

this provision, "qualifying educational loans" are government and commercial loans for actual costs paid for tuition, reasonable education expenses, and reasonable living expenses related to the graduate or undergraduate education of a health care professional. For each year that a participant serves as a midlevel practitioner in a designated rural area, up to a maximum of four years, the commissioner shall annually repay an amount equal to one-half a qualified loan. Participants who move their practice from one designated rural area to another remain eligible for loan repayment.

Sec. 21. Minnesota Statutes 1998, section 144.1496, subdivision 2, is amended to read:

Subd. 2. **ELIGIBILITY.** To be eligible to participate in the loan forgiveness program, a person ~~planning to enroll or enrolled in a program of study designed to prepare the person to become a registered nurse or licensed practical nurse must submit a letter of interest an application to the commissioner before completion of a nursing education program. Before completion of the program, the applicant must sign a contract in which the applicant agrees to practice nursing for at least one of the first two years following completion of the nursing education program providing nursing services in a licensed nursing home or intermediate care facility for persons with mental retardation or related conditions. A nurse who is selected to participate must sign a contract to agree to serve a minimum one-year service obligation providing nursing services in a licensed nursing home or intermediate care facility for persons with mental retardation or related conditions, which shall begin no later than March following completion of a nursing program or loan forgiveness program selection.~~

Sec. 22. Minnesota Statutes 1998, section 144.1496, subdivision 5, is amended to read:

Subd. 5. **RULES.** The commissioner shall may adopt rules to implement this section.

Presented to the governor May 24, 1999

Signed by the governor May 25, 1999, 11:46 a.m.

#### CHAPTER 248—S.F.No. 1876

*An act relating to public administration; imposing and modifying conditions and limitations on the use of public debt; providing for the Dakota county community development agency and the Cuyuna Range joint powers economic development authority; reenacting certain provisions relating to taxes, abatements, and tax increments; clarifying the treatment of property of certain limited liability companies for certain property tax exemption purposes; broadening certain revenue bonding authority involving certain nonprofit facilities and to refund certain youth-based-ice facility debt; authorizing the city of Duluth to provide for certain refunding bonds; removing a condition for the issuance of certain bonds by the Long Prairie housing and redevelopment authority; temporarily expanding an exception to competitive bidding requirements for certain bond-financed structured parking facilities; authorizing the city of Woodbury to issue general obligations to finance construction of a highway interchange and related improvements; authorizing the use of enterprise zone incentive grants for certain purposes by Minneapolis and St. Paul; amending Minnesota Statutes*

New language is indicated by underline, deletions by ~~strikeout~~.

1998, sections 126C.55, subdivision 7; 272.02, by adding a subdivision; 383D.41, subdivisions 1, 2, 3, and by adding subdivisions; 469.155, subdivision 4; 469.305, subdivision 1; 473.39, by adding a subdivision; 473.898, subdivision 3; 475.56; 475.58, by adding a subdivision; and 475.60, subdivisions 1 and 3.

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

Section 1. Minnesota Statutes 1998, section 126C.55, subdivision 7, is amended to read:

Subd. 7. **ELECTION AS TO MANDATORY APPLICATION.** A district may covenant and obligate itself, prior to the issuance of an issue of debt obligations, to notify the commissioner of a potential default and to use the provisions of this section to guarantee payment of the principal and interest on those debt obligations when due. If the district obligates itself to be bound by this section, it must covenant in the resolution that authorizes the issuance of the debt obligations to deposit with the paying agent three business days prior to the date on which a payment is due an amount sufficient to make that payment or to notify the commissioner under subdivision 1 that it will be unable to make all or a portion of that payment. A district that has obligated itself must include a provision in its agreement with the paying agent for that issue that requires the paying agent to inform the commissioner if it becomes aware of a potential default in the payment of principal or interest on that issue or if, on the day two business days prior to the date a payment is due on that issue, there are insufficient funds to make the payment on deposit with the paying agent. Funds invested in a refunding escrow account established under section 475.67 that are to become available to the paying agent on a principal or interest payment date are deemed to be on deposit with the paying agent three business days before the payment date. If a district either covenants to be bound by this section or accepts state payments under this section to prevent a default of a particular issue of debt obligations, the provisions of this section shall be binding as to that issue as long as any debt obligation of that issue remain outstanding. If the provisions of this section are or become binding for more than one issue of debt obligations and a district is unable to make payments on one or more of those issues, the district must continue to make payments on the remaining issues.

Sec. 2. Minnesota Statutes 1998, section 272.02, is amended by adding a subdivision to read:

Subd. 1b. **TREATMENT OF PROPERTY OF CERTAIN LIMITED LIABILITY COMPANIES.** For purposes of the exemptions granted by subdivision 1, property owned or operated by a limited liability company consisting of a sole member shall be treated as if owned or operated by that member.

Sec. 3. Minnesota Statutes 1998, section 383D.41, subdivision 1, is amended to read:

Subdivision 1. **HOUSING AND REDEVELOPMENT AUTHORITY COMMUNITY DEVELOPMENT AGENCY.** There is hereby created in Dakota county a public body corporate and politic, to be known as the Dakota county housing and redevelopment authority community development agency, having all of the powers and duties of a housing and redevelopment authority under sections 469.001 to 469.047; which act applies and all powers and duties of a county housing and redevelopment authority under

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any other provisions of Minnesota law. Sections 469.001 to 469.047 and 469.090 to 469.1081 apply to the county of Dakota. For the purposes of applying the provisions of the municipal housing and redevelopment act sections 469.001 to 469.047 and 469.090 to 469.1081 to Dakota county, and subject to the provisions of this section, the county has all of the powers and duties of a municipality, the county board has all of the powers and duties of a governing body, the chair of the county board has all of the powers and duties of a mayor, and the area of operation includes the area within the territorial boundaries of the county.

Sec. 4. Minnesota Statutes 1998, section 383D.41, subdivision 2, is amended to read:

Subd. 2. This section shall not limit or restrict any existing housing and redevelopment authority or prevent a municipality from creating an authority. ~~The county shall not exercise jurisdiction in any municipality where a municipal housing and redevelopment authority is established.~~ A municipal housing and redevelopment authority may request the Dakota county housing and redevelopment authority community development agency to handle the housing duties of the authority and, in such an event, if the municipal authority makes the request, the Dakota county housing and redevelopment authority community development agency shall act and have exclusive jurisdiction for housing in the municipality pursuant to sections 469.001 to 469.047. A transfer of duties relating to housing shall does not transfer any duties relating to redevelopment.

Sec. 5. Minnesota Statutes 1998, section 383D.41, subdivision 3, is amended to read:

Subd. 3. If any housing or project, development district, redevelopment project, or economic development project is constructed in Dakota county pursuant to this authorization, and such the project is within the boundaries of any incorporated home rule charter or statutory city, the location of such the project shall must be approved by the governing body of the city, and:

(1) in the case of any housing project or housing development project, by the municipal housing and redevelopment authority established for the city if it has not previously requested that the Dakota county community development agency or its predecessor agency handle the housing duties of the authority; or

(2) in the case of any redevelopment project by the municipal housing and redevelopment authority established for the city.

Sec. 6. Minnesota Statutes 1998, section 383D.41, is amended by adding a subdivision to read:

Subd. 7. **DAKOTA COUNTY COMMUNITY DEVELOPMENT AGENCY.**  
(a) After December 31, 1999, the Dakota county housing and redevelopment authority shall be known as the Dakota county community development agency. In addition to the other powers granted in this section, the Dakota county community development agency shall have the powers of an economic development authority under sections 469.090 to 469.1081 that are granted to the agency by resolution adopted by the Dakota county board of commissioners, except as provided in paragraph (b). The agency may exercise any of the powers granted to it under sections 469.001 to 469.047 and any of the powers of an economic development authority granted to it by the Dakota county board of commissioners for the purposes described in these sections.

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(b) The Dakota county community development agency may not levy the tax described in section 469.107, but with the approval of the Dakota county board may increase its levy of the special tax described in section 469.033, subdivision 6, to an amount not exceeding 0.01813 percent of net tax capacity, or any higher limit authorized under section 469.107 or 469.033, subdivision 6.

Sec. 7. Minnesota Statutes 1998, section 383D.41, is amended by adding a subdivision to read:

Subd. 8. OFFERS OF TAX-FORFEITED LANDS. Notwithstanding any other law, Dakota county may offer to the Dakota county community development agency, under the conditions and policies established by the county, nonconservation tax-forfeited land prior to making the properties available to cities in Dakota county.

Sec. 8. Minnesota Statutes 1998, section 469.155, subdivision 4, is amended to read:

Subd. 4. REFINANCING HEALTH NONPROFIT FACILITIES. It may issue revenue bonds to pay, purchase, or discharge all or any part of the outstanding indebtedness of a contracting party that is an organization described in section 501(c)(3) of the Internal Revenue Code primarily engaged in health care-related activities or in activities for mentally or physically disabled persons or that is engaged primarily in the operation of one or more nonprofit hospitals or nursing homes previously incurred in the acquisition or betterment of its existing hospital or nursing home facilities to the extent deemed necessary by the governing body of the municipality or redevelopment agency; this may include any unpaid interest on the indebtedness accrued or to accrue to the date on which the indebtedness is finally paid, and any premium the governing body of the municipality or redevelopment agency determines to be necessary to be paid to pay, purchase, or defease the outstanding indebtedness. If revenue bonds are issued for this purpose, the refinancing and the existing properties of the contracting party shall be deemed to constitute a project under section 469.153, subdivision 2, clause (b), (c), or (d).

Sec. 9. Minnesota Statutes 1998, section 469.305, subdivision 1, is amended to read:

Subdivision 1. INCENTIVE GRANTS. (a) An incentive grant is available to businesses located in an enterprise zone that meet the conditions of this section. Each city designated as an enterprise zone is allocated \$3,000,000 to be used to provide grants under this section for the duration of the program. Each city of the second class designated as an economically depressed area by the United States Department of Commerce is allocated \$300,000 to be used to provide grants under this section for the duration of the program. For fiscal year 1998 and subsequent years, the proration in section 469.31 shall continue to apply until the amount designated in this subdivision is expended. For the allocation in fiscal year 1998 and subsequent years, the commissioner may use up to 15 percent of the allocation to the city of Minneapolis for a grant to the city of Minneapolis and up to 15 percent of the allocation to the city of St. Paul for a grant to the city of St. Paul, for administration of the program or employment services provided to the employers and employees involved in the incentive grant program under this section. The commissioner may authorize the use of grant funds for employer-focused workforce development initiatives designed to promote the hiring and retention of city residents.

(b) The incentive grant is in an amount equal to 20 percent of the wages paid to an employee, not to exceed \$5,000 per employee per calendar year. The incentive grant is available to an employer for a zone resident employed in the zone at full-time wage lev-

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els of not less than 110 percent of the federal poverty level for a family of four, as determined by the United States Department of Agriculture. The incentive grant is not available to workers employed in construction or employees of financial institutions, gambling enterprises, public utilities, sports, fitness, and health facilities, or racetracks. The employee must be employed at that rate at the time the business applies for a grant, and must have been employed for at least one year at the business. A grant may be provided only for new jobs; for purposes of this section, a "new job" is a job that did not exist in Minnesota before May 6, 1994. The incentive grant authority is available for the five calendar years after the application has been approved to the extent the allocation to the city remains available to fund the grants, and if the city certifies to the commissioner on an annual basis that the business is in compliance with the plan to recruit, hire, train, and retain zone residents. The employer may designate an organization that provides employment services to receive all or a portion of the employer's incentive grant.

Sec. 10. Minnesota Statutes 1998, section 473.39, is amended by adding a subdivision to read:

Subd. 1g. **OBLIGATIONS; 2000-2002.** In addition to the authority in subdivisions 1a, 1b, 1c, 1d, and 1e, the council may issue certificates of indebtedness, bonds, or other obligations under this section in an amount not exceeding \$36,000,000, which may be used for capital expenditures, other than for construction, maintenance, or operation of light rail transit, as prescribed in the council's transit capital improvement program and for related costs, including the costs of issuance and sale of the obligations. The funds must be proportionally spent on capital improvement projects as recommended by the regional transit capital evaluation committee.

**Sec. 11. APPLICATION.**

Section 10 applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 12. Minnesota Statutes 1998, section 473.898, subdivision 3, is amended to read:

**Subd. 3. LIMITATIONS.** (a) The principal amount of the bonds issued pursuant to subdivision 1, exclusive of any original issue discount, shall not exceed the amount of \$10,000,000 plus the amount the council determines necessary to pay the costs of issuance, fund reserves, debt service, and pay for any bond insurance or other credit enhancement.

(b) In addition to the amount authorized under paragraph (a), the council may issue bonds under subdivision 1 in a principal amount of \$3,306,300, plus the amount the council determines necessary to pay the cost of issuance, fund reserves, debt service, and any bond insurance or other credit enhancement. The proceeds of bonds issued under this paragraph may not be used to finance portable or subscriber radio sets.

Sec. 13. Minnesota Statutes 1998, section 475.56, is amended to read:

**475.56 INTEREST RATE.**

(a) Any municipality issuing obligations under any law may issue obligations bearing interest at a single rate or at rates varying from year to year which may be lower or higher in later years than in earlier years. Such higher rate for any period prior to maturity

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may be represented in part by separate coupons designated as additional coupons, extra coupons, or B coupons, but the highest aggregate rate of interest contracted to be so paid for any period shall not exceed the maximum rate authorized by law. Such higher rate may also be represented in part by the issuance of additional obligations of the same series, over and above but not exceeding two percent of the amount otherwise authorized to be issued, and the amount of such additional obligations shall not be included in the amount required by section 475.59 to be stated in any bond resolution, notice, or ballot, or in the sale price required by section 475.60 or any other law to be paid; but if the principal amount of the entire series exceeds its cash sale price, such excess shall not, when added to the total amount of interest payable on all obligations of the series to their stated maturity dates, cause the average annual rate of such interest to exceed the maximum rate authorized by law. This section does not authorize a provision in any such obligations for the payment of a higher rate of interest after maturity than before.

(b) Any municipality issuing obligations under any law may sell original issue discount obligations having a stated principal amount in excess of the authorized amount and the sale price, provided that:

(1) the sale price does not exceed by more than two percent the amount of obligations otherwise authorized to be issued;

(2) the underwriting fee, discount, or other sales or underwriting commission does not exceed two percent of the sale price; and

(3) the discount rate necessary to present value total principal and interest payments over the term of the issue to the sale price does not exceed the lesser of the maximum rate permitted by law for municipal obligations or ten percent.

(c) Any obligation of an issue of obligations otherwise subject to section 475.55, subdivision 1, may bear interest at a rate varying periodically at the time or times and on the terms, including convertibility to a fixed rate of interest, determined by the governing body of the municipality, but the rate of interest for any period shall not exceed the maximum rate of interest for the obligations determined in accordance with section 475.55, subdivision 1. For purposes of section 475.61, subdivisions 1 and 3, the interest payable on variable rate obligations for their term shall be determined as if their rate of interest is the maximum rate permitted for the obligations under section 475.55, subdivision 1, or the lesser maximum rate of interest payable on the obligations in accordance with their terms, but if the interest rate is subsequently converted to a fixed rate the levy may be modified to provide at least five percent in excess of amounts necessary to pay principal of and interest at the fixed rate on the obligations when due. For purposes of computing debt service or interest pursuant to section 475.67, subdivision 12, interest throughout the term of bonds issued pursuant to this subdivision is deemed to accrue at the rate of interest first borne by the bonds. The provisions of this paragraph do not apply to obligations issued by a statutory or home rule charter city with a population of less than 7,500, as defined in section 477A.011, subdivision 3, or to obligations that are not rated A or better, or an equivalent subsequently established rating, by Standard and Poor's Corporation, Moody's Investors Service or other similar nationally recognized rating agency, except that any statutory or home rule charter city, regardless of population or bond rating, may issue variable rate obligations as a participant in a bond pooling program established by the league of Minnesota cities that meets this bond rating requirement.

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Sec. 14. Minnesota Statutes 1998, section 475.58, is amended by adding a subdivision to read:

Subd. 3a. YOUTH ICE FACILITIES. A municipality may, without regard to the election requirement under subdivision 1 or under any other provision of law or home rule charter, issue and sell obligations to refund existing debt of an indoor ice arena that is used predominantly for youth athletic activity if all the following conditions are met:

(1) the obligations are secured by a pledge of revenues from the facility; and

(2) the governing body of the municipality finds, based on analysis provided by a professional experienced in finance, that the facility's revenues and other available money will be sufficient to pay the obligations, without reliance on a property tax levy or the municipality's general purpose state aid.

Sec. 15. Minnesota Statutes 1998, section 475.60, subdivision 1, is amended to read:

Subdivision 1. **ADVERTISEMENT.** All obligations shall be negotiated and sold by the governing body, except when authority therefor is delegated by the governing body or by the charter of the municipality to a board, department, or officers of the municipality. Except as provided in section 475.56, obligations shall be sold at not less than par value plus accrued interest to date of delivery and not greater than two percent greater than the amount authorized to be issued plus accrued interest. Except as provided in subdivision 2 all obligations shall be sold at public competitive sale after notice given at least ten days in advance by publication in a legal newspaper having general circulation in the municipality and ten days in advance by publication in a daily or weekly periodical published in a Minnesota city of the first class, or its metropolitan area, which circulates throughout the state and furnishes financial news as a part of its service as provided in subdivision 3.

Sec. 16. Minnesota Statutes 1998, section 475.60, subdivision 3, is amended to read:

Subd. 3. **PUBLISHED NOTICE.** ~~Published notice~~ The notice of sale to prospective bidders, where required, shall specify the maximum principal amount of the obligations, the place of receipt and consideration of bids and such other details as to the obligations and terms of sale as the governing body or the municipality's authorized financial consultant deems suitable. ~~The published notice shall either specify the date and time for receipt of bids or provide that the bids will be received at a date and time not less than ten nor more than 60 days after the date of publication. If the published notice does not state the specific date or amount for the sale, it shall specify the manner in which notice of the date or amount of the sale will be given to prospective bidders. Notification of prospective bidders shall be given by mail, facsimile, electronic data transmission or other form of communication common to the municipal bond trade at least four two days (omitting Saturdays, Sundays, and legal holidays) before the date for receipt of bids to at least five firms determined by the governing body or its financial consultant to be prospective bidders, or shall be published in a newspaper or other periodical which circulates throughout the state and furnishes financial news as part of its service. If within five days after the date of publication a prospective bidder requests in writing to be notified by mail, the municipality shall do so. Failure to give the notice as described in the preceding sentence to a bidder this subdivision shall not affect the validity of the sale or of the obligations. Bids may be accepted by facsimile or other electronic transmission or in writing as specified by the governing body or its financial consultant.~~ The governing body may employ an

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agent to receive and open the bids at any place within or outside the corporate limits of the municipality, in the presence of an officer of the municipality or the officer's designee, but the obligations shall not be sold except by action of the governing body or authorized officers of the municipality after communication of the bids to them. Additional notice may be given for such time and in such manner as the governing body deems suitable. At the time and place so fixed, the bids shall be ~~opened~~ considered and the offer complying with the terms of sale and deemed most favorable shall be accepted, but the governing body may reject any and all such offers, in which event, or if no offers have been received, it may award the obligations to any person who within 30 days thereafter presents an offer complying with the terms of sale and deemed more favorable than any received previously, or upon like notice the governing body may invite other bids upon the same or different terms and conditions; ~~except that if the original published notice does not state the specific date or amount for the sale and if the material terms and conditions of the sale remain the same, except for the date and amount, notice of the date or amount may be given in the manner provided above.~~

#### **Sec. 17. CUYUNA RANGE JOINT POWERS ECONOMIC DEVELOPMENT AUTHORITY.**

The Cuyuna Range joint powers economic development authority, originally established by resolutions of the member cities, is authorized to act as an economic development authority and may exercise the powers of an economic development authority under Minnesota Statutes, sections 469.090 to 469.1081, that are delegated to it by the member cities, including, without limitation, the authority to own and operate a civic center facility that includes athletic and other public facilities.

#### **Sec. 18. CERTAIN TAXES.**

The provisions of Laws 1997, chapter 231, article 1, sections 4, 5, 6, 8, and 15, are reenacted.

#### **Sec. 19. TAX ABATEMENT.**

The provisions of Laws 1997, chapter 231, article 2, sections 45 to 48, inclusive, are reenacted.

#### **Sec. 20. TAX INCREMENT.**

The provisions of Laws 1997, chapter 231, article 10, are reenacted.

#### **Sec. 21. CITY OF DULUTH; REFUNDING BONDS; DULUTH ENTERTAINMENT AND CONVENTION CENTER AUTHORITY.**

The Duluth city council may by ordinance provide for the issuance and sale of general obligation revenue refunding bonds to refund in advance of their maturity, the city's gross revenue recreation facility bonds Duluth Entertainment Convention Center/Imax Dome Theater Project series 1994, dated as of December 1, 1994. These refunding bonds must be issued with the full faith and credit of the city. The Duluth entertainment and convention center authority shall pledge the net revenues of the authority's facilities for payment and principal and interest on these refunding bonds. The issuance of the refunding bonds is subject to the provisions of Minnesota Statutes, chapter 475, except that no election is required unless a referendum on the ordinance is required under section 52 of the Duluth city charter.

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**Sec. 22. AUTHORIZATION.**

If the Long Prairie housing and redevelopment authority issues bonds under Minnesota Statutes, section 469.034, subdivision 2, to provide funds to renovate the Hotel Reichert building on the National Register of Historic Places for a qualified housing development project, the project is not required to be owned by the authority for the term of the bonds. The bonds are subject to all other requirements of Minnesota Statutes, section 469.034, subdivision 2.

**Sec. 23. COMPETITIVE BIDDING; STRUCTURED PARKING.**

A structured parking facility qualifies under Minnesota Statutes, section 469.015, subdivision 4, paragraph (a), clause (2)(i), if the structured parking facility is immediately adjacent to the development and the bonds are issued before February 1, 2000.

**Sec. 24. BONDS AUTHORIZED.**

The city of Woodbury may issue general obligations to provide funding for the construction of a highway interchange at the intersection of I-494 and Tamarack Road and for road and bridge improvements on the portion of the interchange that are required as a result of construction of the interchange. The obligations must be issued under Minnesota Statutes, chapter 475, except that no referendum is required under Minnesota Statutes, section 475.58.

**Sec. 25. INSTRUCTION TO THE REVISOR.**

In the 2000 edition of Minnesota Statutes, the revisor of statutes shall change "Dakota county housing and redevelopment authority" to "Dakota county community development agency" wherever it appears.

**Sec. 26. EFFECTIVE DATES.**

Sections 3 to 7 are effective upon compliance by the Dakota county board of commissioners with the provisions of Minnesota Statutes, section 645.021. Section 18 is effective retroactive for taxes payable in 1999 and thereafter. Section 19 is effective retroactive for the 1997 assessment and thereafter, for taxes payable in 1998 and thereafter. Section 20 is effective retroactive to the dates specified in Laws 1997, chapter 231, article 10, section 25. Section 21 is effective upon approval by the Duluth city council and the Duluth entertainment and convention center authority, and upon compliance with the provisions of Minnesota Statutes, section 645.021. Section 22 is effective the day after the latter of the certificates of approval of the Long Prairie city council and the board of commissioners of the Long Prairie housing and redevelopment authority is filed in compliance with Minnesota Statutes, section 645.021, subdivision 3. The rest of this act is effective the day following final enactment.

Presented to the governor May 24, 1999

Signed by the governor May 25, 1999, 11:37 a.m.

**CHAPTER 249—S.F.No. 2224**

*An act relating to legislative enactments; correcting miscellaneous oversights, inconsistencies, ambiguities, unintended results, and technical errors; amending Minnesota Statutes 1998, sec-*

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