time, a petition asking for an election on the proposition signed by voters equal to ten percent of the number of voters at the last regular town election is filed with the clerk, the certificates shall not be issued until the proposition of their issuance has been approved by a majority of the votes cast on the question at a regular or special election. A tax levy shall be made for the payment of the principal and interest on the certificates as in the case of bonds.

- Sec. 11. Minnesota Statutes 1984, section 367.03, subdivision 2, is amended to read:  $\cdot$
- Subd. 2. VACANCIES. When a vacancy occurs in any a town office the town board shall fill the same vacancy by appointment. The person so appointed shall hold his office until the next annual town meeting and until his successor qualifies; provided, that when a successor shall be elected to hold office for the unexpired term. A vacancy in the office of supervisor shall be filled by the remaining supervisors and the town clerk until the next annual town meeting, when his successor shall be elected to hold for the unexpired term. When, because of a vacancy, more than one supervisor is to be chosen at the same election, candidates for the offices of supervisor shall file for one of the specific terms being filled. Law enforcement vacancies shall be filled by appointment by the town board.
  - Sec. 12. Minnesota Statutes 1984, section 367.10, is amended to read: 367.10 TOWN CLERK; BOND; OATH.

Every town clerk, before beginning the duties of the office, shall give bond to the town in an amount to be determined by the town board, conditioned for the faithful discharge of the duties of clerk. The bond, with the oath of office, shall be filed with the county auditor.

Sec. 13. Minnesota Statutes 1984, section 367.23, is amended to read: 367.23 BONDS, HOW EXECUTED.

Every bond required of a town officer shall be executed to the town by its name and, when no other provision is made, shall be in a sum fixed by the town

board; and, if none is fixed, then in the sum of the bond of the last incumbent of the office. Every bond shall be approved by the chairman and filed with the town clerk within the time prescribed for filing the oath of office, except the bonds of the clerk and the treasurer, which shall be filed with the county auditor. Whenever the town board deems any bond insufficient, it may require an additional bond to be made and filed, in a sum, and within a time not less than ten days, to be fixed by it.

Sec. 14. [379,045] FIRST TOWN MEETING; ELECTION OF OFFICERS.

The first town meeting and election of officers in each new town shall be held as provided in sections 365.50 and 367.03, subdivision 1.

Sec. 15. Minnesota Statutes 1984, section 444.075, is amended to read:

444.075 WATERWORKS SYSTEMS, MAIN SEWERS, SEWAGE DISPOSAL PLANTS.

Subdivision 1. **DEFINITIONS.** For purposes of this section, the term "municipality" means a home rule charter or statutory city or a town located in a metropolitan county as defined in section 473.121, subdivision 4. The term "governing body" means the town board of supervisors with respect to towns.

Subd. 1a. AUTHORIZATION. Any home rule charter city, except cities of the first class, or any statutory city may build, construct, reconstruct, repair, enlarge, improve, or in any other manner obtain

- (i) waterworks systems, including mains, valves, hydrants, service connections, wells, pumps, reservoirs, tanks, treatment plants, and other appurtenances of a waterworks system,
- (ii) sewer systems, sewage treatment works, disposal systems, and other facilities for disposing of sewage, industrial waste, or other wastes, and
- (iii) storm sewer systems, including mains, holding areas and ponds, and other appurtenances and related facilities for the collection and disposal of storm water, all hereinafter called facilities, and maintain and operate the same facilities inside or outside its corporate limits, and acquire by gift, purchase, lease, condemnation or otherwise any and all land and easements required for that purpose. The authority hereby granted shall be is in addition to all other powers with reference to the facilities otherwise granted by the laws of this state or by the charter of any eity municipality. The authority granted in clause (iii) to eities municipalities which have territory within a watershed which has adopted a watershed plan pursuant to section 473.878 shall be exercised, with respect to facilities acquired following the adoption of the watershed plan, only for facilities which are not inconsistent with the watershed plan. The authority granted in clause (iii) to eities municipalities which have adopted local water management plans pursuant to section 473.879 shall be exercised, with respect to facilities

acquired following the adoption of a local plan, only for facilities which are not inconsistent with the local plan. Counties, except counties in the seven county metropolitan area, shall have the same authority granted to cities municipalities by this subdivision except for areas of the county organized into cities and areas of the county incorporated within a sanitary district established by special act of the legislature.

- Subd. 2. FINANCING. For the purpose of paying the cost of building, constructing, reconstructing, repairing, enlarging, improving, or in other manner obtaining such the facilities or any portion thereof of them, any such city a municipality or county may issue and sell its general obligations, which may be made payable primarily from taxes or from special assessments to be levied to pay the cost of the facilities or from net revenues derived from water or sewer service charges or from any other nontax revenues pledged for their payment under charter or other statutory authority, or from any two or more of such the sources; or it may issue special obligations, payable solely from such taxes or special assessments or from such revenues, or from any two or more of such the sources. Real estate tax revenues should be used only, and then on a temporary basis, to pay general or special obligations when the other revenues are insufficient to meet the obligations. All such obligations shall be issued and sold in accordance with chapter 475. When special assessments are pledged for the payment of such the obligations, they shall be authorized and issued in accordance with the further provisions of chapter 429, or of the municipality's city's charter if it authorizes such these obligations and the governing body determines to proceed thereunder under the charter. When net revenues are pledged to the payment of the obligations, together with or apart from taxes and special assessments, such the pledge shall be made in accordance with the further provisions of subdivision 3.
- Subd. 3. CHARGES; NET REVENUES. For the purpose of paying To pay for the construction, reconstruction, repair, enlargement, improvement, or other obtainment and the maintenance, operation and use of such the facilities, the governing body of any such city a municipality or county shall have authority to may impose just and equitable charges for the use and for the availability of such the facilities and for connections therewith with them and to make contracts for such the charges as hereinafter provided in this section. Such The charges may be imposed with respect to facilities made available by agreement with other municipalities, counties or private corporations or individuals, as well as those owned and operated by the eity municipality or county itself. Charges made for service directly rendered shall be as nearly as possible proportionate to the cost of furnishing the same service, and sewer charges may be fixed on the basis of water consumed, or by reference to a reasonable classification of the types of premises to which service is furnished, or by reference to the quantity, pollution qualities and difficulty of disposal of sewage and storm water produced, or on any other equitable basis including, but without limitation, any combination of those referred to above. Minimum charges for the availability of water or sewer

service may be imposed for all premises abutting on streets or other places where municipal or county water mains or sewers are located, whether or not connected thereto to them. Charges for connections to the facilities may in the discretion of the governing body be fixed by reference to the portion of the cost thereof of connection which has been paid by assessment of the premises to be connected, in comparison with other premises, as well as the cost of making or supervising the connection. The governing body may make any such the charges a charge against the owner, lessee, occupant or all of them and may provide and covenant for certifying unpaid charges to the county auditor with taxes against the property served for collection as other taxes are collected. The governing body may fix and levy taxes for the payment of reasonable charges to the municipality or county itself for the use and availability of the facilities for fire protection, for maintaining sanitary conditions, and for proper storm water drainage in and for public buildings, parks, streets, and other public places. In determining the reasonableness of the charges to be imposed, the governing body may give consideration to all costs of the establishment, operation, maintenance, depreciation and necessary replacements of the system, and of improvements, enlargements and extensions necessary to serve adequately the territory of the eity municipality or county including the principal and interest to become due on obligations issued or to be issued therefor. When net revenues have been appropriated to the payment of the cost of the establishment, or of any specified replacement, improvement, enlargement or extension thereof, or to pay the principal and interest due on obligations to be issued for such purpose, no charges imposed to produce net revenues adequate for such the purpose shall be deemed unreasonable by virtue of the fact that the project to be financed has not been commenced or completed, if proceedings therefor for it are taken with reasonable dispatch and the project, when completed, may be expected to make service available to the premises charged which will have a value reasonably commensurate with such the charges. All such charges, when collected, and all moneys received from the sale of any facilities or equipment or any by-products thereof, shall be placed in a separate fund, and shall be used first to pay the normal, reasonable and current costs of operating and maintaining the facilities. The net revenues from time to time received in excess of such the costs may be pledged by resolutions of the governing body, or may be used though not so pledged, for the payment of principal and interest on obligations issued as provided in subdivision 2, or to pay such the portion of said the principal and interest as may be directed in such the resolutions, and net revenues derived from any facilities of the types listed in subdivision 1 1a, whether or not financed by the issuance of such the obligations, may be pledged or used to pay obligations issued for other facilities of any such the same types. In resolutions authorizing the issuance of either general or special obligations and pledging net revenues thereto to them, the governing body may make such covenants for the protection of holders of the obligations and taxpayers of the municipality or county as it deems necessary, including, but without limitation, a covenant that the municipality or county will impose and collect charges of the nature herein authorized by this section at the

times and in the amounts required to produce, together with any taxes or special assessments designated as a primary source of payment of the obligations, net revenues adequate to pay all principal and interest when due on the obligations and to create and maintain such reserves securing said the payments as may be provided in said the resolutions. When such a covenant is made it shall be enforceable by appropriate action on the part of any holder of the obligations or any taxpayer of the municipality or county in a court of competent jurisdiction, and the obligations shall be deemed to be payable wholly from the income of the system whose revenues are so pledged, within the meaning of sections 475.51 and 475.58.

Subd. 4. LEVY ASSESSMENTS. The governing body of any such city a municipality or county may also levy assessments against property within the eity municipal or county limits benefited by such the facilities under the procedure authorized by law or charter with reference to other assessments for benefits of local improvements, may transfer and use for the purposes hereof surplus funds of the eity municipality or county not specifically dedicated to any other another purpose, and may levy taxes on property within the city municipal or county limits for such the purposes within the limitations of section 275.11; except that of the taxes so levied, including taxes initially levied under section 475.61 for the payment of the principal and interest on the bonds issued therefor and interest thereon, an amount equal to 35 percent of the total cost of the construction, reconstruction, repair, enlargement, improvement, or other obtainment of any such the facilities, plus an amount sufficient to pay the interest on the bonds issued in an amount equal to 35 percent of the total cost of the construction, reconstruction, repair, enlargement, improvement, or other obtainment of any such the facilities, shall not be included in computing the levies subject to the limitations of such section 275.11. Any such city A municipality or county may contract with any person, company or corporation for the purposes and under the restrictions set forth in subdivision 5. Any such The contract shall be binding upon the parties thereto to it for the full term agreed upon but in no event more than 30 years, and shall not be changed by either party without the consent of the other party.

Subd. 5. CONNECTION WITH FACILITIES; CHARGES. Any such eity A municipality or county is hereby authorized to may permit any a person, company or corporation located and doing business inside or outside of the eity municipal or county limits to connect with such the facilities and make use of the same them upon such terms and upon the payment of such fees and charges therefor as may be prescribed or contracted for by the eity municipality or county, and to contract with any such a person, company or corporation for the payment by such the person, company or corporation of a part of the cost of construction, maintenance or use of such the facilities and to receive from such the person, company or corporation doing business inside or outside of the eity municipal or county limits payment in cash or installments of such the portion of the cost of the construction, maintenance or use thereof as may be agreed upon or

contracted for with the eity municipality or county and devote the money so received to the purpose of such the construction, maintenance or use. The proportionate cost of construction, maintenance or use of such the facilities to be paid by such the person, company, or corporation may be made payable in installments due at not greater than annual intervals for a period not to exceed 30 years. Any such A person, company or corporation which may pay any part of the cost of construction, maintenance or use of such the facilities in the manner aforesaid described, shall thereafter have the right to use such the facilities for the disposal or treatment of his, their or its sewage, industrial waste, or other wastes, by the eity municipality or county upon the payment of reasonable charges for the use of such the facilities or the charges contracted for in case there is a contract as herein provided in this subdivision. Any such eity A municipality or county may contract with any other eity another municipality or county for the joint or cooperative obtainment or use of such facilities without limitation of time.

Sec. 16. Minnesota Statutes 1984, section 471.56, subdivision 1, is amended to read:

#### 471.56 MUNICIPAL FUNDS.

Subdivision 1. Any municipal funds, not presently needed for other purposes, may be deposited or invested in the manner and subject to the conditions provided in section 475.66 for the deposit and investment of debt service funds. The term "municipal funds" as used herein shall include all general, special, permanent, trust, and other funds, regardless of source or purpose, held or administered by any county or, city, or town or by any officer or agency thereof, in the state of Minnesota.

- Sec. 17. Minnesota Statutes 1984, section 471.56, subdivision 3, is amended to read:
- Subd. 3. Such county, city, town, or official or agency thereof, may at any time sell obligations purchased pursuant to this section, and the money received from such sale, and the interest and profits or loss on such investment shall be credited or charged, as the case may be, to the fund from which the investment was made. Neither such official nor agency, nor any other official responsible for the custody of such funds shall be personally liable for any loss sustained from the deposit or investment of funds in accordance with the provisions of section 475.66.

#### Sec. 18. REPEALER.

Minnesota Statutes 1984, section 375.18, subdivisions 4, 5, and 6, are repealed.

Approved May 21, 1985