

paid thereon to any agent, or broker producing or selling the policy of insurance wherein such amount is added.

Sec. 14. **Effective date.** This act shall be effective retroactive to August 1, 1968.

Approved May 19, 1969.

CHAPTER 484—H. F. No. 2371

An act relating to the maximum interest rate on certain bonds for improvement; amending Minnesota Statutes 1967, Section 430.12.

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

Section 1. Minnesota Statutes 1967, Section 430.12, is amended to read:

430.12 Municipal bonds; interest rate; bonds for improvements. The city council, for the purpose of realizing the funds for making an improvement and paying damages may, from time to time as may be needed, issue and sell special certificates of indebtedness, or special street or parkway improvement bonds, as they may decide, which shall entitle the holder thereof to all sums realized upon any assessment or, if deemed advisable, a series of two or more certificates or bonds against any one assessment, or against the assessments in two or more different proceedings, the principal and interest being payable at fixed dates out of the funds collected from the assessments, including interest and penalties, and the whole of the fund or funds is hereby pledged for the pro rata payment of the certificates or bonds and the interest thereon, as they severally become due. These certificates or bonds may be made payable to the bearer, with interest coupons attached, and the city council may bind the city to make good deficiencies in the collection up to, but not exceeding, the principal and interest at the rate fixed, as hereinafter provided, and for the time specified in section 430.06. If the city, because of this guaranty, shall redeem any certificate or bond, it shall thereupon be subrogated to the holder's rights. For the purpose of this guaranty, penalties collected shall be credited upon deficiencies of principal and interest before the city shall be liable. These certificates or bonds shall be sold at public sale or by sealed proposals at a meeting of which at least two weeks' published notice shall be given, to the

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purchaser who will pay the par value thereof at the lowest interest rate, and the certificates or bonds shall be drawn accordingly, but the rate of interest shall in no case exceed ~~five~~ seven percent per annum, payable annually or semiannually. The city clerk shall certify to the county auditor the rate of interest so determined at the first bond sale held for any such improvement, and interest shall be computed upon the assessments at this annual rate, in accordance with the terms of section 430.06. In case the rate of interest so determined at any subsequent bond sale for the same improvement is greater than the rate so determined at the first bond sale therefor, the difference between these rates of interest shall be a general city charge.

In case the proceeds of any special certificates of indebtedness or special street or parkway improvement bonds are in excess of the amount actually necessary to make the improvements for which the same were issued, or in case the proceeds are not immediately required for the prosecution or completion of the improvement, these proceeds may meanwhile be used by the city council for the making of other improvements authorized under the provisions of this chapter, and the amount of the proceeds so used shall be replaced and made good so far as may be necessary from the proceeds of special certificates of indebtedness or special bonds issued for the purpose of making such other improvements.

Approved May 19, 1969.

CHAPTER 485—H. F. No. 1

[Coded in Part]

An act relating to the teacher's retirement association; and establishing a variable annuity division and an adjustable fixed benefit fund; amending Minnesota Statutes 1967, Sections 354.05, Subdivision 16, and by adding subdivisions; 354.06, Subdivisions 1 and 3; 354.07, Subdivision 4; 354.09, Subdivisions 2 and 4; 354.15; 354.201, Subdivision 3; 354.32; 354.33, Subdivision 1, and by adding subdivisions; 354.36, Subdivision 1; 354.37; 354.42, Subdivisions 2, 3, 5 and 6; 354.43, Subdivision 1; 354.44, Subdivision 2, and by adding subdivisions; 354.46, Subdivision 2; 354.47, Subdivision 1; 354.48, Subdivisions 2 and 3; 354.49, Subdivision 1; 354.50, by adding a subdivision; 354.51, by adding subdivisions; 354.52; 354.55, by adding subdivisions; and 354.58; Minnesota Statutes 1967, Chapter 11, by

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