

CHAPTER 1047—H. F. No. 2365

[Coded]

An act relating to state bonds and the maturities and other provisions and refunding thereof; authorizing the issuance and sale of bonds for refunding purposes under the provisions of the Constitution, Article IX, Section 6 and appropriating money in connection therewith; amending Minnesota Statutes 1967, Section 6.33, by adding a new subdivision.

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

Section 1. Minnesota Statutes 1967, Section 6.33, is amended by adding a new subdivision to read:

Subd. 4. State bonds; maturities; refunding. In the issuance of each series of state bonds authorized by law for any purpose the state auditor shall endeavor to establish the maturities thereof in such manner that the sums anticipated to be received in the state bond fund on or before November 1 in each year of the then current biennium from the property tax relief fund and from all other sources except property taxes, pursuant to appropriation by any law, will be sufficient to provide for the payment of all state bonds and interest without the levy of a property tax on that date under the provisions of Article IX, Section 6, Subdivision 4 of the Constitution. In the issuance of each such series the state auditor shall also endeavor to estimate whether the issuance thereof, with maturities and other provisions which the auditor believes to be most advantageous to the state for the marketing of the bonds, is likely, except in the event of refunding of such series, to result in the requirement of a property tax levy in any subsequent year, having regard to the historical and projected receipts from nonproperty tax sources appropriated to the state bond fund. If in the auditor's judgment such issuance is likely to cause a future property tax levy or refunding, he shall report this fact to the executive council, and the bonds shall not be issued and sold with the proposed maturities and other provisions unless approved by resolution of the executive council; but nothing herein shall impair or affect in any manner the validity or security of any bonds actually issued and sold by the state auditor under authority of any law, in the hands of the initial purchaser or any subsequent holder thereof, regardless of the date and amount of any maturity selected by the auditor for any series of bonds, in a manner consistent with the law authorizing the issuance of such series.

Sec. 2. **[6.34] Minnesota state refunding bonds.**
Subdivision 1. For the purpose of refunding state bonds

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

of any series heretofore or hereafter authorized the state auditor may with approval by resolution of the executive council issue bonds of the state of Minnesota in a maximum amount equal to the outstanding principal amount of the bonds to be refunded, in the manner and upon the terms and conditions prescribed in this section and in the Constitution, Article IX, Section 6. For the prompt and full payment of all such refunding bonds and the interest thereon the full faith and credit and taxing powers of the state are irrevocably pledged. The proceeds of such bonds shall be credited to the state bond fund created by the Constitution, and within that fund to such separate bookkeeping account as shall have been created for the payment of the bonds to be refunded and the interest thereon.

Subd. 2. Unless otherwise expressly provided in the law authorizing the issuance of any series of bonds, such authorization shall include authorization to the auditor to issue refunding bonds in a maximum principal amount equal to the principal amount thereof outstanding at any time, for the purpose of refunding the same in the manner and upon the terms and conditions prescribed in this section. Any act directing the issuance of bonds for any purpose shall, together with this section, constitute complete authority for the issuance of bonds to refund the same, and such refunding bonds shall not be subject to the restrictions or limitations contained in any other law.

Subd. 3. Such refunding bonds shall be issued and sold upon sealed bids, or may be sold directly to the state board of investment without bids, or may be exchanged for bonds refunded by agreement with the holders thereof, and shall be prepared, executed, and delivered, and when issued shall be secured, in the same manner in all respects as provided by law and the Constitution for the bonds refunded thereby. The proceeds of the bonds may be deposited, invested, and applied to accomplish the refunding in the manner and upon the conditions provided in section 475.54, subdivisions 7 to 13. The interest rate on refunding bonds may exceed that on the bonds refunded when in the judgment of the auditor and council refunding is nevertheless necessary or desirable for the purpose of extending the maturities and reducing the annual property tax or other funds needed to pay and secure the bonds and interest, in lieu of the revenues primarily appropriated for their payment.

Subd. 4. Such moneys as are required to carry out the purposes of this section are appropriated annually therefor.

Sec. 3. This act is in effect from and after its final enactment.

Approved June 6, 1969.

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