

CHAPTER 532—S.F.No. 1822

An act relating to housing; clarifying a definition in the rural and urban homesteading program; providing for the administration of section 8 existing housing and low-rent public housing programs; clarifying and limiting local approval requirements; removing the exemption for special assessments for housing and redevelopment authorities; providing for the transfer of housing and housing development projects to an economic development authority; authorizing the metropolitan council to plan and administer a section 8 program in the metropolitan area without approval of local units of government; authorizing the issuance of bonds by the city of Bemidji and Beltrami county; amending Minnesota Statutes 1988, sections 469.002, subdivision 10, and by adding a subdivision; 469.004, subdivision 5; 469.005, subdivision 1; 469.012, subdivision 3; 469.016; 469.040, subdivisions 1 and 3; 469.094, subdivisions 1 and 2; and 473.195, subdivision 1; and Minnesota Statutes 1989 Supplement, sections 462A.057, subdivision 2; and 469.012, subdivision 1.

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

Section 1. Minnesota Statutes 1989 Supplement, section 462A.057, subdivision 2, is amended to read:

Subd. 2. **DEFINITIONS.** For the purposes of this section, the following terms have the meanings given them.

(1) "Contract for deed" is the agreement between the homebuyer and eligible applicant as established by the agency.

(2) "Eligible organization" or "organization" means a political subdivision, nonprofit or cooperative organization, as defined by the agency, housing and redevelopment authority, or other organization designated by the agency, which demonstrates the capacity to perform the duties outlined in subdivision 5.

(3) "Eligible property" or "property" means a single family residential dwelling and surrounding property that is vacant, condemned, abandoned, or otherwise defined as eligible by the agency, which, if rehabilitated, may prevent or arrest the spread of blight.

(4) "Homebuyer" means an individual or family who has not owned a residential dwelling in the past three years and meets the definition of "at risk" established by the agency under subdivision 4.

(5) "Designated home ownership area" or "designated area" means a specific area where the acquisition, rehabilitation, and sale of eligible properties may take place under this section. In the metropolitan area, as defined in section 473.121, subdivision 2, a designated area must be a specific ~~four square block~~ area of not more than 16 adjoining blocks.

(6) "Neighborhood volunteer resident advisory board" or "advisory board" means the board established by an organization under subdivision 6.

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(7) "Program" means the Minnesota rural and urban homesteading program established in subdivision 1.

Sec. 2. Minnesota Statutes 1988, section 469.002, subdivision 10, is amended to read:

Subd. 10. **FEDERAL LEGISLATION.** "Federal legislation" includes the United States Housing Act of 1937, ~~Public Act No. 412 of the 75th Congress of the United States; any act that amends it or adds to it;~~ Code, title 42, sections 1401 to 1440, as amended through December 31, 1989; the National Housing Act, United States Code, title 12, sections 1701 to 1750g, as amended through December 31, 1989; and any other legislation of the Congress of the United States relating to federal assistance for clearance or rehabilitation of substandard or blighted areas, land assembly, redevelopment projects, or housing.

Sec. 3. Minnesota Statutes 1988, section 469.002, is amended by adding a subdivision to read:

Subd. 24. SECTION 8 PROGRAM. "Section 8 program" means an existing housing assistance payments program under section 8 of the United States Housing Act of 1937, United States Code, title 42, section 1437f, as amended through December 31, 1989.

Sec. 4. Minnesota Statutes 1988, section 469.004, subdivision 5, is amended to read:

Subd. 5. **FUNCTION OF AUTHORITY.** A county or multicounty housing authority will serve, program, develop and manage all housing programs under its jurisdiction. Where a county or multicounty authority has been established, additional city housing and redevelopment authorities shall not be created within the area of operation of the county or multicounty authority without the explicit concurrence of the county or multicounty housing and redevelopment authority and the commissioner of trade and economic development. City housing and redevelopment authorities must petition the county or multicounty authority for authorization to establish a local housing authority and this petition must be approved by the commissioner of trade and economic development. This subdivision does not apply if a county or multicounty authority has not initiated or does not have in progress an active program or has not applied for a public housing, section 8, or redevelopment program from the federal government for a period of 12 months after its establishment.

Sec. 5. Minnesota Statutes 1988, section 469.005, subdivision 1, is amended to read:

Subdivision 1. **COUNTY AND MULTICOUNTY AUTHORITIES.** The area of operation of a county authority shall include all of the county for which it is created, and in case of a multicounty authority, it shall include all of the political subdivisions for which the multicounty authority is created; provided,

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that a county authority or a multicounty authority shall not undertake any project within the boundaries of any city which has not empowered the authority to function therein as provided in section 469.004 unless a resolution has been adopted by the governing body of the city, and by any authority which has been established in the city, declaring that there is a need for the county or multicounty authority to exercise its powers in the city. After a resolution is adopted, individual project approval is not required for a section 8 program.

Sec. 6. Minnesota Statutes 1989 Supplement, section 469.012, subdivision 1, is amended to read:

Subdivision 1. **SCHEDULE OF POWERS.** An authority shall be a public body corporate and politic and shall have all the powers necessary or convenient to carry out the purposes of sections 469.001 to 469.047, except that the power to levy and collect taxes or special assessments is limited to the power provided in sections 469.027 to 469.033. Its powers include the following powers in addition to others granted in sections 469.001 to 469.047:

(1) to sue and be sued; to have a seal, which shall be judicially noticed, and to alter it; to have perpetual succession; and to make, amend, and repeal rules consistent with sections 469.001 to 469.047;

(2) to employ an executive director, technical experts, and officers, agents, and employees, permanent and temporary, that it requires, and determine their qualifications, duties, and compensation; for legal services it requires, to call upon the chief law officer of the city or to employ its own counsel and legal staff; so far as practicable, to use the services of local public bodies in its area of operation, provided that those local public bodies, if requested, shall make the services available;

(3) to delegate to one or more of its agents or employees the powers or duties it deems proper;

(4) within its area of operation, to undertake, prepare, carry out, and operate projects and to provide for the construction, reconstruction, improvement, extension, alteration, or repair of any project or part thereof;

(5) subject to the provisions of section 469.026, to give, sell, transfer, convey, or otherwise dispose of real or personal property or any interest therein and to execute leases, deeds, conveyances, negotiable instruments, purchase agreements, and other contracts or instruments, and take action that is necessary or convenient to carry out the purposes of these sections;

(6) within its area of operation, to acquire real or personal property or any interest therein by gifts, grant, purchase, exchange, lease, transfer, bequest, devise, or otherwise, and by the exercise of the power of eminent domain, in the manner provided by chapter 117, to acquire real property which it may deem necessary for its purposes, after the adoption by it of a resolution declaring that

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the acquisition of the real property is necessary to eliminate one or more of the conditions found to exist in the resolution adopted pursuant to section 469.003 or to provide decent, safe, and sanitary housing for persons of low and moderate income, or is necessary to carry out a redevelopment project. Real property needed or convenient for a project may be acquired by the authority for the project by condemnation pursuant to this section. This includes any property devoted to a public use, whether or not held in trust, notwithstanding that the property may have been previously acquired by condemnation or is owned by a public utility corporation, because the public use in conformity with the provisions of sections 469.001 to 469.047 shall be deemed a superior public use. Property devoted to a public use may be so acquired only if the governing body of the municipality has approved its acquisition by the authority. An award of compensation shall not be increased by reason of any increase in the value of the real property caused by the assembly, clearance or reconstruction, or proposed assembly, clearance or reconstruction for the purposes of sections 469.001 to 469.047 of the real property in an area;

(7) within its area of operation, and without the adoption of an urban renewal plan, to acquire, by all means as set forth in clause (6) but without the adoption of a resolution provided for in clause (6), real property, and to demolish, remove, rehabilitate, or reconstruct the buildings and improvements or construct new buildings and improvements thereon, or to so provide through other means as set forth in Laws 1974, chapter 228, or to grade, fill, and construct foundations or otherwise prepare the site for improvements. The authority may dispose of the property pursuant to section 469.029, provided that the provisions of section 469.029 requiring conformance to an urban renewal plan shall not apply. The authority may finance these activities by means of the redevelopment project fund or by means of tax increments or tax increment bonds or by the methods of financing provided for in section 469.033 or by means of contributions from the municipality provided for in section 469.041, clause (9), or by any combination of those means. Real property with buildings or improvements thereon shall only be acquired under this clause when the buildings or improvements are substandard. The exercise of the power of eminent domain under this clause shall be limited to real property which contains buildings and improvements which are vacated and substandard. For the purpose of this clause, substandard buildings or improvements mean hazardous buildings as defined in section 463.15, subdivision 3, or buildings or improvements that are dilapidated or obsolescent, faultily designed, lack adequate ventilation, light, or sanitary facilities, or any combination of these or other factors that are detrimental to the safety or health of the community;

(8) within its area of operation, to determine the level of income constituting low or moderate family income. The authority may establish various income levels for various family sizes. In making its determination, the authority may consider income levels that may be established by the ~~federal housing administration~~ Department of Housing and Urban Development or a similar or successor federal agency for the purpose of federal loan guarantees or subsidies for

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persons of low or moderate income. The authority may use that determination as a basis for the maximum amount of income for admissions to housing development projects or housing projects owned or operated by it;

(9) to provide in federally assisted projects any relocation payments and assistance necessary to comply with the requirements of the Federal Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, and any amendments or supplements thereto;

(10) to make, ~~or agree to make,~~ payments in lieu of taxes to the city or the county, the state or any political subdivision thereof, that it finds consistent with the purposes of sections 469.001 to 469.047 an agreement with the governing body or bodies creating the authority which provides exemption from all real and personal property taxes levied or imposed by the state, city, county, or other political subdivisions, for which the authority shall make payments in lieu of taxes to the state, city, county, or other political subdivisions as provided in section 469.040. The governing body shall agree on behalf of all the applicable governing bodies affected that local cooperation as required by the federal government shall be provided by the local governing body or bodies in whose jurisdiction the project is to be located, at no cost or at no greater cost than the same public services and facilities furnished to other residents;

(11) to cooperate with or act as agent for the federal government, the state or any state public body, or any agency or instrumentality of the foregoing, in carrying out any of the provisions of sections 469.001 to 469.047 or of any other related federal, state, or local legislation; and upon the consent of the governing body of the city to purchase, lease, manage, or otherwise take over any housing project already owned and operated by the federal government;

(12) to make plans for carrying out a program of voluntary repair and rehabilitation of buildings and improvements, and plans for the enforcement of laws, codes, and regulations relating to the use of land and the use and occupancy of buildings and improvements, and to the compulsory repair, rehabilitation, demolition, or removal of buildings and improvements. The authority may develop, test, and report methods and techniques, and carry out demonstrations and other activities for the prevention and elimination of slums and blight;

(13) to borrow money or other property and accept contributions, grants, gifts, services, or other assistance from the federal government, the state government, state public bodies, or from any other public or private sources;

(14) to include in any contract for financial assistance with the federal government any conditions that the federal government may attach to its financial aid of a project, not inconsistent with purposes of sections 469.001 to 469.047, including obligating itself (which obligation shall be specifically enforceable and not constitute a mortgage, notwithstanding any other laws) to convey to the federal government the project to which the contract relates upon the occurrence of a substantial default with respect to the covenants or conditions to

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which the authority is subject; to provide in the contract that, in case of such conveyance, the federal government may complete, operate, manage, lease, convey, or otherwise deal with the project until the defaults are cured if the federal government agrees in the contract to reconvey to the authority the project as then constituted when the defaults have been cured;

(15) to issue bonds for any of its corporate purposes and to secure the bonds by mortgages upon property held or to be held by it or by pledge of its revenues, including grants or contributions;

(16) to invest any funds held in reserves or sinking funds, or any funds not required for immediate disbursement, in property or securities in which savings banks may legally invest funds subject to their control or in the manner and subject to the conditions provided in section 475.66 for the deposit and investment of debt service funds;

(17) within its area of operation, to determine where blight exists or where there is unsafe, unsanitary, or overcrowded housing;

(18) to carry out studies of the housing and redevelopment needs within its area of operation and of the meeting of those needs. This includes study of data on population and family groups and their distribution according to income groups, the amount and quality of available housing and its distribution according to rentals and sales prices, employment, wages, desirable patterns for land use and community growth, and other factors affecting the local housing and redevelopment needs and the meeting of those needs; to make the results of those studies and analyses available to the public and to building, housing, and supply industries;

(19) if a local public body does not have a planning agency or the planning agency has not produced a comprehensive or general community development plan, to make or cause to be made a plan to be used as a guide in the more detailed planning of housing and redevelopment areas;

(20) to lease or rent any dwellings, accommodations, lands, buildings, structures, or facilities included in any project and, subject to the limitations contained in sections 469.001 to 469.047 with respect to the rental of dwellings in housing projects, to establish and revise the rents or charges therefor;

(21) to own, hold, and improve real or personal property and to sell, lease, exchange, transfer, assign, pledge, or dispose of any real or personal property or any interest therein;

(22) to insure or provide for the insurance of any real or personal property or operations of the authority against any risks or hazards;

(23) to procure or agree to the procurement of government insurance or guarantees of the payment of any bonds or parts thereof issued by an authority and to pay premiums on the insurance;

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(24) to make expenditures necessary to carry out the purposes of sections 469.001 to 469.047;

(25) to enter into an agreement or agreements with any state public body to provide informational service and relocation assistance to families, individuals, business concerns, and nonprofit organizations displaced or to be displaced by the activities of any state public body;

(26) to compile and maintain a catalog of all vacant, open and undeveloped land, or land which contains substandard buildings and improvements as that term is defined in clause (7), that is owned or controlled by the authority or by the governing body within its area of operation and to compile and maintain a catalog of all authority owned real property that is in excess of the foreseeable needs of the authority, in order to determine and recommend if the real property compiled in either catalog is appropriate for disposal pursuant to the provisions of section 469.029, subdivisions 9 and 10;

(27) to recommend to the city concerning the enforcement of the applicable health, housing, building, fire prevention, and housing maintenance code requirements as they relate to residential dwelling structures that are being rehabilitated by low- or moderate-income persons pursuant to section 469.029, subdivision 9, for the period of time necessary to complete the rehabilitation, as determined by the authority;

(28) to recommend to the city the initiation of municipal powers, against certain real properties, relating to repair, closing, condemnation, or demolition of unsafe, unsanitary, hazardous, and unfit buildings, as provided in section 469.041, clause (5);

(29) to sell, at private or public sale, at the price or prices determined by the authority, any note, mortgage, lease, sublease, lease purchase, or other instrument or obligation evidencing or securing a loan made for the purpose of economic development, job creation, redevelopment, or community revitalization by a public agency to a business, for-profit or nonprofit organization, or an individual; and

(30) within its area of operation, to acquire and sell real property that is benefited by federal housing assistance payments, other rental subsidies, interest reduction payments, or interest reduction contracts for the purpose of preserving the affordability of low- and moderate-income multifamily housing; and

(31) to apply for, enter into contracts with the federal government, administer, and carry out a section 8 program. Authorization by the governing body creating the authority to administer the program at the authority's initial application is sufficient to authorize operation of the program in its area of operation for which it was created without additional local governing body approval. Approval by the governing body or bodies creating the authority constitutes approval of a housing program for purposes of any special or general law requir-

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ing local approval of section 8 programs undertaken by city, county, or multicounty authorities.

Sec. 7. Minnesota Statutes 1988, section 469.012, subdivision 3, is amended to read:

Subd. 3. **EXERCISE OF POWERS.** An authority may exercise all or any part or combination of the powers granted by sections 469.001 to 469.047 within its area of operation. Any two or more authorities may join with one another in the exercise, either jointly or otherwise, of any or all of their powers for the purpose of financing, including the issuance of bonds and giving security therefor, planning, undertaking, owning, constructing, operating, or contracting with respect to a housing project located within the area of operation of any one or more of the authorities. For that purpose an authority may by resolution prescribe and authorize any other housing authority, so joining with it, to act on its behalf with respect to any or all powers, as its agent or otherwise, in the name of the authority so joining or in its own name.

A city, county, or multicounty authority may by resolution authorize another housing authority to exercise its powers within the authorizing authority's area of operation at the same time that the authorizing authority is exercising the same powers.

A county or city may join with any authority to permit the authority, on behalf of the county, town within the county, or city, to plan, undertake, administer, and carry out a leased existing housing assistance payments program, pursuant to section 8 of the United States Housing Act of 1937 as amended, 42 United States Code, section 1437f. A city may so join with an authority unless there is an authority in the city which has been authorized by resolution under section 469.003 to transact business or exercise powers. A county may so join with an authority unless (a) there is a county authority which has been authorized by resolution under section 469.004 to exercise powers, or the county is a member of a multicounty authority, and (b) the authority has initiated or has in progress an active program or has applied for federal assistance in a public housing, section 8, or redevelopment program within 12 months after its establishment.

Sec. 8. Minnesota Statutes 1988, section 469.016, is amended to read:

469.016 LOW RENT HOUSING.

An authority shall not initiate any low rent housing project, and shall not enter into any contract with respect to it, until (1) it has made findings, after an analysis of the local housing market, that (i) there is need for such low rent housing which cannot be met by private enterprise and (ii) a gap of at least 20 percent exists between the upper shelter rental limits for admission to the proposed low rent housing and the lowest shelter rents at which private enterprise is providing through new construction and existing structures a substantial supply

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of decent, safe, and sanitary housing; and (2) the governing body of the ~~municipality or bodies~~ creating the authority in whose jurisdiction the project will be located, has by resolution affirmed those findings of the authority and approved the provision of that low rent housing project. ~~This subdivision shall~~ Clauses (1) and (2) do not apply to any public low rent housing projects for which financial assistance is provided by the federal government, and which does not require any direct loan or grant of money from the municipality governing body or bodies as a condition of a federal financial assistance. An authority shall not make any contract with the federal government for a public low rent housing project unless the governing body of the municipality or bodies creating the authority in whose jurisdiction the project will be located, has by resolution approved the provision of that public low rent housing project.

Sec. 9. Minnesota Statutes 1988, section 469.040, subdivision 1, is amended to read:

Subdivision 1. **DECLARATION, ESSENTIAL PUBLIC AND GOVERNMENTAL PURPOSES.** The property of an authority is public property used for essential public and governmental purposes. The property and the authority shall be exempt from all real and personal property taxes and special assessments of the city, the county, the state, or any political subdivision thereof. "Taxes" does not include charges for special assessments or for utilities and special services, such as heat, water, electricity, gas, sewage disposal, or garbage removal. For purposes of this subdivision, "special services" means those physical services provided to a project for which the actual cost of the governing body providing the service can be calculated. When the obligations issued by an authority to assist in financing the development of a project have been retired and federal contributions have been discontinued, or the authority is no longer obligated by contracts with the federal government to maintain a project as a low-income housing project, whichever is later, then the exemptions from taxes and ~~special assessments~~ for that project shall terminate.

Sec. 10. Minnesota Statutes 1988, section 469.040, subdivision 3, is amended to read:

Subd. 3. **STATEMENT FILED WITH ASSESSOR; PERCENTAGE TAX ON RENTALS.** Notwithstanding the provisions of subdivision 1, after a housing project carried on under sections 469.016 to 469.026 has become occupied, in whole or in part, an authority shall file with the assessor, on or before May 1 of each year, a statement of the aggregate shelter rentals of that project collected during the preceding calendar year. Unless a greater amount has been agreed upon between the authority and the ~~city in and~~ governing body or bodies for which the authority was created, in whose jurisdiction the project is located, five percent of the aggregate shelter rentals shall be charged to the authority as a service charge for the services and facilities to be furnished with respect to that project. The service charge shall be collected from the authority in the manner provided by law for the assessment and collection of taxes. The amount so

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collected shall be distributed to the several taxing bodies in the same proportion as the tax rate of each bears to the total tax rate of those taxing bodies. ~~A city in and~~ The governing body or bodies for which ~~an~~ the authority has been created, in whose jurisdiction the project is located, may agree with the authority for the payment of a service charge for a housing project in an amount greater than five percent of the aggregate annual shelter rentals of any project, upon the basis of shelter rentals or upon another basis agreed upon. The service charge may not exceed the amount which would be payable in taxes were the property not exempt. If such an agreement is made the service charge so agreed upon shall be collected and distributed in the manner above provided. If the project has become occupied, or if the land upon which the project is to be constructed has been acquired, the agreement shall specify the location of the project for which the agreement is made. "Shelter rental" means the total rentals of a housing project exclusive of any charge for utilities and special services such as heat, water, electricity, gas, sewage disposal, or garbage removal. "Service charge" means payment in lieu of taxes. The records of each housing project shall be open to inspection by the proper assessing officer.

Sec. 11. Minnesota Statutes 1988, section 469.094, subdivision 1, is amended to read:

Subdivision 1. **ECONOMIC DEVELOPMENT, HOUSING, REDEVELOPMENT POWERS.** The city may, by ordinance, divide ~~any~~ the economic development, housing, and redevelopment powers granted under sections 469.001 to 469.047 and 469.090 to 469.108 between the economic development authority and any other authority or commission established under statute or city charter for economic development, housing, or redevelopment as provided in subdivision 2.

Sec. 12. Minnesota Statutes 1988, section 469.094, subdivision 2, is amended to read:

Subd. 2. **PROJECT CONTROL, AUTHORITY, OPERATION.** The city may, by resolution, transfer the control, authority, and operation of any project as defined in section 469.174, subdivision 8, or any other program or project authorized by sections 469.001 to 469.047 or sections 469.124 to 469.134 located within the city, from the governmental agency or subdivision that established the project to the economic development authority. The city council may also require acceptance of control, authority, and operation of the project by the economic development authority. The economic development authority may exercise all of the powers that the governmental unit establishing the project could exercise with respect to the project.

When a project or program is transferred to the economic development authority, the authority shall covenant and pledge to perform the terms, conditions, and covenants of the bond indenture or other agreements executed for the security of any bonds issued by the governmental subdivision that initiated the

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project or program. The economic development authority may exercise all of the powers necessary to perform the terms, conditions, and covenants of any indenture or other agreements executed for the security of the bonds and shall become obligated on the bonds when the project or program is transferred as provided in this subdivision.

If the city transfers a housing project or a housing development project to the economic development authority, the city must transfer all housing development and management powers relating to that specific project to the authority.

Sec. 13. Minnesota Statutes 1988, section 473.195, subdivision 1, is amended to read:

Subdivision 1. In addition to, and not in limitation of, all other powers invested in it by law, the council, and the members thereof, shall have, throughout the metropolitan area, the same functions, rights, powers, duties, privileges, immunities and limitations as are provided for housing and redevelopment authorities created for municipalities, and for the commissioners of such authorities. The provisions of sections 469.001 to 469.047 and of all other laws relating to housing and redevelopment authorities shall be applicable to the council when functioning as an authority, except as herein provided or as clearly indicated otherwise from the context of such laws. Section 469.003 shall have no application to the council nor to any municipality or county within which the council undertakes a project. Any municipality or county, and the governing bodies of any municipality or county, within and for which the council undertakes a project shall have all the powers, authority and obligations granted to municipalities and counties by the provisions of sections 469.001 to 469.047 and all other laws relating to housing and redevelopment authorities. The council may plan and propose projects within the boundaries of any municipality, and may otherwise exercise the powers of an authority at any time; provided, however, that the council shall not implement any housing project, housing development project, redevelopment project or urban renewal project within the boundaries of any municipality or county without the prior approval of the governing body of the municipality or county in which any such project is to be located; and provided further that the council shall not propose any project to the governing body of a municipality or county having an active authority created pursuant to section 469.003, or pursuant to special legislation, without first submitting the proposed project to the municipal or county authority for its review and recommendations; and provided further that as to any project proposed by the council and approved by the municipality or county, the council shall not undertake the project if within 60 days after it has been proposed, the municipality or county agrees to undertake the project. Notwithstanding section 469.012, subdivision 3, the council may plan and administer a section 8 program in the metropolitan area without the approval of the governing body of the local governmental unit or housing and redevelopment authority in whose jurisdiction the program is operated. The council shall not operate a section 8 program in the jurisdiction of a local governmental unit or housing and redevelopment authority in the metropolitan area which was operating its own section 8

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program under a separate annual contributions contract with the Department of Housing and Urban Development on January 1, 1990, provided that the council may continue to administer a section 8 program within such jurisdictions until the council completes an orderly transfer of its section 8 program responsibilities in such jurisdictions. For purposes of this subdivision, "section 8 program" has the meaning given it in section 469.002, subdivision 24. For the purposes of this subdivision, "annual contributions contract" has the meaning given it in United States Code, title 42, section 1437f, and implementing federal regulations. All plans and projects of the council shall be consistent with the comprehensive development guide.

Sec. 14. BONDS AUTHORIZED.

Subdivision 1. The governing body of the city of Bemidji or Beltrami county may sell and issue general obligation bonds or revenue bonds of the city or the county, respectively, to finance the construction and betterment of an airport terminal and other air navigation facilities as defined in Minnesota Statutes, section 360.013, or of other related facilities, including hangars, repair shops and other buildings, and equipment needed for the storage, repair, reconstruction, and servicing of aircraft. The bonds may be issued by the city or the county on its own behalf with the consent of both parties, or with the consent of the other on behalf of both of them. The bonds must be issued, sold and secured in accordance with Minnesota Statutes, chapter 475, except as provided in subdivisions 2 and 3. The facilities to be financed by the bonds are a public convenience from which a revenue is derived, and are not indebtedness under chapter 475 or any city charter.

Subd. 2. The aggregate principal amount of all bonds issued by the city or the county under this section which are outstanding and undischarged at any time shall not exceed \$400,000.

Subd. 3. If either the city or the county issues bonds on behalf of both of them, the entity not issuing the bonds may levy ad valorem taxes on all taxable property within its corporate limits to pay the principal of and interest on the bonds as agreed upon before their issuance, and may irrevocably appropriate the collections of the taxes to the sinking fund established by the issuing entity for the payment of the bonds. The entity issuing the bonds may levy ad valorem taxes on all taxable property within its corporate limits for the years and in the amounts that, together with any taxes levied and appropriated by the nonissuing entity, will meet the requirements of Minnesota Statutes, section 475.61. Neither the taxes nor any additional taxes levied to eliminate any deficiencies in the collection thereof are subject to any limitation established by general or special law or charter as to rate or amount. The taxes may not be considered in determining the amount of any other taxes which may be levied subject to any such limitation.

Subd. 4. (a) After approval of a bond issue under subdivision 1 or the first

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approval of a tax levy to pay bond obligations under subdivision 3, the governing body of the city for a city action or the county for a county action shall publish notice of the action in its official publication. The bonds may be issued and sold or the tax levied without submitting the question to the voters, unless within 30 days after the date of publication a petition signed by qualified voters equal to five percent of the voters who voted in the last general election in the governmental subdivision is filed with the city or the county.

(b) If a petition is filed that meets the requirements of paragraph (a), the bonds may be issued or the tax levied upon obtaining the approval of a majority of the voters voting on the question at a special or regular election.

Sec. 15. APPLICATION.

Section 13 applies to the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington. Section 14 is effective upon approval by a majority of all members of the Bemidji city council, and by a majority of all members of the Beltrami county board of commissioners, and compliance with Minnesota Statutes, section 645.021.

Presented to the governor April 24, 1990

Signed by the governor April 26, 1990, 11:14 p.m.

CHAPTER 533—S.F.No. 1937

An act relating to health; establishing standards for safe levels of lead; requiring education about lead exposure; requiring lead assessments of certain residences; establishing standards for lead abatement; requiring rules; amending Minnesota Statutes 1988, section 116.52, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 144; repealing Minnesota Statutes 1989 Supplement, sections 144.851 to 144.860 and 144.862.

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

Section 1. Minnesota Statutes 1988, section 116.52, subdivision 2, is amended to read:

Subd. 2. **SOIL TESTING.** By January 1, 1987, the agency must sample sites on the preliminary list to determine the concentration of lead in the soil. ~~The agency must refer sites to the commissioner where lead in the soil exceeds the interim standard for lead in the soil of 1,000 parts per million.~~ After adoption of the rules under section 116.53, subdivision 1, the agency shall refer to the commissioner all sites with concentrations above the standard for lead in soil.

Sec. 2. [144.871] DEFINITIONS.

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