

bonds provided for in section 3 have been authorized in accordance with that section shall have rights of possession and entry conferred in other cases of condemnation by Minnesota Statutes, Section 117.20, Subdivision 7.

Sec. 3. Said village may issue its general obligation bonds, payable from general ad valorem taxes levied on all taxable property in the village, for purpose of financing its share of the cost of such flood control improvement project under such agreement, and may also expend any moneys of the village for such purpose. The issuance of such bonds shall be subject to approval by the voters of the village, but the council may proceed to issue such bonds without approval by the voters if the initial resolution for their issuance is adopted by a favorable vote of not less than 5/6 of its members. Such bonds shall not be included in the "net debt" of the village for the purpose of any limitations thereon set forth in Minnesota Statutes, Chapter 475. Except as herein provided, the issuance of such bonds shall be governed by said chapter 475.

Sec. 4. This act takes effect when approved by the governing body of the village of Oslo, and upon compliance with Minnesota Statutes, Section 645.021.

Approved April 28, 1969.

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CHAPTER 223—H. F. No. 1829

[Coded]

*An act relating to police and firemen's relief associations; prescribing conditions for the use of public funds in connection therewith.*

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

Section 1. **[69.77] Police and firemen's relief association guidelines act of 1969.** Subdivision 1. Commencing July 1, 1971, it shall be unlawful for any governmental subdivision to contribute any public funds for the operation and maintenance of a police or firemen's relief association, to which Minnesota Statutes 1967, Sections 69.71 to 69.76, apply, however organized, which pays retirement benefits to a police officer or a fire fighter or a dependent thereof, or to levy taxes for the support thereof except in accordance with the provisions of this act.

**Changes or additions indicated by italics, deletions by ~~strikeout~~.**

Subd. 2. Subdivision 1 does not apply to an association described in subdivision 1 under the following circumstances:

(1) Each member of the association pays into the retirement funds of the association during his term of covered employment from and after January 1, 1970, a contribution for retirement and survivorship benefits of not less than six percent of the maximum rate of salary from which retirement and survivorship credits and amounts of benefits are determined, and that such contributions of a member are deducted from his salary by his governmental employer, transmitted to the association, and deposited to the credit of the proper fund thereof, provided that to avoid undue increase in the amount of employee contributions in any one year, any increase in the amount of contributions required by this act may be spread over several years, but the increase in rate of contribution in each year commencing in 1970 shall not be less than one percent until the appropriate levels of required employee contributions have been reached.

(2) The officers of the association determine on or before September 1 of each year commencing in 1970 the financial requirements and minimum obligation of the association for the following calendar year in accordance with the following requirements:

Until a later actuarial survey is prepared in accordance with Minnesota Statutes, Sections 69.71 to 69.76, the association shall determine its financial requirements by basing the same on the actuarial survey prepared as of December 31, 1967, copies of which are on file with the legislative retirement study commission, the chief clerk of the house of representatives, and the secretary of the senate; thereafter the financial requirements are determined by the most recent actuarial survey prepared in accordance with Minnesota Statutes, Sections 69.71 to 69.76.

The normal level cost expressed as a percent of covered payroll determined from the actuarial survey shall be applied to the estimated covered payroll of the membership for the following year to determine the dollar amount of normal cost for said following year.

To the dollar amount of normal cost thus determined shall be added the amount of one year's interest at three percent on the amount of the (deficit) unfunded liability found by the actuarial survey of the fund.

The total of these two amounts represents the financial requirements of the association for the following year.

Except as otherwise provided in this paragraph, the minimum obligation of the governmental subdivision shall be the financial re-

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quirements of the association less member contributions herein provided from covered salary and less one year's estimated receipts expected from the state of Minnesota through state collected insurance premium taxes or other state aids. The minimum obligation may, by vote of the governing body of the governmental subdivision, be reduced to the amount levied in the preceding year for purposes of the association, plus the following percentage of the difference between that levy and the amount of the minimum obligation determined without benefit of this sentence: for the levy made in 1971, ten percent; in 1972, 20 percent; in 1973, 30 percent; in 1974, 40 percent; in 1975, 50 percent; in 1976, 60 percent; in 1977, 70 percent; in 1978, 80 percent; and in 1979, 90 percent. Commencing with the levy made in 1980, there shall be no reduction in the minimum obligation pursuant to this paragraph.

(3) The foregoing determination of the obligation of a governmental subdivision shall be submitted to its governing body not later than September 1 of each year so that it may ascertain if it has been prepared in accordance with law.

(4) The governmental subdivision shall provide and pay as promptly as funds are available to the association at least the amount of the minimum obligation each year. Any portion of this amount not paid to the association at the end of any calendar year shall be increased at the rate of six percent per annum until so paid. On September 1 of any year the unpaid amount subject to interest shall be added to the obligation of the governmental subdivision.

(5) The governmental subdivision shall provide in its annual budget at least its minimum obligation and may levy taxes for the payment thereof without limitation as to rate or amount and irrespective of limitations imposed by other provisions of law upon the rate or amount of taxation when the balance of any fund of the association has attained a specified level; the levy of such taxes shall not cause the amount of other taxes levied or to be levied by the governmental subdivision, which are subject to any such limitation, to be reduced in any amount whatsoever. If the governmental subdivision does not include the full amount of the minimum obligation in its levy for any year, the association may certify that amount to the county auditor, who shall spread a levy in the amount of such obligation.

(6) Moneys paid by the governmental subdivision to the association in excess of the minimum amount so required shall be applied to the reduction in the unfunded liabilities of the association.

(7) The funds of the association shall be invested in securities which are proper investments for funds of the Minnesota state re-

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irement system, except that up to \$10,000 may be invested in the stock of any one corporation. Securities held by the association before July 1, 1971, which do not meet the requirements of this paragraph may be retained after that date if they were proper investments for the association on the date of enactment of this act. The governing board of the association may select and appoint investment agencies to act for and in its behalf or may certify funds for investment in the state board of investment under the provisions of Minnesota Statutes, Section 11.21.

(8) The association shall procure an actuarial survey showing the condition of its fund as of December 31, 1970, and not less frequently than each four years thereafter. Such survey shall be filed with the chief clerk of the house of representatives, the secretary of the senate, the governing body of the municipality in which the association is organized, and the secretary of any legislative committee or commission duly created and having within its jurisdiction the study of pension plans and pension funds, not later than June 1 of the following year in the manner described in Minnesota Statutes, Sections 69.71 to 69.76.

Sec. 2. [Subd. 3.] This act may be cited as "The Police and Firemen's Relief Associations Guidelines Act of 1969".

Approved April 28, 1969.

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CHAPTER 224—H. F. No. 2091

[Not Coded]

*An act relating to the powers and duties of the board of directors of trusts of the city of Duluth in the establishment, administration, management, maintenance, improvement, and financing of city hospitals; repealing Minnesota Statutes 1967, Sections 447.17 to 447.22.*

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

Section 1. **Duluth, city of; hospitals.** All rights, powers, and duties of the city of Duluth concerning property and estate donated to or otherwise acquired by the city for the establishment and maintenance of hospitals has for many years been and shall continue to be exercised and discharged by the city through the instrumentality of a board of seven persons called directors of trusts. Funds were donated to the city for the establishment of a free and public hospital

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