

Sec. 4. This act becomes effective only upon approval by a majority of the board of county commissioners of Jackson county and compliance with Laws 1959, Chapter 368.

Approved March 14, 1961.

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CHAPTER 95—S. F. No. 103

[Not Coded]

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

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

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

Sec. 2. **Validating previous contracts.** All such contracts made by the Village after July 1, 1960, are hereby legalized and validated, and are hereby declared to be valid and binding obligations of said Village in accordance with their terms; provided that any such contracts heretofore and hereafter made may be amended, modified, extended or rescinded by the parties.

Sec. 3. **Obligation bonds.** The Village is hereby authorized to issue its general obligation bonds in an amount not exceeding \$1,750,000, for the purpose of meeting payments to be made under the terms of such contracts, and for the purpose of paying any expenses incidental to the making of improvements thereunder, and incidental to the issuance of such bonds.

Sec. 4. **Contracts, conditions.** This act shall apply only to those contracts of the Village which satisfy both of the following conditions:

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

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

(b) The owner or owners of the properties to be taxed for the payment of bonds issued hereunder, as set forth in Sections 6 and 7 hereof, have approved the contract.

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

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

**Sec. 6. Taconite property, taxation.** The lands containing taconite and the taconite plants and lands upon which located, or which are used in connection therewith, and the buildings, machinery, equipment and other fixtures used in the production of taconite, as referred to and defined in Minnesota Statutes 1957, Sections 298.23 to 298.28, both inclusive, as amended, located in said Village, are hereby made subject to taxes for the payment of principal of and interest on any and all bonds issued under authority of this act, anything in said sections to the contrary notwithstanding. In the event such properties are all owned by one person it shall not be necessary to make any determination of the value thereof. In event such properties are owned by more than one person, the taxes shall be apportioned annually between them by the county auditor on the basis of the relative values thereof owned by each upon such investigation of the facts as the auditor shall deem necessary. The taxes levied in accordance with this act shall be billed to and collected from such person or persons at the time and in the same manner as taxes levied in and for said Village upon real property subject to taxation therein; provided, any portion of such taxes levied for the payment of installments of principal of such bonds may be paid without penalty on or before October 31 of the year in

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which such taxes became due and payable if such installment of principal is not due until more than 60 days thereafter.

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

**Sec. 8. General obligation of village; deficiencies.** The bonds issued under authority of this act shall be the general obligations of the Village, for which its full faith and credit and unlimited taxing power shall be pledged. In the event there shall be any deficiencies in the collection of the taxes levied pursuant to Section 7 hereof, the deficiencies shall be made good by general levies, without limitation as to rate or amount, on all taxable properties in the Village in accordance with Minnesota Statutes 1957, Section 475.74. If any such deficiency levies are found necessary, the Village Council is empowered to effect a temporary loan or loans on certificates of indebtedness issued in anticipation thereof for the purpose of meeting payments of principal or interest on the bonds due or about to become due. Bonds may be issued under authority of this act notwithstanding any limitations upon the indebtedness of said Village, and the amounts thereof shall not be included in computing the indebtedness of the Village for any purpose, including the issuance of subsequent bonds and the incurring of subsequent indebtedness.

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

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

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

Sec. 11. **Approval.** This act shall be effective only after it has been approved by a resolution adopted by a majority of the members of the Village Council of the Village of Silver Bay, and upon compliance with Laws 1959, Chapter 368.

Approved March 14, 1961.

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#### CHAPTER 96—H. F. No. 175

*An act relating to public indebtedness and cancellation of obligations held in sinking funds from which they are payable and amending Minnesota Statutes 1957, Section 475.66.*

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

Section 1. Minnesota Statutes 1957, Section 475.66, is amended to read:

**475.66 Sinking fund; surpluses.** There shall always be retained in any sinking fund sufficient cash to provide for the annual payments of principal and interest on the obligations for which the fund was created. Subject to the provisions of any resolutions of the governing body relating to the maintenance of reserves of cash or investments for the security of holders of such obligations, any surplus in any sinking fund above such amount may be invested under the direction of the governing body in any general obligation of the United States, the state of Minnesota or any of its municipalities, and may be used to purchase any obligation, whether general or special, of the issue for which the fund is created, at such price, which may include a premium, as shall be agreed to by the holder, or may be used to redeem any obligation of said issue prior to maturity in accordance with its terms. The obligations representing any such investment may be sold or hypothecated by the governing body at any time, but the money so received remains a part of such fund until used for the purpose for which the fund was created. Any obligation held in the sinking fund from which it is payable may be cancelled at any time when moneys in such fund are sufficient to pay all other obligations issued prior to July 1, 1961, payable therefrom with interest to maturity or to their earliest redemption dates. *Any obligation issued after July 1, 1961, held in the sinking fund from which it is payable may be cancelled at any time unless otherwise provided in the other ob-*

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