

## CHAPTER 577 — S.F.No. 2000

*An act relating to local government; authorizing the Brooklyn Center housing and redevelopment authority to carry out a housing interest buy-down program; providing security for housing and redevelopment bonds; permitting housing and redevelopment authorities to provide interest rate reduction assistance; allowing the city of Brooklyn Center certain housing related powers; regulating the debt, personnel, insurance and compensation powers of Hennepin county; describing land to be acquired for open space purposes; amending Minnesota Statutes 1980, Sections 462.445, by adding a subdivision; 273.75, Subdivision 4; Laws 1965, Chapter 855, Section 4, Subdivision 1, as amended, and Section 7, Subdivisions 3, as amended, and 4, as amended; Laws 1979, Chapter 55, Section 1; and Laws 1979, Chapter 198, Article II, Section 7, Subdivisions 1 and 2.*

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

**Section 1. CITY OF BROOKLYN CENTER; HOUSING INTEREST ASSISTANCE PROGRAM; FINDINGS AND PURPOSE.**

The legislature of the state of Minnesota finds that preservation of the quality of life in a metropolitan city is dependent upon the maintenance, provision, and preservation of an adequate housing stock; that accomplishing this is a public purpose; that there are housing units in the city of Brooklyn Center that do not meet the applicable housing codes, some of which need to be destroyed, and some of which can be rehabilitated; that there are vacant lots upon which new housing units can be constructed; that a need exists to construct new housing on vacant lots and to replace housing which is destroyed; that a need exists for mortgage credit to be made available at reasonable interest rates for new construction; that many owners, would-be purchasers or providers of housing units are unable to afford mortgage credit at market rates of interest; and that subsidizing interest rates can be an effective means of achieving the above-stated purposes.

**Sec. 2. AUTHORIZATION FOR HOUSING INTEREST BUY-DOWN PROGRAM.**

Subdivision 1. The Brooklyn Center housing and redevelopment authority may develop and administer an interest buy-down program to assist with the financing of housing, located anywhere within the boundaries of the city of Brooklyn Center, for occupancy primarily by persons of low or moderate income to achieve the purposes set forth in section 1. In developing the program the authority shall consider:

- (a) the availability and affordability of other governmental programs;
- (b) the availability and affordability of private market financing;
- (c) the need for more affordable mortgage credit to encourage the construction and enable the purchase of housing units within the city of Brooklyn Center.

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

Subd. 2. In establishing and operating a housing interest buy-down program the authority may use or pledge to use any revenue of the authority to:

(a) pay any of the interest due on loans made pursuant to Minnesota Statutes, Chapter 462C, to purchasers of housing units;

(b) pay any of the interest due on bonds issued pursuant to Minnesota Statutes, Chapter 462C, the proceeds of which are used primarily to provide loans to the purchasers of housing units; and

(c) pay any of the interest due on loans made by any person to the purchasers of housing units in the city of Brooklyn Center, but the purchaser must intend to occupy the housing unit as a principal place of residence at the time the loan is made.

Subd. 3. The authority shall promulgate regulations for the housing interest buy-down program.

### Sec. 3. LIMITATIONS.

Housing interest buy-down shall not be provided when the authority determines that financing for the purchase of a housing unit is otherwise available from private lenders upon terms and conditions which are affordable by the applicant, as provided by the authority in its regulations.

At least 80 percent of the aggregate dollar amount of funds appropriated by an authority within any calendar year to provide interest reduction assistance for financing of construction, rehabilitation or purchase of single family housing, as that term is defined in section 462C.02, subdivision 4, when the financing is provided pursuant to chapter 462C, shall be appropriated for housing units which are to be sold or occupied by families or individuals with an adjusted gross income which is equal to or less than 110 percent of median family income. At least 80 percent of the aggregate dollar amount of funds appropriated by an authority within any calendar year to provide interest reduction assistance for financing of construction, rehabilitation or purchase of single family housing as that term is defined in section 462C.02, when the financing is not provided pursuant to chapter 462C, shall be appropriated for housing units which are to be sold or occupied by families or individuals with an adjusted gross income which is equal to or less than 110 percent of median family income. For the purposes of this subdivision, "median family income" means the median family income established by the United States department of housing and urban development for the non-metropolitan county or the standard metropolitan statistical area, as the case may be. The adjusted gross income may be adjusted by the authority for family size.

### Sec. 4. APPLICATION OF OTHER LAW.

The city of Brooklyn Center may establish an interest buy-down program either under the provisions of sections 1 to 3 or the provisions of Minnesota Statutes, Chapter 462.

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

Sec. 5. Minnesota Statutes 1980, Section 273.75, Subdivision 4, is amended to read:

Subd. 4. **LIMITATION ON USE OF TAX INCREMENT.** All revenues derived from tax increment shall be used in accordance with the tax increment financing plan. The revenues shall be used solely for the following purposes: (a) to pay the principal of and interest on bonds issued to finance a project; (b) by a rural development financing authority for the purposes stated in section 362A.01, subdivision 2, by a port authority or municipality exercising the powers of a port authority to finance or otherwise pay the cost of redevelopment pursuant to chapter 458, by a housing and redevelopment authority to finance or otherwise pay public redevelopment costs pursuant to chapter 462, by a municipality to finance or otherwise pay the capital and administration costs of a development district pursuant to chapter 472A, by a municipality or redevelopment agency to finance or otherwise pay premiums for insurance or other security guaranteeing the payment of net rentals when due under the project lease of principal of and interest on the bonds pursuant to chapters 462C, 474, or both chapters, or to accumulate and maintain a reserve securing the payment when due of the principal of and interest on the bonds pursuant to ~~chapter~~ chapters 462C, 474, or both chapters, which revenues in the reserve shall not exceed, subsequent to the fifth anniversary of the date of issue of the first bond issue secured by the reserve, an amount equal to 20 percent of the aggregate principal amount of the outstanding and nondefeased bonds secured by the reserve. These revenues shall not be used to circumvent existing levy limit law.

Sec. 6. Minnesota Statutes 1980, Section 462.445 is amended by adding a subdivision to read:

Subd. 11a. **INTEREST REDUCTION PROGRAM, LIMITATIONS.** An authority may provide interest reduction assistance for a rental housing development which is located in a targeted area as defined in section 462C.02 without regard to the limitations imposed upon assisted housing units by subdivision 11.

Sec. 7. **BROOKLYN CENTER HOME ENERGY CONSERVATION PROGRAM.**

Subdivision 1. The city of Brooklyn Center may establish a home energy conservation improvement program to provide means for the city to aid all residents of the city to maintain their home energy requirements by reducing overall energy demand, thus tending to assure the continuance of essential public, industrial, and commercial activities. The expenditures of public funds authorized by this section are determined to be necessary governmental actions, particularly under present conditions of uncertain and limited energy supplies, increasing costs for gas and oil, and difficulty and delay in the increase of energy supplies from all sources due to environmental concerns.

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Provisions for the operation and financing of the program shall be made by and pursuant to resolutions adopted by the city council. The powers granted by this section are supplemental, and the procedures authorized for exercising them are alternative to those provided in other law.

Subd. 2. "Residential energy conservation improvement" means the following devices, methods, and materials, if recommended by an approved energy audit and having a maximum cost of \$3,000, which increase the efficiency of residential use of energy:

- (1) Insulation and ventilation;
- (2) Storm or thermal doors or windows;
- (3) Caulking and weatherstripping;
- (4) Furnace efficiency modifications and replacements;
- (5) Thermostat or lighting controls; and
- (6) Systems to turn off or vary the delivery of energy.

The term "residential energy conservation improvement" does not include any device or method which creates, converts, or actively uses energy from renewable sources such as solar, wind, or biomass.

Subd. 3. To provide for home energy conservation improvements, when requested by the owner of a one to four unit residential building, the city may develop a program which allows:

(a) The city to negotiate and contract with contractors to perform work or furnish materials or both, for one or more projects, in accordance with schedules coordinated and approved by the city;

(b) The homeowner, subject to the approval of the city, to negotiate and contract with contractors to perform work or furnish materials or both, for one or more projects, in accordance with schedules coordinated and approved by the city; or

(c) The city to contract with a homeowner for labor or materials or both, provided that in such cases the city may inspect the work performed and shall not pay the homeowner for his labor.

Subd. 4. PAYMENTS. (a) The city may contract with each homeowner for payment of the cost in cash upon completion of the project, with payment secured by deposit in advance of an amount equal to at least 90 percent of the contract price, or by a written commitment by a bank or other approved financial institution to loan the full amount of the contract price to the homeowner. The homeowner, the financial institution and the city, may agree to any convenient method of repayment.

(b) The city may accept payment by a promissory note in a principal amount equal to the contract price, repayable in equal periodic installments, including both principal and interest on the declining principal balance. Provisions may be agreed upon to permit or restrict prepayment.

(c) The city may specially assess the benefited property in the manner provided in Minnesota Statutes, Chapter 429.

Debts for improvements are a first and prior lien on the property improved as provided in Minnesota Statutes, Section 514.67. If not paid when due they shall be entered upon the tax rolls and collected with and as a part of the taxes on the property, with the same interest and penalties.

Subd. 5. In addition to revenue obtained pursuant to any other law, the city may sell revenue bonds on or obligations pursuant to Minnesota Statutes, Chapter 462C to finance the home energy conservation improvement program authorized by this section.

Subd. 6. This section is effective upon approval by the governing body of the city of Brooklyn Center and upon compliance with Minnesota Statutes, Section 645.021, Subdivision 3.

Sec. 8. Laws 1965, Chapter 855, Section 4, Subdivision 1, as amended by Laws 1980, Chapter 573, Section 4, is amended to read:

**Sec. 4. DUTIES OF THE PERSONNEL BOARD.**

Subdivision 1. **BOARD PROCEEDINGS.** When any member of the board is not present at the time a matter is submitted to the board such matter shall be deemed submitted to each member of the board with like effect as though each member of the board had been present at the time of submission of such matter. Whenever during the consideration of a matter which is before the board, there is a change in the personnel of the board, the matter shall be deemed submitted to the new member, or members, as though said new member, or members, had been a member of the board at the time of the submission of the matter.

No meetings of the board shall be held unless at least ~~three~~ four members are present. A majority vote of all members shall constitute the decision of the board. The board shall keep records and minutes of its business and official actions which shall be open to public inspection subject to such reasonable rules as to time and place of inspection as the board may establish.

Sec. 9. Laws 1965, Chapter 855, Section 7, Subdivision 3, as amended by Laws 1980, Chapter 573, Section 7, is amended to read:

Subd. 3. **UNCLASSIFIED SERVICE, COMPENSATION.** The director shall establish a compensation plan in accordance with section 6, clause (e) for those employees in the unclassified service identified in subdivision 2, clauses (c), (d), (f), (h), (i), (j), (k), (l), (m), (n), (o), (r) and (s).

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Sec. 10. Laws 1965, Chapter 855, Section 7, Subdivision 4, as amended by Laws 1980, Chapter 573, Section 7, is amended to read:

Subd. 4. **UNCLASSIFIED SERVICE, TENURE, BENEFITS.** The positions in the unclassified service enumerated in subdivision 2, clauses (c), (d), (h), (i), (j), (k), (l), (m), (n), (o), (q), (r) and (s) shall not have permanent tenure but shall have all other benefits provided for in this act. The term of office of any position established by another statute shall be as provided in it.

Sec. 11. Laws 1979, Chapter 55, Section 1, is amended to read:

**Section 1. COUNTY BOARD; SELF INSURANCE.**

Notwithstanding any contrary provision of other law, the board of commissioners of Hennepin county may insure the county against any claim of liability or loss using funds of the county, without procuring insurance from any private insurance company when the county board considers it to be in the best interests of the county. This provision shall not be construed as an increase of the liability limitations or as a waiver of defenses allowable in any action pursuant to Minnesota Statutes, Chapter 466. The board may transfer amounts of money from funds of the county to the funds the county may establish for the above purposes in accord with generally accepted accounting principles. The term "liability" shall extend to all liability or loss that may be covered by any form of insurance, including but not limited to malpractice, general liability, or workers' compensation. ~~This act shall not authorize self insurance against risks as defined in Minnesota Statutes, Section 60A.06, Subdivision 1, Clauses (4) and (5)(a).~~ Minnesota Statutes, Section 471.617 applies to Hennepin County.

Sec. 12. Laws 1979, Chapter 198, Article II, Section 7, Subdivision 1, is amended to read:

**Sec. 7. CERTIFICATES OF INDEBTEDNESS.**

Subdivision 1. **TAX ANTICIPATION CERTIFICATES.** At any time after the first day of the year following the making of an annual tax levy, the county board may, by resolution and without public referendum, issue certificates of indebtedness in anticipation of the collection of taxes levied for any fund and not yet collected. The total of all certificates issued against any fund for any year with interest thereon until maturity, together with all orders outstanding against the fund, shall not exceed the total current taxes for the fund uncollected at the time of issuance plus the cash currently in the fund. If certificates are issued against the anticipated tax levy for any fund, any unpaid orders outstanding against the fund shall be redeemed from the proceeds of the certificates. All tax anticipation certificates shall be negotiable and shall be payable to the order of the payee and shall have a definite due date but may be payable on or before that date. No certificate shall be issued to become due and payable later than the first day of April of the year following the year of issuance. Certificates shall be sold for not less than par and accrued interest and shall bear interest at a rate ~~not to~~

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~~exceed seven percent per annum that conforms to Minnesota Statutes, Section 475.55, payable at maturity or at such earlier times as the board may determine. Each certificate shall state upon its face the fund for which the proceeds of the certificate shall be used, the total amount of the certificates so issued against the fund and the total amount embraced in the tax levy for that fund. They shall otherwise be issued on terms and conditions as the board may determine. The proceeds of the taxes assessed on account of the fund against which tax anticipation certificates are issued and the full faith and credit of the county shall be irrevocably pledged for the redemption of the certificate in the order of issuance against the fund.~~

Sec. 13. Laws 1979, Chapter 198, Article II, Section 7, Subdivision 2, is amended to read:

Subd. 2. **EQUIPMENT ACQUISITION; CAPITAL NOTES.** The board may, by resolution and without public referendum, issue ~~certificates of indebtedness~~ capital notes within existing debt limits for the purpose of purchasing ambulance and other medical equipment, road construction or maintenance equipment, public safety equipment and other capital equipment having an expected useful life at least equal to the term of the ~~certificates~~ notes issued. The ~~certificates~~ notes shall be payable in not more than five years and shall be issued on terms and in a manner as the board determines. The total principal amount of the ~~certificates of indebtedness~~ notes issued for any fiscal year shall not exceed one percent of the total annual budget for that year and shall be issued solely for the purchases authorized in this subdivision. A tax levy shall be made for the payment of the principal and interest on such ~~certificates~~ notes as in the case of bonds.

Sec. 14. **COMMISSIONERS COMPENSATION.**

No per diem payment shall be allowed county board members for service on the county board or any other county body. County board members shall pay for parking in county owned parking facilities where payment is required. County board members may be allowed mileage for use of their personal automobile at a rate per mile.

The Hennepin county board may set the salary of board members by resolution limited to that subject. Adjustments in commissioners' salaries shall be adopted by the county board by resolution prior to a general election to take effect January 1 of the succeeding year.

Sec. 15. **REGIONAL RECREATIONAL OPEN SPACE.**

The housing outparcel on Nicollet Island referred to by Laws 1981, Chapter 304, Section 2, is more particularly described as follows:

A parcel bounded on the north by Hennepin Avenue, on the south by Merriam Street, on the west by Wilder Street, and on the east by East Island Avenue, as said streets are presently located;

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Together with a parcel bounded on the north by the Burlington Northern Railroad right-of-way, on the south by Hennepin Avenue, on the east by East Island Avenue, and on the west by West Island Avenue;

Together with a parcel bounded on the north by Maple Place, on the south by the Burlington Northern Railroad right-of-way, on the east by Nicollet Street, and on the west by West Island Avenue;

Together with lots 7, 8, and 9, and the west 60 feet of lot 10, block 1, Nicollet Island;

Together with lots 6 and 7, and lots 10 to 16, inclusive, block 3, Nicollet Island.

#### Sec. 16. EFFECTIVE DATE.

Sections 1 to 4 are effective the day after compliance by the governing body of the city of Brooklyn Center with Minnesota Statutes, Section 645.021, Subdivision 3. Sections 5 and 6 are effective the day following final enactment. Sections 8 to 14 are effective the day after compliance with Minnesota Statutes, Section 645.021, Subdivision 3, by the Hennepin County board. Section 15 is effective in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott and Washington the day after final enactment.

Approved March 22, 1982

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### CHAPTER 578 — H.F.No. 438

*An act relating to retirement; clarifying the retirement service credit for certain participants in the Minnesota demonstration job-sharing program; Minnesota state retirement system; imposing liability for certain omitted employee contributions on the employing unit; elective state officers retirement plan; providing benefit adjustments for retired constitutional officers and surviving spouses; public employees retirement association; increasing the family maximum on survivors benefits; teachers retirement association; authorizing the reimbursement of certain employing unit expenses with respect to board members; providing for the crediting of service credit for employees on a four day work week; modifying survivor benefits; exempting certain money and credits of teachers retirement funds; limiting the amount of public employee retirement annuities; limiting the powers of city officials regarding the administration of relief associations; supreme court justices retirement plan; providing a deferred retirement annuity; modifying a vesting requirement; permitting the repayment of a refund by a member of the Virginia firefighters relief association; validating the purchase of prior service credit for a certain county commissioner; permitting payment of omitted contributions; granting a proportionate annuity for certain persons; authorizing certain persons in various retirement funds to purchase prior service credit and military service credit; authorizing an amendment to the articles of incorporation of the Minneapolis teachers retirement fund association, clarifying*

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