

## CHAPTER 277—H.F.No.733

[Not Coded]

*An act relating to the state transportation system; authorizing the issuance and sale of Minnesota trunk highway bonds under the provisions of Minnesota Constitution, Article XI, Sections 4 to 7, and Article XIV, Section 11, and authorizing the expenditure of the proceeds thereof for trunk highway bridges and approaches; authorizing the issuance and sale of Minnesota state transportation bonds under the provisions of Minnesota Constitution, Article XI, and authorizing the expenditure thereof for grants to political subdivisions for construction and reconstruction of certain bridges; appropriating money.*

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. **TRANSPORTATION; HIGHWAY AND BRIDGE BONDS.** The commissioner of finance is authorized and directed, upon request of the commissioner of transportation, to issue and sell Minnesota trunk highway bonds under the provisions of Minnesota Statutes, Sections 167.50 to 167.52 and of the Minnesota Constitution, Article XI, Sections 4 to 7, and Article XIV, Section 11, at such times and in such amounts as may be requested by the commissioner of transportation. Bonds issued pursuant to this section are authorized in an aggregate principal amount of \$50,000,000. The proceeds of such bonds shall be deposited in a separate bridge construction account in the trunk highway fund.

Sec. 2. **STATE TRANSPORTATION BONDS; ISSUANCE AND SALE.** The commissioner of finance is authorized upon the request of the commissioner of transportation to sell and issue Minnesota state transportation bonds for the purposes provided in Minnesota Statutes, Section 174.51, Subdivision 1, in the aggregate principal amount of \$50,000,000 in the manner and upon the conditions prescribed in Minnesota Statutes, Section 174.51 and in Article XI of the Constitution. The proceeds of the bonds, except as provided in Minnesota Statutes, Section 174.51, Subdivision 5, shall be deposited in the Minnesota state transportation fund for expenditure in accordance with section 3, subdivision 2, and Minnesota Statutes, Section 174.50.

Sec. 3. **APPROPRIATION.** Subdivision 1. The sum of \$50,000,000, or so much thereof as is determined to be needed, is appropriated from the separate bridge construction account in the trunk highway fund created pursuant to section 1, to the department of transportation for the design, construction and reconstruction of key bridges and bridge approaches on the trunk highway system including interstate routes. Any money appropriated under this subdivision shall be expended in accordance with the requirements for expenditure of money from the Minnesota state transportation fund for trunk highway bridges as those requirements are provided in Minnesota Statutes, Section 174.50 and in rules promulgated pursuant to that section.

Subd. 2. The sum of \$50,000,000 or so much thereof as is determined to be needed, is appropriated from the Minnesota state transportation fund to the department of transportation for the biennium ending June 30, 1979 for disbursement in the form of

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grants to political subdivisions by the commissioner of transportation for the construction and reconstruction of key bridges on the following road systems:

1. County highway systems . . . \$27,000,000
2. Municipal street systems . . . 8,000,000
3. Township road systems . . . 15,000,000

Sec. 4. This act is effective July 1, 1977.

Approved May 26, 1977.

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CHAPTER 278—H.F.No.808

*An act relating to local improvement; contracts; requiring percentage payments thereunder, and requiring payment of interest on money due and not paid in accordance with the contract; amending Minnesota Statutes 1976, Section 429.041, Subdivision 6.*

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 1976, Section 429.041, Subdivision 6, is amended to read:

Subd. 6. **MUNICIPALITIES; LOCAL IMPROVEMENTS; PERCENTAGE PAYMENT ON ENGINEER'S ESTIMATE.** In case the contractor properly performs the work, the council ~~may~~ shall, from month to month before completion of the work, pay him not to exceed 90 percent of the amount already earned under the contract, upon the estimate of the engineer or other competent person selected by the council, and the contract ~~may~~ shall so provide, and ~~may~~ shall further agree that when the work is 90 percent or more completed upon the recommendation of the engineer such portions of the retained price ~~may~~ shall be released as the governing body of the municipality determines are not required to be retained to protect the municipality's interest in satisfactory completion of the contract. Failure to pay any amount due and payable under the terms of the contract within 30 days of a monthly estimate or 90 days after the final estimate of the amount earned shall obligate the municipality to pay to the contractor simple interest on the past due amount at an annual rate equal to the monthly index of long term United States bond yields for the month prior to the month in which this obligation is incurred plus an additional one percent per annum. Interest shall not be imposed with respect to any amount which a municipality may legally withhold as a result of breach of contract or other contractual claim.

Approved May 26, 1977.

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