

schedule of the time and place of its meetings and shall give notice of regular and special meetings in the same manner as required for other public bodies.

Sec. 3. Minnesota Statutes 1990, section 471.59, subdivision 2, is amended to read:

Subd. 2. **AGREEMENT TO STATE PURPOSE.** Such agreement shall state the purpose of the agreement or the power to be exercised and it shall provide for the method by which the purpose sought shall be accomplished or the manner in which the power shall be exercised. When the agreement provides for use of a joint board, the board shall be representative of the parties to the agreement. A joint board that is formed for educational purposes may conduct public meetings via interactive television if the board complies with section 471.705 in each location where board members are present. Irrespective of the number, composition, terms, or qualifications of its members, such board is deemed to comply with statutory or charter provisions for a board for the exercise by any one of the parties of the power which is the subject of the agreement.

Sec. 4. **EFFECTIVE DATE.**

Sections 1 to 3 are effective the day following final enactment.

Presented to the governor April 29, 1991

Signed by the governor May 2, 1991, 4:25 p.m.

CHAPTER 45—H.F.No. 73

An act relating to education; changing requirements for transfers within the maximum effort school loan fund; eliminating the deduction for one year's interest payments from the proceeds of state bonds for maximum effort school loans; validating construction contracts entered into by independent school district No. 484, Pierz; amending Minnesota Statutes 1990, sections 124.39, subdivisions 3 and 5; 124.40, subdivision 1; 124.46, subdivision 3; and 124.477.

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

Section 1. Minnesota Statutes 1990, section 124.39, subdivision 3, is amended to read:

Subd. 3. There shall be a capital loan account, out of which loans under section 124.431 shall be made. There shall be transferred to it from the debt service loan account on ~~October~~ November 1 of each year all moneys therein in excess of those required for debt service loans then agreed to be made. There shall be transferred from it to the debt service loan account on July 1 of each year all moneys therein in excess of those required for capital loans theretofore agreed to be made.

New language is indicated by underline, deletions by ~~strikeout~~.

Sec. 2. Minnesota Statutes 1990, section 124.39, subdivision 5, is amended to read:

Subd. 5. All money deposited to the credit of the loan repayment account and not required for the payment of principal and interest and costs as prescribed in subdivision 4 shall be transferred The commissioner shall transfer from the loan repayment account to the credit of the debt service loan account on July November 1 of each year all money deposited to the credit of the loan repayment account that will not be required for the payment of principal and interest and costs as prescribed in subdivision 4 but that will be needed for debt service loans in the fiscal year beginning July 1, and those moneys are annually appropriated to that account for the purposes prescribed by the maximum effort school aid law; ~~except that the commissioner may retain in the loan repayment account any amount which the commissioner estimates will not be needed for loans in the fiscal year commencing July 1.~~ Money deposited to the credit of the loan repayment account and not required for the transfers or for the payment of principal and interest due on school loan bonds may be invested and reinvested in securities which are general obligations of the United States or the state of Minnesota. When all school loan bonds have been fully paid with interest accrued thereon, the balance remaining in the account shall be transferred to the state bond fund.

Sec. 3. Minnesota Statutes 1990, section 124.40, subdivision 1, is amended to read:

Subdivision 1. There is hereby appropriated to the fund, in addition to all sums which have been or may hereafter be appropriated thereto by any law, the net proceeds of sale of any state school loan bonds authorized to be issued under section 124.46, and all income received from the investment of said net proceeds; ~~after deducting from the aggregate proceeds of sale the amount which is required by section 124.46, subdivision 3 to be credited and~~ is hereby appropriated to the school loan bond account in the state bond fund.

Sec. 4. Minnesota Statutes 1990, section 124.46, subdivision 3, is amended to read:

Subd. 3. The commissioner of finance shall maintain a separate school loan bond account in the state bond fund, showing all money transferred to that fund for the payment of school loan bonds and all income received from the investment of such money. ~~Upon the issuance of each series of school loan bonds the commissioner of finance shall deduct from the proceeds thereof and credit to said bond account a sum sufficient, with the balance then on hand in said account, to pay all interest to become due on such bonds on and before July 1 in the second ensuing year.~~ On the first day of ~~November~~ December in each year there shall be transferred to the bond account all or so much of the money then on hand in the loan repayment account in the maximum effort school loan fund as will be sufficient, with the balance then on hand in said bond account, to pay all principal and interest then and theretofore due and to become due within the

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next ensuing year and to and including July 1 in the second ensuing year on school loan bonds issued and sold pursuant to this section. In the event that moneys are not available for such transfer in the full amount required, the state auditor shall levy on all taxable property within the state a tax sufficient to meet the deficiency. Such tax shall be and remain subject to no limitation of rate or amount until all school loan bonds and all interest thereon are fully paid. The proceeds of this tax are hereby irrevocably appropriated and shall be credited to the state bond fund, but the school loan bond account is appropriated as the primary source of payment of such bonds and interest, and only so much of said tax as may be necessary is appropriated for this purpose. If any principal or interest on school loan bonds should become due at any time when there is not on hand a sufficient amount from any of the sources herein appropriated for the payment thereof, it shall nevertheless be paid out of the general fund in the state treasury, and the amount necessary therefor is hereby appropriated; but any such payments shall be reimbursed from the proceeds of taxes levied as required herein, and any such payments made from taxes shall be reimbursed from the loan repayment account in the maximum effort school loan fund, when the balance therein is sufficient.

Sec. 5. Minnesota Statutes 1990, section 124.477, is amended to read:

124.477 BOND ISSUE; MAXIMUM EFFORT SCHOOL LOANS; 1988.

To provide money to be loaned to school districts as agencies and political subdivisions of the state to acquire and to better public land and buildings and other public improvements of a capital nature, in the manner provided by the maximum effort school aid law, the commissioner of finance shall issue and sell school loan bonds of the state of Minnesota in the maximum amount of \$22,000,000, in addition to the bonds already authorized for this purpose. The same amount is appropriated to the maximum effort school loan fund and must be spent under the direction of the commissioner of education to make debt service loans and capital loans to school districts as provided in sections 124.36 to 124.47. The bonds must be issued and sold and provision for their payment must be made according to section 124.46. ~~Enough money to pay interest on the bonds to and including July 1 in the second year after the date of issue must be credited from the bond proceeds to the school loan bond account in the state bond fund.~~ Expenses incidental to the sale, printing, execution, and delivery of the bonds, including, but without limitation, actual and necessary travel and subsistence expenses of state officers and employees for those purposes, must be paid from the maximum effort school loan fund, and the money necessary for the expenses is appropriated from that fund.

Sec. 6. TRANSFER TO CAPITAL LOAN ACCOUNT.

During the fiscal year ending June 30, 1992, the commissioner of education may transfer within the maximum effort school loan fund from the loan repayment account to the capital loan account up to \$185,000, to be used to make new capital loans.

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Sec. 7. PIERZ CONSTRUCTION CONTRACT DEADLINES.

Construction contracts entered into by independent school district No. 484, Pierz, to carry out the project for which a capital loan is made under Minnesota Statutes, section 124.431, are valid even though they were entered into before the loan was granted, notwithstanding the requirements of the capital loan contract and Minnesota Statutes, section 124.431, subdivision 1, that they be entered into within 18 months after the loan was granted.

Sec. 8. EFFECTIVE DATE.

This act is effective the day following final enactment.

Presented to the governor April 29, 1991

Signed by the governor May 2, 1991, 4:31 p.m.

CHAPTER 46—S.F.No. 539

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CHAPTER 47—H.F.No. 614

An act relating to state finance; permitting investments in all federally insured savings accounts; amending Minnesota Statutes 1990, section 11A.24, subdivision 4.

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

Section 1. Minnesota Statutes 1990, section 11A.24, subdivision 4, is amended to read:

Subd. 4. **OTHER OBLIGATIONS.** (a) The state board may invest funds in bankers acceptances, certificates of deposit, commercial paper, mortgage participation certificates and pools, repurchase agreements and reverse repurchase agreements, guaranteed investment contracts, savings accounts, and guaranty fund certificates, surplus notes, or debentures of domestic mutual insurance companies if they conform to the following provisions:

(1) bankers acceptances of United States banks are limited to those issued by banks rated in the highest four quality categories by a nationally recognized rating agency;

(2) certificates of deposit are limited to those issued by United States banks and savings institutions that are rated in the highest four quality categories by a

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