

and representative in the legislature. The candidates for senator in congress shall be first on the white ballot, the candidates for representative in congress shall be second, candidates for senator in the legislature shall be third, and candidates for representative in the legislature shall be fourth. The candidates for state offices shall follow the candidates for representative in the legislature. Candidates for governor and lieutenant governor shall appear so that a single vote will apply to both offices.

Sec. 4. Minnesota Statutes 1971, Section 206.07, Subdivision 1, as amended by Laws 1973, Chapter 3, Section 8, is amended to read:

**206.07 CANDIDATES, ARRANGEMENT OF NAMES.** Subdivision 1. **PLACEMENT.** Where voting machines are authorized and employed, the titles of offices may be arranged horizontally with the names of the candidates arranged vertically under the title of the office, or the titles of the offices may be arranged vertically with the names of the candidates arranged horizontally opposite the respective titles. On the "Consolidated Primary Election Ballot" prepared for primary elections, and on the white ballot prepared for the general election, the order of the names of nominees, or names of candidates for election, as the case may be, shall be the same as is required for paper ballots. Candidates for governor and lieutenant governor shall appear so that a single vote will apply to both offices. More than one column or row may be used for the same office or party. Questions, constitutional amendments, or other propositions shall be placed on the machines in the space provided for that purpose and shall be arranged in the manner which the construction of the machine requires.

Approved May 18, 1973.

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## CHAPTER 319—H.F.No.1681

[Coded in Part]

*An act relating to the municipal housing and redevelopment act, providing for the construction of market rate housing in cities of the first class; amending Minnesota Statutes 1971, Sections 462.415, by adding a subdivision; 462.591, by adding a subdivision; 462.611; 462.621, by adding a subdivision; 462.631; 462.645, Subdivision 6; 462.691; and 462.695, Subdivisions 1 and 2.*

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

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Section 1. Minnesota Statutes 1971, Section 462.415, is amended by adding a subdivision to read:

**Subd. 6. MUNICIPAL HOUSING AND REDEVELOPMENT; MARKET RATE HOUSING.** Within cities of the first class, in any area determined by the respective local governing body to qualify for treatment under sections 462.415 to 462.711, in utilizing such provisions, the legislature finds that the public interest required therein for the clearance, replanning, reconstruction, and neighborhood rehabilitation of substandard and unsanitary areas, and the provision of decent, safe and sanitary housing for persons of low income and their families shall also apply to housing for persons of all incomes.

Sec. 2. Minnesota Statutes 1971, Section 462.591, is amended by adding a subdivision to read:

**Subd. 3. MARKET RATE HOUSING.** A redevelopment company established under this section may file a declaration that, after providing for all expenses, taxes, or payments in lieu of taxes, and assessments, there shall be paid annually out of the earnings of the development company for interest paid to the company or to any of its stockholders, amortization, and dividends a sum equal to but not exceeding eight percent of invested capital or equity from any project located in a city of the first class in an area designated by the local governing body pursuant to section 462.415, subdivision 6; that the obligation in respect of such payments shall be cumulative, and any deficiency in interest, amortization, and dividends in respect of that project in any year shall be paid from the first available earnings in subsequent years; and that any cash surplus derived from earnings from that project remaining in the treasury of the redevelopment company in excess of the amount necessary to provide such cumulative annual sums shall, upon a conveyance of the project or upon a dissolution of the company, in accordance with the provisions of section 462.695, be paid into the general fund of the city in which the project is located. Said declaration may be filed in lieu of the requirement contained in subdivision 1, clause (13).

Sec. 3. Minnesota Statutes 1971, Section 462.611, is amended to read:

**462.611 INTEREST, AMORTIZATION, LIMITED DIVIDENDS.** Subdivision 1. There shall be paid annually out of the earnings of the redevelopment company from any project, after providing for all expenses, taxes, or payments in lieu of taxes, and assessments, a sum for interest, amortization, and dividends, equal to but not exceeding eight percent of the total actual final cost of that project as defined by section 462.635, clause 2; the obligation in respect of such payments shall be cumulative, and any deficiency

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in interest, amortization, and dividends in any year in respect of that project shall be paid from the first available earnings in subsequent years; and any cash surplus derived from earnings from that project remaining in the treasury of the redevelopment company in excess of the amount necessary to provide such cumulative annual sums shall, upon a conveyance of the project or upon a dissolution of the company, in accordance with the provisions of section 462.695, be paid into the general fund of the municipality in which that project is located.

Subd. 2. For any project located in a city of the first class in an area designated by the local governing body pursuant to section 462.415, subdivision 6, the state housing commission shall allow a redevelopment company which so elects to pay annually out of its earnings, after providing for all expenses, taxes, interest, amortization, reserves, and other costs, a sum for interest, amortization and dividends equal to but not exceeding eight percent of invested capital or equity in lieu of the eight percent of the total actual final cost of the project as provided in subdivision 1; the obligation in respect of such payments shall be cumulative, and any deficiency in interest, amortization, and dividends in any year in respect of that project shall be paid from the first available earnings in subsequent years; and any cash surplus derived from earnings from that project remaining in the treasury of the redevelopment company in excess of the amount necessary to provide such cumulative annual sums shall, upon a conveyance of the project or upon a dissolution of the company, in accordance with the provisions of section 462.695, be paid into the general fund of the city in which the project is located.

Sec. 4. Minnesota Statutes 1971, Section 462.621, is amended by adding a subdivision to read:

Subd. 3. MARKET RATE HOUSING PROJECT. The stock and income debenture certificates, limited dividend partnerships, investments and other forms of equity issued or provided by a redevelopment shall in no event be less than ten percent of the actual cost of any project developed in a city of the first class in any area designated pursuant to section 462.415, subdivision 6 and otherwise undertaken pursuant to sections 462.415 to 462.711. Such equity requirement by the development company may be in lieu of the 20 percent requirement contained in subdivision 1.

Sec. 5. Minnesota Statutes 1971, Section 462.631 is amended to read:

**462.631 APPROVED MORTGAGES, BOND ISSUE; LIMITATIONS, PROVISIONS.** Subdivision 1. Any redevelopment company, subject to the approval of the state housing commission, may borrow funds and secure the repayment thereof by bond and mortgage or by an issue of bonds under a trust indenture. Each

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mortgage or issue of bonds of a redevelopment company shall relate only to a single specified project and to no other, and those bonds shall be secured by mortgage upon all of the real property of which such project consists. First lien bonds of a redevelopment company, when secured by a mortgage not exceeding 80 percent of the estimated cost prior to the completion of the project, or 80 percent of the appraised value or actual cost, but in no event in excess of 80 percent of the actual cost, after that completion, as certified by the state housing commission, are hereby declared securities in which all public officers and bodies of the state and of its municipal subdivisions, all insurance companies and associations, all savings banks and savings institutions, including savings, building and loan associations, executors, administrators, guardians, trustees, and all other fiduciaries in the state may properly and legally invest the funds within their control. The bonds so issued and secured and the mortgage or trust indenture relating thereto may create a first or senior lien and a second or junior lien upon the real property embraced in any project; provided, however, that the total mortgage liens shall not exceed 80 percent of the estimated cost prior to the completion of the project, or 80 percent of the appraised value or actual cost, but in no event in excess of 80 percent of the actual cost after that completion, as certified by the state housing commission; and provided further that, where there are first and second mortgage liens upon the property embraced in a project, only the first or senior lien thereon shall be deemed a security in which such officers, bodies, corporations, associations, and fiduciaries may invest the funds within their control. Such bonds and mortgages may contain such other clauses and provisions as shall be approved by the state housing commission, including the right to assignment of rents and entry into possession in case of default; but the operation of the housing project in the event of such entry by mortgagee or receiver shall be subject to regulations promulgated by the state housing commission. Provisions for the amortization of the bonded indebtedness of companies formed under sections 462.415 to 462.711 shall be subject to the approval of the state housing commission. So long as funds made available by the federal government or any instrumentality thereof or any mortgage or mortgage bonds insured by the federal housing administrator or any other instrumentality of the federal government are used in financing, in whole or in part, any project under sections 462.415 to 462.711, the capital structure of a redevelopment company undertaking such project and the proportionate amount of the cost of the lands and improvements to be represented by mortgages or bonds shall be entirely in the discretion of the housing commission; and all restrictions as to the amounts to be represented by mortgages, mortgage bonds, income debenture, or stock shall be inapplicable to such projects or to redevelopment companies undertaking such projects, except that the bonds, mortgages, debentures, and stock covering any project shall not exceed

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the total actual final cost of such project as defined in section 462.635, clause 2.

Interest rates on mortgage indebtedness shall not exceed five percent per annum.

Subd. 2. Notwithstanding any provision of law to the contrary, the state housing commission may authorize the issuance of income debenture certificates bearing an interest rate as may be approved by the state housing commission for projects located within cities of the first class in areas designated pursuant to section 462.415, subdivision 6, in lieu of any other interest limitation imposed by law.

Subd. 3. Notwithstanding any provision of law to the contrary, wherever the limitation of 80 percent is contained in subdivision 1, such limitation shall not apply to projects located within cities of the first class in areas designated pursuant to section 462.415, subdivision 6, but in lieu thereof, a limitation of 90 percent shall apply. The actual cost, as provided in subdivision 1, for projects in cities of the first class in areas designated pursuant to section 462.415, subdivision 6, shall exclude any sponsors' or developers' fees, and the interest rates on such projects on mortgage indebtedness shall not be limited to five percent per annum, but shall be limited to the maximum rate established by the state housing commission.

Sec. 6. Minnesota Statutes 1971, Section 462.645, Subdivision 6, is amended to read:

Subd. 6. **APPROVAL OF PLAN; RESOLUTION.** In any case where the authority shall have issued a certificate of unqualified approval of a plan, or plan of a project, approval thereof by the local governing body may be by resolution adopted by a majority of the whole number of the votes authorized to be cast by all of the members thereof.

Sec. 7. Minnesota Statutes 1971, Section 462.691, is amended to read:

**462.691 CONSENT OF LOCAL GOVERNING BODY TO DISPOSAL OF PROPERTY.** Until the termination of the tax exemption, whether by expiration or by any other cause, a redevelopment company shall not have power to sell any project without the consent of the local governing body. Upon acquisition of the project by any person, other than another redevelopment company, by lease or sale, or as the result of foreclosure proceedings, any tax exemption or partial tax exemption granted to such project shall immediately terminate.

Whenever the acquisition of a project by any person is the result of foreclosure proceedings, when such project is located

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within a city of the first class and in an area designated pursuant to section 462.415, subdivision 6, such acquisition shall require any subsequent operator to qualify as a redevelopment company as a condition of continued tax exemption. Such operator shall qualify within a reasonable period of time following foreclosure proceedings in accordance with the requirements of the state housing commission.

Sec. 8. Minnesota Statutes 1971, Section 462.695, Subdivision 1, is amended to read:

**462.695 DISSOLUTION; DISPOSAL OF PROPERTY.** Subdivision 1. **DISSOLUTION.** After termination of any tax exemption granted as to any project pursuant to section 462.651, whether by expiration or by any other cause, or in the event that prior thereto the redevelopment company elects to pay to the municipality the total of all accrued taxes for which such exemption was granted and received, together with interest at the rate of five percent per annum, that company may convey title to the project in fee to any person, or, if it owns no other projects in this state as to which tax exemptions are in effect, it may voluntarily dissolve. However, as to any project located within a city of the first class and in an area designated pursuant to section 462.415, subdivision 6, the redevelopment company shall not be required to pay to the municipality the total of all accrued taxes for which such exemption was granted and received together with interest at the rate of five percent per annum, where there is the termination of any tax exemption granted to such project pursuant to section 462.651.

Sec. 9. Minnesota Statutes 1971, Section 462.695, Subdivision 2, is amended to read:

**Subd. 2. CONVEYANCE WITHOUT DISSOLUTION.** In case of a conveyance of a project without dissolution, pursuant to subdivision 1, the development company, after providing for the payment of all current operating expenses, taxes, indebtedness, and all accrued interest thereon, and all accrued dividends, subject to the limitations imposed by section 462.611, and after retiring stock at par value and debenture certificates at face value, in the proportion to all its outstanding stock and debenture certificates that the total actual final cost of that project bears to the total actual final cost of all projects owned by the redevelopment company in this state, which proportion shall be determined and certified by the state housing commission, shall pay the cash surplus remaining, if any, into the general fund of the municipality in which the project is located, except that in a conveyance of any project located in a city of the first class in an area designated pursuant to section 462.415, subdivision 6, such payment of remaining cash surplus shall exclude amortization and capital gains.

Approved May 18, 1973.

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