

CHAPTER 370—H. F. No. 1218

[Not Coded]

An act relating to the town of Herman in St. Louis county; granting certain powers possessed by villages and cities.

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

Section 1. **Herman, town of; village powers.** The town of Herman in the county of St. Louis shall have the same powers with respect to water works, gas works and sewage disposal as possessed by villages under Minnesota Statutes, Sections 412.321 to 412.391, and acts amendatory thereof, and as possessed by cities and villages under Minnesota Statutes, Chapter 429, and acts amendatory thereof.

Sec. 2. This act shall become effective only after its approval by a majority of the members of the town board of Herman, and upon compliance with Minnesota Statutes 1961, Section 645.021.

Approved April 26, 1963.

CHAPTER 371—H. F. No. 1353

[Coded]

An act relating to school taxes and state aids to school districts and authorizing borrowing by school districts in anticipation of said taxes and state aids.

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

Section 1. **[124.71] School districts; tax and aid anticipation borrowing; definitions.** Subdivision 1. School district as used in this act means any school district in the state of Minnesota, however organized and wherever located.

Subd. 2. Commissioner as used in this act means the commissioner of education of the state of Minnesota.

Sec. 2. **[124.72] Application of limiting tax legislation.** Notwithstanding the provisions of Minnesota Statutes, Section 471.69 or Section 471.75, or of any other provision of law which by per capita limitation, mill rate limitation, or otherwise, limits the power of a school district to incur any debt or to issue any warrant or order, a school district has the powers in this act specifically conferred upon it and all powers incident and necessary to carrying out the purposes of this act.

Changes or additions indicated by italics, deletions by strikeout.

Sec. 3. [124.73] **Authority to borrow money, limitations.** Subdivision 1. The board of any school district may borrow money upon negotiable tax anticipation certificates of indebtedness, in the manner and subject to the limitations set forth in this act, for the purpose of anticipating general taxes theretofore levied by the district for school purposes, but the aggregate of such borrowing under this subdivision shall never exceed 50 percent of such taxes which are due and payable in the calendar year, and as to which taxes no penalty for nonpayment or delinquency has attached.

Subd. 2. The board may also borrow money in the manner and subject to the limitations set forth in this act in anticipation of receipt of state aids for schools as defined in Minnesota Statutes and of federal school aids to be distributed by or through the state department of education. The aggregate of such borrowings under this subdivision shall never exceed 75 percent of such aids which are receivable by said school district in the school year (from July 1 to June 30) in which the money is borrowed, as estimated and certified by the commissioner.

Sec. 4. [124.74] **Enabling resolution; form of certificates of indebtedness.** The board may authorize and effect such borrowing, and may issue such certificates of indebtedness upon passage of a resolution specifying the amount and purposes for which it deems such borrowing is necessary, which resolution shall be adopted by a vote of at least two thirds of its members. The board shall fix the amount, date, maturity, form, denomination, and other details thereof, not inconsistent herewith, and shall fix the date and place for receipt of bids for the purchase thereof and direct the clerk to give notice thereof.

Sec. 5. [124.75] **Repayment; maturity date of certificates; interest.** The proceeds of the current tax levies and future state aid receipts or other school funds which may become available shall be applied to the extent necessary to repay such certificates and the full faith and credit of the school district shall be pledged to their payment. They shall mature not later than the anticipated date of receipt of school taxes for the current year or of the aids so anticipated as estimated by the commissioner, but in no event later than the last day of the school year in which issued. The certificates shall be sold at not less than par. The certificates shall bear interest after maturity until paid at the rate they bore before maturity and any interest accruing before or after maturity shall be paid from any available school funds.

Sec. 6. [124.76] **Sale of certificates; disbursement of proceeds.** The clerk of the board shall give notice of the proposed sale as required by Minnesota Statutes, Chapter 475. At the time and place so fixed, such certificates may be sold by the board, of its offi-

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cers if authorized by the board, to the bidder who will agree to purchase the same on terms deemed most favorable to the district. Such certificates shall be executed and delivered as required by Minnesota Statutes, Chapter 475. The money so received shall be disbursed solely for the purposes for which such taxes are levied or aids are receivable. The purchaser of such certificates shall not be obligated to see to such application of the proceeds.

Sec. 7. [124.77] Payment of aids; certification of unpaid amounts. Upon the determination of the several amounts of school aids and reimbursements to be paid to the respective school districts in the manner and at the times as otherwise provided by law, the commissioner shall forthwith determine whether there are sufficient moneys available in the appropriate funds to make such payments. If the moneys available are sufficient to pay such amounts in full, the commissioner shall make such payments in full in the manner otherwise provided by law. If the moneys so available are not sufficient to pay such amounts in full but are sufficient to pay 25 percent or more of the amounts, the commissioner shall make pro rata payments to the several school districts of the amounts of moneys available therefor in the manner provided by law for payments thereof in full. If pro rata payment is so made, or if no payment is made of the amount due to each school district, the commissioner shall forthwith certify to each school district the unpaid amount which will be paid by the state to such school district when moneys are available in the state treasury so to do. The document on which such certification is made is hereinafter referred to as the certificate.

Sec. 8. [124.78] Borrowing against certified unpaid aids. Upon receipt of the certificate, a school district may, by resolution of its school board, borrow money in an amount not exceeding the total amount which is shown on the certificate as the amount of moneys which is to be paid to the school district by the state as school aids or reimbursements. Such borrowing shall not be subject to the limit stated in section 3, subdivision 2. The school district may provide in the resolution (1) that it will pay interest on the moneys so borrowed at a rate not exceeding five percent per annum and assign the certificate and the moneys due thereunder as collateral to secure the payment of the moneys borrowed and that the full faith and credit of the school district is pledged to the payment of the moneys so borrowed, or (2) that it will assign the certificate and the moneys due thereunder at a discount which does not exceed an annual rate of five percent per annum on the total amount of the moneys assigned. Such assignment is effective only upon the registration thereof by the commissioner and thereafter the commissioner shall pay the moneys due and so assigned to the assignee. The commissioner shall pay

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such moneys due as school aids or reimbursement whether unassigned, assigned as collateral, or assigned at a discount, as soon as funds are available for the payment thereof. Such assignment of the certificate and the moneys at a discount shall be made only after calling for bids thereon when it is in the public interest so to do.

Sec. 9. This act shall be in effect from and after July 1, 1963.

Approved April 26, 1963.

CHAPTER 372—H. F. No. 1356

[Not Coded]

An act authorizing the village of Ivanhoe to acquire, construct, equip, and operate or lease hospital and nursing home facilities, to issue bonds for these purposes, and to mortgage or pledge the revenues of the facilities and make other covenants for the security of such bonds.

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

Section 1. **Ivanhoe, village of; hospital and nursing home.** The village of Ivanhoe in Lincoln county is authorized, by resolution or resolutions adopted by its council, to acquire a site by gift, purchase, or condemnation, or to use a site owned by the village, for the construction of municipal hospital or nursing home facilities or both; to construct and provide all necessary equipment and working capital for the operation of such facilities; to operate, maintain, and administer the facilities, employ all necessary personnel, fix and collect charges for the use and service thereof, and pay all costs of supplies, service, liability and property insurance, accounting and audits, operation, and maintenance; to lease the facilities for operation, maintenance, and administration by a nonprofit corporation as a community hospital or nursing home or both, open to all residents of the community upon equal terms, for a term not exceeding 30 years, upon such rentals and subject to such other conditions as may be agreed; to improve, extend, and provide additional equipment for such facilities; to mortgage the site and facilities, or any part thereof, or to pledge the revenues or rentals received by the village therefrom, or any part thereof, or to make both such mortgage and pledge, to a trustee for bondholders or otherwise, for the security of the repayment of money borrowed for the foregoing purposes and interest thereon; to borrow money for these purposes by the issuance and sale of bonds for which the full faith, credit, and taxing powers of the village may

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