

as is required of a trustee by Minnesota Statutes, Section 501.125, when investing trust funds.

Sec. 2. This act takes effect when approved by the governing body of the city of Minneapolis and upon compliance with the provisions of Minnesota Statutes, Section 654.021.

Approved May 16, 1967.

CHAPTER 481—H. F. No. 1926

An act relating to municipal obligations, the publication of notice of redemption thereof, and the authorized uses of the proceeds of such obligations; amending Minnesota Statutes 1965, Section 475.54, Subdivisions 4 and 9, Section 475.56, and Section 475.65.

Be it enacted by the Legislature of the State of Minnesota:

Section 1. Minnesota Statutes 1965, Section 475.54, Subdivision 4, is amended to read:

Subd. 4. **Municipal obligations; notice of redemption.** Any obligation may be issued reserving the right of redemption and payment thereof prior to maturity, at par and accrued interest or at such premium and at such time or times and ~~upon such notice~~ as shall be determined by the governing body. *Notice of the call of any prepayable obligation shall be published in a daily or weekly periodical published in a Minnesota city of the first class, or its metropolitan area, which circulates throughout the state and furnishes financial news as a part of its service.* When any such obligation has been validly called for redemption *in accordance with its terms*, and the principal thereof and all interest thereon to the date of redemption have been paid or deposited with the paying agent, interest thereon shall cease; *provided that no obligation issued subsequent to July 1, 1967, shall be deemed validly called for redemption unless the notice herein required has been published prior to the date fixed for its redemption.*

Sec. 2. Minnesota Statutes 1965, Section 475.54, Subdivision 9, is amended to read:

Subd. 9. Notice of the call of all prepayable obligations of each issue refunded shall be given in accordance with their terms, and ~~shall be published in a daily or weekly periodical published in a Minnesota city of the first class, which circulates throughout the~~

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state and furnishes financial news as a part of its service in accordance with subdivision 4. Each prepayable obligation of the issue refunded shall be called for redemption on the earliest date on which, according to its terms, it may be prepaid from the proceeds of refunding obligations or from such other funds, if any, as are appropriated for such prepayment, and shall not subsequently be called for redemption on any date earlier than that designated in the notice, unless such call is required by the terms of the refunded bonds to be made from surplus funds subsequently becoming available.

Sec. 3. Minnesota Statutes 1965, Section 475.56, is amended to read:

475.56 Interest rate. Any municipality issuing obligations under any law may issue obligations bearing interest at a single rate or at rates varying from year to year which may be lower or higher in later years than in earlier years. Such higher rate for any period prior to maturity may be represented in part by separate coupons designated as additional coupons, extra coupons, or B coupons. ~~Each rate shall be in an integral multiple of 1/4, 1/8, or 1/10 of 1 percent per annum as specified in the obligations, but the highest aggregate rate of interest contracted to be so paid for any period shall not exceed the maximum rate authorized by law. Such higher rate may also be represented in part by the issuance of additional obligations of the same series, over and above but not exceeding two percent of the amount otherwise authorized to be issued, and the amount of such additional obligations shall not be included in the amount required by section 475.59 to be stated in any bond resolution, notice, or ballot, or in the sale price required by section 475.60 to be paid; but if the principal amount of the entire series exceeds its cash sale price, such excess shall not, when added to the total amount of interest payable on all obligations of the series to their stated maturity dates, cause the average annual rate of such interest to exceed the maximum rate authorized by law.~~ This section does not authorize a provision in any such obligations for the payment of a higher rate of interest after maturity than before.

Sec. 4. Minnesota Statutes 1965, Section 475.65, is amended to read:

475.65 Delivery of bonds; use of proceeds. Upon payment to the treasurer of the purchase price by the successful bidder, the obligations shall be delivered, and the treasurer shall hold the proceeds thereof as a separate fund for the use named in the resolution or other instrument or instruments authorizing such obligations. The purchaser shall not be obligated to see to the application

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of the purchase price. *When the use authorized is the acquisition or betterment of any land, easements, buildings, structures, machinery, or equipment, the proceeds may be used to pay all expenses, incurred and to be incurred, which are reasonably necessary and incidental to such acquisition or betterment, including, but without limitation, the cost of necessary architectural, engineering, legal and other professional services, printing and publication, and interest to accrue on the obligations prior to the anticipated date of commencement of the collection of taxes or special assessments to be levied or other revenues pledged for the payment of the obligations and interest thereon. When the obligations are payable wholly from the income from a utility or other public convenience, for the acquisition or betterment of which the obligations are issued, the proceeds may be used in part to establish a reserve in an amount not exceeding the maximum amount of principal and interest to become due on the obligations in any subsequent year, as security for the payment of all such principal and interest when due. If the contemplated ~~improvement~~ use be afterward abandoned, or if any balance of the proceeds of the obligations remains after the use is accomplished, such fund may be devoted to any other public ~~improvement~~ use authorized by law, and approved by resolution adopted or vote taken in the manner required to authorize bonds for such new use and purpose. Any balance remaining after the improvement has been completed and paid for, unless devoted to a new use as herein authorized, shall become a part of the sinking fund of the municipality.*

Approved May 16, 1967.

CHAPTER 482—H. F. No. 1928

[Not Coded]

An act relating to the villages of East Bethel and Saint Francis in Anoka county; authorizing adoption of certain ordinances or resolutions by reference.

Be it enacted by the Legislature of the State of Minnesota:

Section 1. East Bethel and St. Francis, villages of; ordinances. The villages of East Bethel and Saint Francis in Anoka county may adopt by reference any ordinance or resolution or any part thereof adopted by either of said villages on the subject of building construction, platting and subdivision regulation, zoning, private

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