

Sec. 3. Such school district may operate such a program independently or it may cooperate in its conduct in whole or in part with any municipality having authority to operate such a program or any board or agency of such a municipality, or any incorporated veterans' or other nonprofit organization in any manner mutually agreeable; and such school district may delegate by contract the whole or any portion of such program to such a municipality or any board or agency thereof.

Sec. 4. When the program or a portion thereof has been so delegated, such school district may pay to the body to whom such delegation is made, funds of the school district not exceeding six tenths of one mill on all the taxable property in the district for expenditure by such body in furthering the purposes of the delegated program, and the approval of the voters of the district shall not be a condition precedent to any such agreement, contract, appropriation or expenditure. However, if the combined total tax levy for any such appropriation and the levy for general school purposes shall exceed the taxing limitation established for such district pursuant to the provisions of Laws 1955, Chapter 274, then such portion of the combined levy as exceeds the limitation shall be levied only after compliance with the provisions of Laws 1955, Chapter 274.

Sec. 5. Laws 1917, Chapter 166 is hereby repealed.

Sec. 6. This act shall not become effective until it is approved by a majority vote of the directors of said special school district No. 3, Duluth, Minnesota, and upon compliance with Minnesota Statutes, Section 645.021.

Approved May 3, 1963.

CHAPTER 471—S. F. No. 1614

[Not Coded]

An act authorizing the North Suburban Hospital District to issue revenue bonds for the acquisition and betterment of hospital facilities, to operate or lease such facilities to a nonprofit or public corporation for operation as a community hospital, to levy an annual tax for community hospital purposes, to mortgage the facilities, and to make other covenants for the security of the revenue bonds.

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

Section 1. North Suburban Hospital District; betterment bonds. The North Suburban Hospital District, a local government unit now organized and existing under the provisions of Minnesota

Changes or additions indicated by italics, deletions by strikeout.

Statutes, Sections 447.31 to 447.37, in Anoka and Ramsey counties, is authorized, in addition to and not in substitution for any other power granted to it by law, to issue revenue bonds by resolution or resolutions of its hospital board to finance the acquisition and betterment of hospital facilities, including but without limitation the payment of interest during construction and for a reasonable period thereafter and the establishment of reserves for bond payments and for working capital.

Sec. 2. The district may pledge and appropriate the revenues to be derived from its operation of the facilities to pay the principal and interest on the bonds when due and to create and maintain reserves for that purpose, as a first and prior lien on all such revenues or, if so provided in the bond resolution, as a lien thereon subordinate to the current payment of a fixed amount or percentage or all of the estimated annual costs of the operation, administration, and maintenance of the facilities.

Sec. 3. Alternatively, the district may lease the facilities for operation, administration, and maintenance by a nonprofit or public corporation as a community hospital, open to all residents of the community upon equal terms, upon such rentals and for such term, not exceeding 30 years, and subject to such other conditions as may be agreed. The lessee may be granted an option to renew the lease for an additional term or terms upon such conditions and rentals, or to purchase the facilities at such price, as may be provided. The district may undertake and agree to pay to the lessee annually, and to include in each annual budget and tax levy for hospital purposes, a fixed compensation determined by the hospital board to be just and proper compensation for services agreed to be performed by the lessee in the operation, administration, and maintenance of the hospital as a community facility; for any investment by the lessee of its own funds or funds granted or contributed to it in the construction or equipment of the hospital; and for any auxiliary services to be provided or made available by the lessee through other facilities owned or operated by it; and services other than those provided for in the lease agreement may be compensated at such rates as may be agreed subsequently. Any lease agreement entered into hereunder shall, however, require the lessee to pay from the revenues and compensation received from the operation of the facilities a net annual rental, in excess of all necessary and current expenses of operation, administration, and maintenance, not less than the amount required to pay the principal and interest when due on all revenue bonds issued by the district for the acquisition and betterment of the leased facilities, and to maintain the agreed revenue bond reserve. No such lease agreement shall grant an option to the

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lessee to purchase the facilities at a price less than the amount of the bonds so issued and interest accrued thereon, except bonds and accrued interest paid from such net rentals before the option is exercised.

Sec. 4. In the issuance of bonds hereunder the revenues or rentals may be pledged and appropriated by resolution for the use and benefit of bondholders generally, or may be pledged by the execution of an indenture or other appropriate instrument to a trustee for the bondholders, and the site and facilities, or any part thereof, may be mortgaged to such trustee. The hospital board shall have power to make and enter into any and all covenants with the bondholders or trustee which are determined by it to be necessary or proper to assure the marketability of the bonds, the completion of the facilities, the segregation of the revenues or rentals and any other funds pledged, and the sufficiency thereof for the prompt and full payment of all bonds and interest. However, if the resolution, indenture, or lease agreement contains any covenant binding the district to levy in any year a tax in an amount which would exceed three mills on the assessed valuation of all taxable property in the district as finally equalized in the year preceding the issuance of the bonds, whether as a fixed sum or as a levy to pay costs of operation, administration, and maintenance in the event of a deficiency of revenues or the default of the lessee, this shall be specifically authorized by resolution of the governing body of each city, village, or town whose area is included within the district at the time of the issuance of the bonds. A certified copy of each such resolution, as well as that of the hospital board, shall be filed with the county auditor of each county in which any part of the district is then situated, before the bonds are delivered to the purchaser.

Sec. 5. All bonds issued pursuant to this act shall be issued and sold as provided in Minnesota Statutes, Sections 475.60 to 475.71. They shall not be included in the net debt of the hospital district or of any municipality included therein, as defined or referred to in Minnesota Statutes, Section 475.51 or any other law. The bonds and interest thereon shall be exempt from taxation by the state or any of its political subdivisions.

Sec. 6. This act shall become effective upon its approval by resolution adopted by the vote of a majority of the members of the hospital board of the North Suburban Hospital District, and upon compliance with Minnesota Statutes, Section 645.021.

Approved May 3, 1963.

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