

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

Section 1. Minnesota Statutes 1945, Section 511.21, is amended to read :

511.21. **Filing fees.** Every register of deeds shall receive and file any such instrument, which shall be executed, witnessed, and acknowledged according to law, or a true copy thereof and shall immediately number and index the same, and certify on each instrument the exact time of receipt, which certificate shall be prima facie evidence of the facts stated therein. No such instrument shall be removed from the office where filed until canceled, released, or satisfied. The fees for filing such instruments shall be 35 cents for each instrument and 25 cents for a certified copy thereof, when copy is furnished, this amount to be paid to the register of deeds at the time of filing, and such fee shall be retained by the register of deeds, as additional salary and compensation for filing such instruments. The register of deeds shall, upon request, furnish and certify an abstract of all such chattel mortgages, bills of sale, conditional sales contracts, assignments, releases, renewals, affidavits and all other instruments relating to any thereof on file in his office, giving the number of the instrument, date and time of filing, name of grantor, name of grantee, name of instrument, date of instrument, amount, and brief description of the property, upon payment of 25 cents for the first four entries and ten cents for each subsequent entry on each instrument abstracted and 25 cents for his certificate thereon, with a minimum fee of 25 cents, *provided, that in each of the cases mentioned hereinabove, in any county having a population of over 500,000, the fee in each such case shall be 50 cents.*

Approved April 20, 1949.

CHAPTER 505—H. F. No. 576

[Coded as Sections 462.421, Subds. 13, 22, 462.441, 462.445, 462.465, 462.495, 462.505, 462.525, 462.541, 462.545, 462.581, 462.591, 462.605, 462.611, 462.615, 462.621, 462.625, 462.635, 462.651, 462.655, 462.665, 462.671, 462.681, 462.705.]

An act relating to the replanning, rehabilitation, and rebuilding of substandard, slum, blighted, and other areas in this

state and to the furnishing of decent, safe and sanitary housing for veterans, servicemen, and persons of low income, and their families; creating local housing and redevelopment authorities and defining their powers and duties; providing for cooperation with private enterprise in accomplishing the purposes of the act; providing methods of financing and authorizing the acceptance of federal and other aid; authorizing the creation of limited dividend corporations to engage in redevelopment and defining their powers and duties; providing certain limited tax exemptions; authorizing financial institutions, insurance companies, fiduciaries, and others to invest in securities of authorities and redevelopment companies and to otherwise cooperate with them; granting powers to insurance companies in connection with redevelopment companies; defining powers of the state housing commission and other state agencies and officers in the administration of the act; granting to municipalities, authorities, and other public bodies the powers necessary for accomplishing the purposes of the act; and amending Laws 1947, Chapter 487, Section 3, Subdivisions 13 and 22, Section 4, Subdivisions 1 and 5, Section 7, Section 8, Subdivision 4, Sections 12, 18 and 20, Section 24, Subdivision 3, Sections 27, 28, 35, Section 37, Subdivision 13, Section 40, Subdivision 2, Sections 41 and 42, Section 43, Subdivision 1, Section 44, Section 46, Subdivision 2, Section 49, Subdivision 1, Sections 50, 52, 53, 55 and 60.

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

Section 1. Laws 1947, Chapter 487, Section 3, Subdivision 13, is amended to read :

[462.421] **Definitions.** Subd. 13. "Redevelopment project" shall mean any work or undertaking :

(1) To acquire blighted areas and other real property for the purpose of removing, preventing, or reducing blight, blighting factors, or the causes of blight;

(2) To acquire real property where the condition of the title, the diverse ownership of the land to be assembled, the street or lot layouts, or other conditions prevent a proper development of the property, and the acquisition of the area by the authority is necessary to carry out a redevelopment plan;

(3) To clear any areas acquired and install, construct, or reconstruct streets, utilities, and site improvements essen-

tial to the preparation of sites for uses in accordance with the redevelopment plan ;

(4) To sell or lease land so acquired for uses in accordance with the redevelopment plan ; or

(5) To accomplish a combination of the foregoing to carry out a redevelopment plan.

The term redevelopment project also may be applied to the preparation of a redevelopment plan and to the initiation, planning, survey and other administrative costs of a redevelopment project and also to the preparation of technical and financial plans and arrangements for buildings, structures, and improvements and all other work in connection therewith.

Sec. 2. Laws 1947, Chapter 487, Section 3, Subdivision 22, is amended to read :

[462.421] Subd. 22. **Veterans defined.** "Veterans" means persons who have served in the military or naval forces of the United States during World War II, *and who shall have been discharged or released therefrom under conditions other than dishonorable.*

Sec. 3. Laws 1947, Chapter 487, Section 7, is amended to read :

[462.441] Sec. 7. **Powers; quorum; officers; meetings; expenses.** The powers of each authority shall be vested in the commissioners thereof in office at any time; a majority of whom shall constitute a quorum for all purposes. Each authority shall select a chairman and a *secretary* from among its commissioners and shall adopt such by-laws and other rules for the conduct of its affairs as it deems appropriate. The regular meetings of an authority shall be held in a fixed place and shall be open to the public. No commissioner shall receive compensation for his services, but each commissioner shall be entitled to receive necessary expenses, including traveling expenses, incurred in the performance of his duties.

Sec. 4. Laws 1947, Chapter 487, Section 8, Subdivision 4, is amended to read :

[462.445] Powers and duties of "authority." Subd. 4. Additional powers; research; protection. An authority shall further have power:

(1) To make, or agree to make, such payments in lieu of taxes to the city or the county, the state or any political subdivision thereof, as it finds consistent with the purposes of this act;

(2) To cooperate with or act as agent for the federal government, the state or any state public body, or any agency or instrumentality of the foregoing, in carrying out any of the provisions of this act or of any other related federal, state or local legislation; *provided, however, that in order that an authority will direct its powers to increasing the supply of public low rent housing and undertake redevelopment projects as provided in this act, an authority shall not take over or manage any existing housing owned, controlled, or managed by a municipality or other local public body;*

(3) Nothing in this act shall allow an authority to purchase, lease, or take over, in any way, any housing project already owned and operated by the government of the United States or any agency thereof;

(4) To borrow money or other property and accept contributions, grants, gifts, services, or other assistance from the federal government, the state government, state public bodies, or from any other public or private sources;

(5) To include in any contract for financial assistance with the federal government any conditions which the federal government may attach to its financial aid of a project, not inconsistent with the purposes of this act, including obligating itself (which obligation shall be specifically enforceable and not constitute a mortgage, notwithstanding any other laws) to convey to the federal government the project to which such contract relates upon the occurrence of a substantial default with respect to the covenants or conditions to which such authority is subject; to provide in such contract that, in case of such conveyance the federal government may complete, operate, manage, lease, convey, or otherwise deal with the project until such defaults are cured if the federal government agrees in such contract to reconvey to the authority the project as then constituted when such defaults have been cured;

(6) To issue bonds, notes, or other evidences of indebtedness, as hereinafter provided, for any of its corporate purposes and to secure the same by mortgages upon property held or to be held by it or by pledge of its revenues, including grants or contributions;

(7) To invest any funds held in reserves or sinking funds, or any funds not required for immediate disbursement, in property or securities in which savings banks may legally invest funds subject to their control;

(8) Within its area of operation to determine where substandard, slum, or blighted areas exist or where there is unsafe, unsanitary or overcrowded housing;

(9) To establish and revise from time to time the maximum amount of income of tenants entitled to admission to housing projects of an authority, subject to the qualifications in this act contained;

(10) To undertake and carry out studies and analyses of the housing and redevelopment needs within its area of operation and of the meeting of those needs (including data with respect to population and family groups and the distribution thereof according to income groups, the amount and quality of available housing and its distribution according to rentals and sales prices, employment, wages, desirable patterns for land use and community growth, and other factors affecting the local housing and redevelopment needs and the meeting thereof) and to make the results of those studies and analyses available to the public and building, housing, and supply industries; and to engage in research and disseminate information on housing and redevelopment;

(11) When a local public body does not have a planning agency or when a comprehensive or general community development plan or plans is or are not already available by the planning agency, to make or cause to be made such plans as a guide in the more detailed planning of housing and redevelopment areas;

(12) To lease or rent any dwellings, accommodations, lands, buildings, structures, or facilities embraced in any project and (subject to the limitations contained in this act with respect to the rental of dwellings in housing projects) to establish and revise the rents or charges therefor;

(13) To own, hold, and improve real or personal property and to sell, lease, exchange, transfer, assign, pledge, or dispose of any real or personal property or any interest therein;

(14) To insure or provide for the insurance of any real or personal property or operations of the authority against any risks or hazards;

(15) To procure or agree to the procurement of government insurance or guaranties of the payment of any bonds or parts thereof issued by an authority, including the powers to pay premiums on such insurance;

(16) To make such expenditures as may be necessary to carry out the purposes of this act.

Sec. 5. Laws 1947, Chapter 487, Section 12, is amended to read:

[462.465] Sec. 12. **Low rent housing.** Subdivision 1. **Preliminary research approved by municipality.** An authority shall not initiate any low rent housing project, and shall not enter into any contract with respect thereto, until it has made findings, after an analysis of the local housing market, (1) that there is need for such low rent housing which cannot be met by private enterprise and (2) that a gap of at least 20% has been left between the upper shelter rental limits for admission to the proposed low rent housing and the lowest shelter rents at which private enterprise is providing (through new construction and existing structures) a substantial supply of decent safe and sanitary housing; and unless the governing body of the municipality has by resolution affirmed those findings of the authority and approved the provision of that low rent housing project, and unless the provision of public low rent housing projects has been approved by the voters of the municipality as provided in subdivision 2; *provided however that this subdivision shall not be applicable to any public low rent housing projects for which financial assistance is provided by the federal government or any agency or instrumentality thereof, and which does not require any direct loan or grant of money from the municipality as a condition of a federal financial assistance. An authority shall not make any contract with the federal government or any agency thereof for a low rent housing project unless the governing body of the municipality has by resolution approved the provision of that low rent housing project.*

Subd. 2. **Submission to electorate; special election.** No public low-rent housing projects shall be undertaken by any authority until the governing body of the municipality shall have submitted to the qualified voters of the municipality at a special election, or at the next general election, the question in substantially the following form :

Shall public low-rent housing projects be initiated, and constructed and carried on by the housing and redevelopment authority in and for the (city, village, or borough) of (naming the municipality) ?

Yes

No

If a majority of the qualified voters of the municipality voting upon the question shall vote in the affirmative, the housing and redevelopment authority of that municipality shall thereupon be empowered to initiate, construct, and carry on public low-rent housing projects, but it may, under this authorization, construct not to exceed 1,000 family dwelling units and thereafter must again submit the question as to the initiation of further low-rent housing projects in the manner first provided. If a majority of the qualified voters of the municipality voting upon the question shall vote in the negative, then the housing and redevelopment authority shall not initiate any low-rent housing projects in the municipality until authorized by the qualified voters of the municipality in the manner herein provided, and the question shall not again be submitted to those qualified voters for at least one year after the date of such election. Special elections held pursuant to this subdivision shall be held and conducted in the same manner and upon the same notice, and the returns thereon made in the same form and manner, as other special elections in that municipality. In the case of a city operating under a home rule charter, the provisions of law relating to the mechanics of the conduct of elections, time of holding, notice, and returns made applicable in the case of the submission of proposed amendments to the home rule charter shall govern.

This subdivision shall not be applicable to any public low-rent housing projects for which financial assistance is provided by the federal government or any agency or instrumentality thereof, and which does not require any direct loan or

grant of money from the municipality as a condition of federal assistance.

Sec. 6. Laws 1947, Chapter 487, Section 18, is amended to read:

[462.495] **Sec. 18. Periodic investigation of tenant; veterans preference.** An authority shall make periodic investigations of each family admitted to a low-rent housing project and, on the basis of said investigations, shall determine whether that family at the time of its admission (1) lived in an unsafe, unsanitary, or overcrowded dwelling or had been displaced by a project or by off-site elimination in compliance with the equivalent elimination requirement hereof, *or actually was without housing, or was about to be without housing as a result of a court order of eviction, due to causes other than the fault of the tenant,* and (2) had a net family income not exceeding the income limits theretofore fixed by the authority for admission of families of low income to such housing; provided that the requirement in (1) shall not be applicable in the case of the family of any serviceman or the family of any veteran who has been discharged (other than dishonorably) from, or the family of any serviceman who died in, the armed forces of the United States, *where application for admission to the project is made within any time limit specified by federal law applicable to federal financial assistance for the project.* If it is found upon any such investigation that the net income of any families have increased *beyond the maximum income limits fixed pursuant to this act for continued occupancy in such housing,* those families shall be required to move from the project.

Sec. 7. Laws 1947, Chapter 487, Section 20, is amended to read:

[462.505] **Sec. 20. Demolition of unsafe or unsanitary buildings.** No project for low-rent housing or the clearance of a blighted area involving the construction of new dwellings shall be undertaken by a housing authority unless, subsequent to the initiation of the project, there has been or will be elimination by demolition, condemnation and effective closing, or compulsory repair, of unsafe or unsanitary buildings situated in the area of operation substantially equal in number to the number of dwelling units provided by the project; provided that such elimination may, upon approval by the state housing commission by resolution, be deferred for such period as the

commission may determine, if the shortage of decent, safe, or sanitary housing available to families of low income is so acute as to force dangerous overcrowding of such families.

Sec. 8. Laws 1947, Chapter 487, Section 24, Subdivision 3 is amended to read:

[462.525] **Disposal of property.** Subd. 3. **Property devoted to public uses; transfer.** After the property in a project area shall have been assembled by an authority, the authority shall have the power to transfer by deed to local public bodies those pieces of property which, in accordance with the *redevelopment* plan, are to be devoted to public uses, other than public housing or *redevelopment purposes*. Except for such property as may be transferred by dedication, gift, or exchange, the transferee body shall pay to the authority such sum as may be agreed upon, and, in the absence of agreement, as may be determined by arbitration. *The authority shall reimburse the redevelopment project fund the fair use value of any property in a redevelopment project transferred to a public low-rent housing project.*

Sec. 9. Laws 1947, Chapter 487, Section 27, Subdivision 2, is amended to read:

[462.541] **Use value.** Subd. 2. **To exclude cost of old buildings.** The aggregate use value place for purposes of lease or sale upon all land within a particular project area leased or sold by an authority pursuant to this act shall *exclude* the cost of old buildings destroyed and the demolition and clearance thereof.

Sec. 10. Laws 1947, Chapter 487, Section 28, is amended to read:

[462.545] **Sec. 28. Public redevelopment cost.** Subdivision 1. **Financing plans authorized.** The cost of a redevelopment project, including administrative expense of the authority *allocable* to the project and debt charges, shall be known as the public redevelopment cost. The proceeds from the sale or lease of property in a redevelopment area shall be known as the capital proceeds. Since it is the purpose of this act that authorities will sell or lease or retain the land in the redevelopment area, *in whole or in part, for a variety of purposes, including private housing for upper or middle-income groups,*

public housing for low-income groups, commercial and other purposes, at its fair use value, which may be less than the public redevelopment cost, the capital proceeds from land sold may pay back only a portion of the public redevelopment cost. For the purpose of carrying out the provisions of this article, including the defrayment of the difference between the public redevelopment cost and the capital proceeds, which includes the difference between any annual debt service and the annual administrative expenses of the authority *allocable* to the project and any annual capital proceeds, an authority may, in its discretion, finance such redevelopment projects in any one, or by any combination of, the following methods, which are also dealt with in other sections of this act.

Subd. 2. Federal grants. The authority may accept grants or other financial assistance from the federal government as provided in other sections of the act. Before resorting to other financing methods authorized by this section the authority shall make full utilization of all such federal funds for which the project qualifies.

Subd. 3. Bond issue. An authority may issue its bonds or other obligations as provided in other sections of this act; provided, however, that none of the proceeds of such bonds *for redevelopment projects* and no proceeds or revenues from any redevelopment project shall be used to pay the bonds or costs of or make contributions or loans to any low-rent housing project.

Subd. 4. Revenue bonds; use. The authority may in its discretion provide that all revenues received from its redevelopment areas be placed in a pool for the payment of interest and principal on all bonds issued for any redevelopment project, and the revenue from all such areas shall be paid into the pool until all outstanding bonds have been fully paid.

Subd. 5. Special property tax fund. In the event the authority shall issue bonds or other obligations to finance a redevelopment project, the authority may, in its discretion, with the consent of the governing body obtained at the time of the approval of the redevelopment plan as required in section 23, notify the county treasurer to set aside in a special fund, for the retirement of such bonds and interest thereon, all or part of the real estate tax revenues derived from the real property in the *redevelopment* area which is in excess of the tax reve-

nue derived therefrom in the tax year immediately preceding the acquisition of such property by the authority, and it shall be the duty of the county treasurer so to do. Such setting aside of funds shall continue until the bonds or other obligations have been retired. That special fund shall, in no event, be used for the retirement of bonds issued to finance the acquisition and clearance of land in the redevelopment projects reserved for public use.

Subd. 6. **Area of operation, taxing district; special tax levy.** All of the territory included within the area of operation of any authority shall constitute a taxing district for the purpose of levying and collecting special benefit taxes for redevelopment purposes as provided in this subdivision. All of the taxable property, both real and personal, within that taxing district shall be deemed to be benefited by the redevelopment projects carried out under the provisions of this article to the extent of the special taxes levied under the provisions hereof. Subject to the consent, by resolution, of the governing body of the municipality in and for which it was created, an authority is authorized to levy in each year a special tax upon all property, both real and personal, within that taxing district. The authority shall cause the tax so levied each year to be certified to the auditor of the county in which the taxing district is located on or before October 10th in each year. Such tax so levied and certified shall be extended, spread, and included with and as a part of the general taxes for state, county, and municipal purposes, by the county auditor, to be collected and enforced therewith, together with the penalty, interest, and costs, and as such tax (including any penalties, interest, and costs) is collected by the county treasurer it shall be accumulated and kept in a separate fund to be known as the "Redevelopment Project Fund" *and shall be turned over to the authority at the same time and in the same manner that the tax collections for the municipality are turned over to the municipality*, and shall be expended and applied for the purpose of this article, and for no other purpose whatsoever. It shall be paid out upon vouchers signed by the chairman of the authority or his duly authorized representative. The amount of such special tax levy for the first two consecutive levy-making periods after the organization of the authority shall be an amount approved by the governing body of the municipality, but shall not exceed ten cents on each \$100 of taxable valuation in the area of operation. The authority shall each year formulate and file a budget in accordance with the budget procedure of the municipality in the same manner as required of execu-

tive departments of the municipality or, if no budgets are required to be filed, on or before August first, and the amount of the tax levy for the following year shall be based on that budget and shall be approved by the governing body, but shall not after the first two years exceed five cents on each \$100 of taxable valuation in the area of operation.

Sec. 11. Laws 1947, Chapter 487, Section 35, is amended to read:

[462.581] Sec. 35. **Powers of municipality relating to projects.** For the purpose of aiding and cooperating in the planning, undertaking, construction, or operation of housing and redevelopment projects of housing authorities located within the area in which an authority is authorized to act, any municipality may upon such terms, with or without consideration, as it may determine:

(1) Dedicate, sell, convey, or lease any of its interests in any property, or grant easements, licenses, or any other rights or privileges therein, to an authority; provided that no municipality may use any revenues or money of that municipality to pay the bonds of or make any loans or contributions to any redevelopment or public housing project; *except that,*

(i) this proviso shall not apply to the proceeds of taxes for redevelopment projects levied pursuant to subdivision 6 of section 28;

(ii) a municipality is authorized to make an advance on account of the taxes for redevelopment purposes levied pursuant to section 28, subdivision 6, provided that any such advance shall be repaid out of the proceeds of the next tax levy;

(iii) this proviso shall not be applicable to any public low-rent housing project for which financial assistance is provided by the federal government or any agency or instrumentality thereof which requires a municipality or other local public body to use its revenues or money for a direct loan or grant to such project as a condition for federal financial assistance where such local financial assistance for such project is authorized by a vote of the people on a referendum on the question conducted in accordance with referendum requirements of section 12, subdivision 2, of this act.

(2) Cause parks, playgrounds, recreational, community, educational, water, sewer or drainage facilities, or any other works which it is otherwise empowered to undertake, to be furnished adjacent to or in connection with such projects;

(3) Approve (through its governing body or through an agency designated by it for the purpose) redevelopment plans as defined in this act; plan or replan, zone or rezone its parks; in the case of a city or town, make changes in its map; *the governing body of any municipality may waive any building code requirements in connection with the development of projects;*

(4) Cause services to be furnished to the authority of the character which it is otherwise empowered to furnish;

(5) Enter into agreements with respect to the exercise by it of its powers relating to the repair, closing, or demolition of unsafe, unsanitary, or unfit buildings;

(6) Do any and all things necessary or convenient to aid and cooperate in the planning, undertaking, construction, or operation of such projects;

(7) Incur the entire expense of any public improvements made by it in exercising the powers granted in this act; and

(8) Enter into agreements (which may extend over any period, notwithstanding any provision or rule of law to the contrary) with an authority respecting action to be taken by the municipality pursuant to any of the powers granted by this act.

Sec. 12. Laws 1947, Chapter 487, Section 37, Subdivision 1, is amended to read:

[462.591] Sec. 37. **Redevelopment company.** Subdivision 1. **Creation; contents of certificates; filing.** A redevelopment company may be created by three or more persons signing, acknowledging, and filing in the office of the secretary of state a certificate which shall contain:

(1) The name of the proposed redevelopment company;

(2) The purposes for which it is to be formed, which shall be as follows: to acquire one or more areas under a plan

or plans and to construct, own, maintain, operate, sell, and convey projects, pursuant to the terms and provisions of this act;

(3) The amount of the capital stock and, if any be preferred stock, the preference thereof;

(4) The number of shares of which the capital shall consist, all of which shall have a par value;

(5) The location of its principal business office;

(6) Its duration, which shall not be less than 20 years;

(7) The number of directors, which shall not be less than three and who need not be stockholders;

(8) The names and post-office addresses of the directors for the first year;

(9) The names and post-office addresses of the subscribers to the certificate and a statement of the number of shares of stock which each agrees to take in the redevelopment company;

(10) A provision that, so long as this act shall remain applicable to any project of the redevelopment company, the real property of the redevelopment company shall not be sold, transferred, or assigned except as permitted by the terms and provisions of this act;

(11) A declaration that all of the subscribers to the certificates are of full age, that at least two-thirds of them are citizens of the United States and that at least one of them is a resident of the state of Minnesota; that at least one of the persons named as a director is a citizen of the United States and a resident of the state of Minnesota;

(12) A declaration that the redevelopment company has been organized to serve a public purpose and that it shall be and remain subject to the supervision and control of the state housing commission, authorities and governing bodies, as provided in this act, so long as this act remains applicable to any project of the redevelopment company; that all real and personal property acquired by it and all structures erect-

ed by it shall be deemed to be acquired or created for the promotion of the purposes of this act;

(13) A declaration that, after providing for all expenses, taxes, or payments in lieu of taxes, and assessments, there shall be paid annually out of the earnings of the redevelopment company from any project for interest, amortization, and dividends a sum equal to but not exceeding *six and one-half* per cent of the total actual final cost of that project as defined by subdivision 2 of section 46; that the obligation in respect of such payments shall be cumulative, and any deficiency in interest, amortization, and dividends in respect of that project in any year shall be paid from the first available earnings in subsequent years; and that any cash surplus derived from earnings from that project remaining in the treasury of the redevelopment company in excess of the amount necessary to provide such cumulative annual sums shall, upon a conveyance of the project or upon a dissolution of the company, in accordance with the provisions of section 38, be paid into the general fund of the city, village, borough, or town in which that project is located;

(14) A declaration that, upon compliance with the provisions of section 58, the property may be conveyed in fee as provided in that section;

(15) A declaration that mortgage indebtedness, income debenture certificates, and stock of the redevelopment company may be retired if, as, and when there shall be funds available for amortization purposes in the treasury of the redevelopment company.

Sec. 13. **Repealer.** Laws 1947, Chapter 487, Section 40, Subdivision 2, is amended to read:

Sec. 14. Laws 1947, Chapter 487, Section 41, is amended to read:

[462.611] Sec. 41. **Interest; amortization; limit of dividends.** There shall be paid annually out of the earnings of the redevelopment company from any project, after providing for all expenses, taxes, or payments in lieu of taxes, and assessments, a sum for interest, amortization, and dividends, equal to but not exceeding *six and one-half* per cent of the total actual final cost of that project as defined by subdivision 2

of section 46; the obligation in respect of such payments shall be cumulative, and any deficiency in interest, amortization, and dividends in any year in respect of that project shall be paid from the first available earnings in subsequent years; and any cash surplus derived from earnings from that project remaining in the treasury of the redevelopment company in excess of the amount necessary to provide such cumulative annual sums shall, upon a conveyance of the project or upon a dissolution of the company, in accordance with the provisions of section 58, be paid into the general fund of the municipality in which that project is located.

Sec. 15. Laws 1947, Chapter 487, Section 42, is amended to read:

[462.615] Sec. 42. **Stock, bonds or income debenture certificates issued for full value.** No redevelopment company shall issue stock, bonds, or income debenture certificates except for money or property *or services* actually received for the use and lawful purposes of the redevelopment company. No stock, bonds, or income debenture certificates shall be issued for property *or services* except upon a valuation approved by the state housing commission, and that valuation shall be used in computing actual or estimated cost.

Sec. 16. Laws 1947, Chapter 487, Section 43, Subdivision 1, is amended to read:

[462.621] Sec. 43. **Issuance of stock or debenture certificates.** Subdivision 1. **Limitation on issuance.** Except as provided in this section, the stock and income debenture certificates issued by a redevelopment company shall in no event be less than the total of 20 per cent of the actual cost of any project or projects undertaken pursuant to this act. The state housing commission may permit stock or income debenture certificates to be issued for working capital to be used in connection with any project to an amount not exceeding *five* per cent of the estimated cost, or *five* per cent of the total actual final cost, if that should exceed the estimated cost, of the project.

Sec. 17. Laws 1947, Chapter 487, Section 44, is amended to read:

[462.625] Sec. 44. **Income debenture certificates.** With the approval of the state housing commission, the certifi-

cate of incorporation, or an amended certificate, may authorize the issuance of income debenture certificates bearing no greater interest than *six and one-half* per cent per annum. Such income debenture certificates and any instrument under which they are issued may contain such other provisions, including provisions for amortization by serial maturities, through the operation of a sinking fund or otherwise, as may be approved by the state housing commission.

Sec. 18. Laws 1947, Chapter 487, Section 46, is amended to read:

[462.635] Sec. 46. **Limitation on powers of redevelopment company.** In addition to limitations prescribed by this act, a redevelopment company shall not have power to:

(1) Acquire any real property or interest therein for a project or projects until the approval of that acquisition by the governing body as provided in Subdivision 3 of Section 48; provided, however, this clause shall not apply to the obtaining of options to purchase;

(2) Issue its stock, debentures, and bonds covering any project undertaken by it in an amount greater in the aggregate than the total actual final cost of that project. The actual cost of that project shall include *initiation, planning, survey, general overhead and other administrative expense necessary for the project*, the cost of the lands and improvements constituting the project and charges for financing and supervision approved by the state housing commission, condemnation charges, if any, and interest, and other carrying charges during the period of acquisition and of construction. The total actual final cost shall be deemed to be an amount equal to the actual cost plus an allowance for working capital. Such an allowance for working capital shall not exceed an amount equal to *five* per cent of the estimated cost, or of the total actual final cost of the project if that shall be greater than the estimated cost;

(3) Enter into contracts for the payment of salaries to officers or employees, except subject to the approval of the state housing commission, or for the construction or for the substantial repair, improvement, or operation of a project, except subject to the approval of the authority within the area of operation of which the project is located.

Sec. 19. Laws 1947, Chapter 487, Section 49, Subdivision 1, is amended to read:

[462.651] Sec. 49. **Partial tax exemption.** Subdivision 1. **General taxes.** The governing body of a municipality in which any project of a redevelopment company is located may, by ordinance or resolution, exempt from all local taxes so much of the value of the property included in that project as represents an increase over the assessed valuation of the property, both land and improvements, acquired for the project at the time of its acquisition by the redevelopment company which originally undertook the project. Should such a governing body grant such a tax exemption, the project shall, to the extent of the municipal exemption and during the period thereof, be exempt from any and all state, county, and school district taxes. Such an exemption of housing projects from taxation shall not extend to projects upon which physical construction begins after August 1, 1953. The tax exemption specified herein shall not operate for a period of more than *twenty-five* years, commencing in each instance from the date on which the benefits of such exemption first become available and effective. There shall be no exemption from payment of special assessments or from the payment of inspection, supervision, and auditing fees of the state housing commission or the authority.

Sec. 20. Laws 1947, Chapter 487, Section 50, is amended to read:

[462.655] Sec. 50. **Change in feature of project prohibited.** During the period of any tax exemption granted pursuant to Section 49, no redevelopment company or any successor in interest to its title to a project or any part thereof, may change or modify any feature of a project for which approval of the authority is required, without the approval of such authority and by a *majority of the whole number of the votes authorized to be cast by all of the members* of the local governing body.

Sec. 21. Laws 1947, Chapter 487, Section 52, is amended to read:

[462.665] Sec. 52. **Rules and regulations.** The state housing commission shall have power to make rules and regulations to carry out *its* powers and duties pursuant to this *article* and to effectuate the purposes thereof.

Sec. 22. Laws 1947, Chapter 487, Section 53, is amended to read:

[462.671] Sec. 53. **Schedule of fees.** The state housing commission may adopt a reasonable schedule of fees to be paid upon the filing of a plan, plan for a project or projects, amendments thereto, and other instruments in connection therewith, submitted under this article or under Article V.

Sec. 23. Laws 1947, Chapter 487, Section 55, Subdivision 1, is amended to read:

[462.681] Sec. 55. **Duties of state housing commission.** Subdivision 1. **Examination of redevelopment company.** The state housing commission shall examine each redevelopment company and keep informed as to its general condition, its capitalization, and the manner in which its property is constructed, leased, operated, or managed with respect to its compliance with all provisions of law.

Sec. 24. Laws 1947, Chapter 487, Section 60, is amended to read:

[462.705] Sec. 60. **Insurance company defined.** "Insurance company" as used in this article means any insurance company or *investment trust company* authorized to do business in this state.

Approved April 20, 1949.

CHAPTER 506—H. F. No. 667

[Coded as Section 98.46, Subdivisions 8 and 9]

An act relating to harvesting wild rice and licenses therefor; amending Minnesota Statutes 1945, Section 98.46, Subdivisions 1 and 3, as amended; and repealing Laws 1947, Chapter 424, Section 6.

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

Section 1. Minnesota Statutes 1945, Section 98.46, Subdivision 1, as amended by Laws 1947, Chapter 424, Section 2, is amended to read: