

~~(b) over four pages and not to exceed 24 pages, not to exceed 1,000 copies;~~

~~(c) over 24 pages and not to exceed 50 pages, not to exceed 750 copies;~~

~~(d) over 50 pages, not to exceed 500 copies.~~

The term "duplicating" as used in this subdivision means that material produced by use of stencils, masters and plates which are to be used on single unit duplicating equipment not larger than 11 by 17 inches and which have a maximum image of 10- $\frac{1}{4}$ by 16- $\frac{1}{2}$ inches.

Approved June 7, 1971.

CHAPTER 903—H.F.No.1515

[Coded in Part]

An act relating to public indebtedness; redefining net debt; providing for the effect of certain interest limitations; imposing conditions for the issuance of certain obligations; providing for the refunding of obligations; amending Minnesota Statutes 1969, Sections 475.51, Subdivision 4; 475.55; 475.58, Subdivision 1; 475.60, Subdivision 1; and 475.67 by adding subdivisions; repealing Minnesota Statutes 1969, Sections 475.552 and 475.54, Subdivisions 5 to 14.

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

Section 1. Minnesota Statutes 1969, Section 475.51, Subdivision 4, is amended to read:

Subd. 4. **MUNICIPAL BOND CODE; REVISION.** "Net debt" means the amount remaining after deducting from its gross debt the amount of current revenues which are applicable within the current fiscal year to the payment of any debt and the aggregate of the principal of the following:

(1) Obligations issued for improvements which are payable wholly or partly from the proceeds of special assessments levied upon property specially benefited thereby, including those which are general obligations of the municipality issuing them, if the municipality is entitled to reimbursement in whole or in part from the proceeds of the special assessments.

(2) Warrants or orders having no definite or fixed maturity.

(3) Obligations payable wholly from the income from revenue-producing conveniences.

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(4) Obligations issued to create or maintain a permanent improvement revolving fund.

(5) Obligations issued for the acquisition, and betterment of public waterworks systems, and public lighting, heating or power systems, and of any combination thereof or for any other public convenience from which a revenue is or may be derived.

(6) Debt service loans and capital loans made to a school district under the provisions of sections 124.42 and 124.43.

(7) Amount of all money and the face value of all securities held as a sinking fund for the extinguishment of obligations other than those deductible under this subdivision.

(8) All other obligations which under the provisions of law authorizing their issuance are not to be included in computing the net debt of the municipality.

Sec. 2. Minnesota Statutes 1969, Section 475.55, is amended to read:

475.55 OBLIGATIONS; EXECUTION; INTEREST LIMITATIONS. Subdivision 1. EXECUTION, CONTENTS. All obligations shall be signed by the officers as authorized by resolution of the governing body and shall express the amount and the terms of payment. Interest thereon shall not exceed the rate of seven percent per annum, payable half yearly. All obligations shall be negotiable instruments notwithstanding any limitation in the source of the funds for payment. The validity of every obligation so executed shall remain unimpaired by the fact that one or more of such officers shall have ceased to be in office before delivery to the purchaser or shall not have been in office on the formal date of the bonds. Such resolution may provide that one of the officers shall sign such bonds manually and that the other signatures may be printed, lithographed, stamped or engraved thereon. Where the municipality has a seal such seal may be impressed on each bond or a facsimile thereof may be printed, lithographed or engraved on each bond as determined by the resolution of the governing body.

Subd. 2. INTEREST LIMITATIONS, EFFECT ON OTHER LAWS. The interest limitation stated in this section shall supersede all lower limitations contained in any law or charter applicable to obligations of the state or any municipality or governmental or public subdivision, district, corporation, commission, board, council, or authority of whatsoever kind, but shall not restrict the power of the issuer to fix the interest on any obligation in accordance with the law authorizing its issuance.

Sec. 3. Minnesota Statutes 1969, Section 475.58, Subdivision 1, is amended to read:

475.58 OBLIGATIONS, ELECTIONS TO DETERMINE ISSUE. Subdivision 1. APPROVAL BY MAJORITY OF ELECTORS; EX-

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CEPTIONS. Obligations authorized by law or charter may be issued by any municipality upon obtaining the approval of a majority of the electors voting on the question of issuing the obligations, but an election shall not be required to authorize obligations issued:

(1) to pay any unpaid judgment against the municipality;

(2) for refunding obligations;

(3) for an improvement, which obligation is payable wholly or partly from the proceeds of special assessments levied upon property specially benefited by the improvement, including obligations which are the general obligations of the municipality, if the municipality is entitled to reimbursement in whole or in part from the proceeds of special assessments levied upon such property and not less than 20 percent of the cost of the improvement is to be assessed against benefited property ;

(4) payable wholly from the income of revenue-producing conveniences;

(5) under the provisions of a home rule charter which permits the issuance of obligations of the municipality without election; and

(6) under the provisions of a law which permits the issuance of obligations of a municipality without an election.

Sec. 4. Minnesota Statutes 1969, Section 475.60, Subdivision 1, is amended to read:

475.60 SALE OF BONDS. Subdivision 1. **ADVERTISEMENT.** All obligations shall be negotiated and sold by the governing body, except when authority therefor is delegated by the governing body or by the charter of the municipality to a board, department, or officers of the municipality. Obligations Except as provided in section 475.56, obligations shall be sold at not less than par value plus accrued interest to date of delivery. Except as provided in subdivision 2 all obligations shall be sold at public sale after notice given at least ten days in advance by publication in a legal newspaper having general circulation in the municipality and ten days in advance by publication in a daily or weekly periodical, published in a Minnesota city of the first class, which circulates throughout the state and furnishes financial news as a part of its service.

Sec. 5. Minnesota Statutes 1969, Section 475.67, is amended by adding subdivisions to read:

Subd. 3. Obligations and interest thereon may be refunded if and when and to the extent that for any reason the taxes or special assessments, revenues, or other funds appropriated for their payment are not sufficient to pay all principal and interest due or about to

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become due thereon. Obligations but not interest thereon may be refunded before maturity, if consistent with covenants made with the holders thereof, when determined by the governing body to be necessary or desirable for the reduction of interest cost to the municipality or for the extension or adjustment of the maturities in relation to the resources available for their payment, or in the case of obligations payable solely from a special fund, for the more advantageous sale of additional obligations payable from the same fund. No general obligations, for which the full faith and credit of the issuer is pledged, shall be issued to refund special obligations previously issued for any purpose, payable solely from a special fund, unless such issuance is authorized by such election, hearing, petition, resolution, or other procedure as would have been required as a condition precedent to the original issuance of general obligations for the same purpose.

Subd. 4. Refunding obligations shall not be issued and sold more than six months before the earliest date on which all obligations to be refunded thereby will have matured or become subject to call for redemption in accordance with their terms, unless the actions and conditions described in the following subdivisions of this section are taken or exist at or before the time when the refunding obligations are delivered to the purchasers.

Subd. 5. The proceeds of the refunding obligations shall be deposited, together with any other funds available and appropriated by the governing body for the purpose, in escrow with a suitable banking institution within or without the state, whose deposits are insured by the Federal Deposit Insurance Corporation, and whose combined capital and surplus is not less than \$500,000.

Subd. 6. The funds so deposited shall be invested in securities maturing or callable at the option of the holder on such dates and bearing interest at such rates as shall be required to provide funds sufficient, with any cash retained in the escrow account, to pay when due the interest to accrue on each obligation of the issue refunded to its maturity or, if prepayable, to an earlier date on which it may be called for redemption, and to pay the principal amount of each such obligation at maturity or, if prepayable, at such earlier redemption date, and to pay any premium required for redemption on that date; and the governing body shall irrevocably appropriate for these purposes the escrow account and all payments of principal and interest on the securities deposited therein, provided that it may direct payment, from funds in the escrow account in excess of the amounts from time to time needed for the foregoing purposes, of the reasonable compensation of the banks acting as escrow agent and as paying agent or agents for the refunded obligations.

Subd. 7. Notice of the call of all prepayable obligations of each issue refunded shall be given in accordance with their terms, and in

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accordance with subdivision 4 of section 475.54. Each prepayable obligation of the issue refunded shall be called for redemption on the earliest date on which, according to its terms, it may be prepaid from the proceeds of refunding obligations or from such other funds, if any, as are appropriated for such prepayment, and shall not subsequently be called for redemption on any date earlier than that designated in the notice, unless such call is required by the terms of the refunded bonds to be made from surplus funds subsequently becoming available.

Subd. 8. Securities purchased for the escrow account shall be limited to general obligations of the United States, securities whose principal and interest payments are guaranteed by the United States, and securities issued by the following agencies of the United States: Banks for Cooperatives, Federal Home Loan Banks, Federal Intermediate Credit Banks, Federal Land Banks, and the Federal National Mortgage Association.

Subd. 9. The municipality shall enter into an agreement with the banking institution acting as escrow agent under which the agent shall acknowledge receipt of the cash and securities and their sufficiency to comply with the requirements of this section, and shall agree to hold them, and all money received in payment of principal and interest on the securities, in a special trust account, and to remit from this account to each paying agent for the refunded obligations sufficient funds to pay the principal and interest due thereon at each maturity, interest payment date, and redemption date. The agent may be directed to reinvest the balance held in the account from time to time in other securities of the kinds authorized in this section, maturing at the times and in the amounts required to meet all payments of principal and interest when due on the refunded obligations, which securities may be purchased from its own investment department at prices not higher than those at which similar securities are currently being sold by it to others.

Subd. 10. The escrow agent shall be directed to cause notice of the call of the refunded obligations which are to be prepaid to be republished not more than 90 nor less than 45 days before the date fixed for their redemption, in the manner provided in subdivision 7; but failure to republish shall not affect the validity of the call for redemption.

Subd. 11. When advance refunding obligations have been issued pursuant to subdivisions 4 to 10, they shall not be refunded by the issuance of similar advance refunding obligations pursuant to these subdivisions until and unless all of the original obligations refunded have been actually retired by payment or by deposit at their respective maturities or redemption dates of sufficient funds.

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Subd. 12. In the refunding of general obligations, for which the full faith and credit of the issuing municipality has been pledged, the following additional conditions shall be observed: No refunding obligations shall be issued and sold more than ten years before the date on which all general obligations of the issue to be refunded will have matured or are called for redemption in accordance with their terms. No refunding obligations shall be issued and sold more than six months before said date, unless the average annual net interest rate of the refunding obligations, computed to their stated maturity dates, is lower by at least one fourth of one percent per annum than the average annual net interest rate of the general obligations refunded, computed to their stated maturity dates; provided that in computing the average annual net interest rate of the refunding obligations, the expenses of the refunding shall be added to the dollar amount of interest on the refunding obligations. Expenses of the refunding include the amount, if any, in excess of the proceeds of the refunding obligations, which is required to be deposited in escrow to provide cash and purchase securities sufficient to retire the refunded obligations in accordance with subdivision 5; charges of the escrow agent and of the paying agent for the refunding obligations.

Sec. 6. Minnesota Statutes 1969, Sections 475.54, Subdivisions 5, 6, 7, 8, 9, 10, 11, 12, 13, and 14; and 475.552, are repealed.

Approved June 7, 1971.

CHAPTER 904—H.F.No.1574

[Coded]

An act relating to the Minnesota pollution control agency; authorizing permit issuance for air and land pollution control; prohibiting the construction, alteration or operation of certain facilities without a permit; amending Minnesota Statutes 1969, Section 116.07, by adding a subdivision and Chapter 116, by adding sections.

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

Section 1. Minnesota Statutes 1969, Section 116.07, is amended by adding a subdivision to read:

Subd. 4a. POLLUTION CONTROL AGENCY; PERMITS. The pollution control agency may issue, continue in effect or deny permits, under such conditions as it may prescribe for the prevention of pollution, for the emission of air contaminants, or for the

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