

(c) The subject of the insurance;

(d) A general description of the coverage;

(e) The amount of premium currently charged for the insurance; and

(f) Any additional pertinent information reasonably requested by the commissioner.

**Subd. 4. ALLOCATION OF PREMIUMS ACCORDING TO LOCATION OF SUBJECT MATTER.** If the insurance described in subdivision 1 also covers a subject of insurance residing, located, or to be performed outside this state, for the purposes of this section, a proper pro rata portion of the entire premium payable for all of that insurance shall be allocated according to the subjects of insurance residing, located, or to be performed in this state.

**Subd. 5. ACTS CONSTITUTING PROCUREMENT OF INSURANCE IN THE STATE.** Any insurance placed with an ineligible surplus lines insurer procured through negotiations or an application in whole or in part occurring or made within or from without this state, or for which premiums in whole or in part are remitted directly or indirectly from within this state, shall be considered to be insurance procured, continued, or renewed in this state under subdivision 3.

**Subd. 6. INELIGIBLE SURPLUS LINES INSURERS; LIABILITY ON POLICIES OR CONTRACTS.** Except with respect to placement pursuant to section 4, subdivision 4, if an ineligible insurer offering benefits under a written contract which constitutes the transaction of insurance or which offers benefits substantially similar to benefits under policies of insurance, whether or not the benefits are identified or described as insurance, fails to pay a claim or loss within the provision of the contract, any person who assisted or aided, directly or indirectly, in the procurement of the contract shall be liable to the person to whom the obligations are owed for the full amount of the claim or loss, in the manner provided by the contract.

**Sec. 15. REPEALER.**

Minnesota Statutes 1980, Section 60A.20, is repealed.

Approved May 18, 1981

---

## CHAPTER 222 — S.F.No. 763

*An act relating to the cities of Minneapolis and St. Paul; authorizing the implementation of energy conservation programs; authorizing the financing of residential energy conservation programs; authorizing the issuance of qualified mortgage bonds; requiring a report to the legislature.*

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

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

**Section 1. MINNEAPOLIS AND ST. PAUL; RESIDENTIAL ENERGY CONSERVATION PROGRAM; PURPOSE.**

The legislature finds and declares that the state faces potential serious shortages in energy resources and that implementing energy conservation measures requires expanded authority and technical capability in order to minimize the use of traditional energy sources in the housing sector; that accomplishing energy conservation is a public purpose; that it is in the public interest to authorize the city of Minneapolis and the city of St. Paul to provide existing single family, existing multifamily and existing rental housing loans for energy improvements.

**Sec. 2. RESIDENTIAL ENERGY CONSERVATION PROGRAM.**

Notwithstanding any provision of law or charter to the contrary the city of Minneapolis and the city of St. Paul, individually or jointly are authorized to develop and administer a program or programs for the making or purchasing of energy improvement or energy rehabilitation loans with respect to housing located anywhere within their respective boundaries on such terms and conditions as set forth in this act and an ordinance which shall be adopted by the governing body or bodies of the municipality or municipalities establishing the program. At least 75 percent of the proceeds of each energy improvement or energy rehabilitation loan shall be used for housing repairs and improvements (1) which the city determines are (a) used or useful to conserve energy or (b) to convert or retrofit an existing structure for the purpose of using an energy source which does not depend on nuclear or nonrenewable petroleum based resources, and (2) which, when installed or completed, will with respect to each housing unit directly result in a cost effective reduction of energy use from nuclear or nonrenewable petroleum based resources. The ordinance establishing the program shall establish the manner of determining whether the housing repairs and improvements will directly result in the required cost effective reduction of energy use. Loans may be made without regard to income level of the loan recipient, shall bear interest at a rate or rates as are established by the city or cities, shall be for a term of not to exceed 20 years, and may be secured by a mortgage or other security interest. The powers granted to each city by sections 1 to 5 of this act are supplemental and in addition to those granted by Minnesota Statutes, Chapter 462C and any other law or charter.

**Sec. 3. LIMITATIONS.**

A program may be established pursuant to this act only after the city establishing the program determines that:

(1) There is a continued need to reduce consumption of energy from nonrenewable petroleum based resources.

Changes or additions are indicated by underline, deletions by strikeout.

(2) There are housing units within the jurisdiction of the city which are in need of energy improvements and energy rehabilitation.

(3) Private sources of financing are not reasonably available to provide the needed loans for energy improvements and energy rehabilitation.

(4) The types of energy improvements and energy rehabilitation will reduce the consumption of energy from nonrenewable petroleum based resources or from nuclear sources.

Findings made by the city pursuant to this section shall be conclusive and final.

#### **Sec. 4. REVENUE BONDS.**

Subdivision 1. RESOLUTION. To finance the program or programs authorized by sections 1 to 5, the city council of the city of Minneapolis and the city council of the city of St. Paul individually or jointly may, by resolution, authorize, issue, and sell revenue bonds or obligations, which are payable from the revenues of the programs authorized by sections 1 to 5.

Subd. 2. BONDING AND FINANCIAL AUTHORITY. Notwithstanding the provisions of any other law, general or special to the contrary, and in addition to the authority contained in any other law, the city of Minneapolis and the city of St. Paul individually or jointly may exercise any and all of the same powers in relation to the making or purchasing of loans or other securities and in the issuing of revenue bonds or obligations in furtherance of the programs authorized by sections 1 to 5 as the Minnesota housing finance agency is authorized to exercise under the provisions of Minnesota Statutes, Chapter 462A, without regard to any of the limitations set forth in Minnesota Statutes, Chapters 462C or 475. The revenue bonds or obligations shall be payable from revenues from the program and other city housing programs. The revenue bonds or obligations may be payable from other sources of city revenue which are derived from federal sources other than general revenue sharing, or private grant sources. The city shall not levy or pledge to levy any ad valorem tax upon real property for the purpose of paying principal of or interest on revenue bonds or obligations.

#### **Sec. 5. EXERCISE OF POWERS.**

Either or both cities may by ordinance authorize the housing and redevelopment authority or the port authority for their respective city to exercise any or all of the powers granted to each city by the act, in which event the sources of city revenue that may be pledged to the payment of revenue bonds or obligations shall include any revenues of the housing and redevelopment authority or port authority.

#### **Sec. 6. QUALIFIED MORTGAGE BONDS.**

Subdivision 1. MINNEAPOLIS. In accordance with Section 103A(g)(6)(A) of the Internal Revenue Code of 1954, as amended, the city of

**Changes or additions are indicated by underline, deletions by ~~strikeout~~.**

Minneapolis is authorized to issue qualified mortgage bonds as that term is defined in and as the bonds are governed by Section 103A of the Internal Revenue Code of 1954, as amended, during any calendar year in an amount not to exceed \$16,000,000. Bonds shall be issued pursuant to authority contained in a special or general law.

Nothing contained within this subdivision shall authorize the issuance of qualified mortgage bonds for a program which would otherwise be subject to Minnesota Statutes, Chapter 462C, without compliance with that chapter.

Subd. 2. ST. PAUL. In accordance with Section 103A(g)(6)(A) of the Internal Revenue Code of 1954, as amended, the city of St. Paul is authorized to issue qualified mortgage bonds as that term is defined and as the bonds are governed by Section 103A of the Internal Revenue Code of 1954, as amended, during any calendar year in an amount not to exceed \$8,500,000. Bonds shall be issued pursuant to authority contained in a special or general law.

Nothing contained within this subdivision shall authorize the issuance of qualified mortgage bonds for a program which would otherwise be subject to Minnesota Statutes, Chapter 462C, without compliance with that chapter.

#### Sec. 7. REPORT.

By January 1, 1982, the cities of St. Paul and Minneapolis shall report to the appropriate committees of the legislature on the implementation of the program created in sections 1 to 5. The report shall include but is not limited to information on the amount of bonds issued and the number and types of dwelling units served, whether single family, multifamily of four units or less, or multifamily of more than four units.

#### Sec. 8. EFFECTIVE DATE.

Sections 1 to 5 are effective with respect to each city upon compliance with Minnesota Statutes, Section 645.021, Subdivision 3. Section 6 is effective the day following final enactment.

Approved May 18, 1981

---

### CHAPTER 223 — S.F.No. 808

*An act relating to the city of Duluth; authorizing the establishment of a home energy conservation program as part of its municipal utility system and the issuance of municipal revenue bonds or notes for that purpose; requiring a report to the legislature.*

Changes or additions are indicated by underline, deletions by ~~strikeout~~.