

Sec. 9. [325G.37] EFFECTIVE DATE.

Sections 1 to 6 and 8 take effect on July 1, 1983. Section 7 takes effect the day following final enactment. Sections 1 to 8 do not affect any consumer contract executed before July 1, 1983. A previously existing consumer contract renewed after July 1, 1983, is subject to sections 1 to 8. No provision for renewal of a consumer contract is invalid merely because compliance with sections 1 to 8 changes the form of the renewal agreement. For the purposes of this section periodic tenancies renew at the commencement of each rental period.

Approved May 28, 1981

CHAPTER 275 — H.F.No. 766

An act relating to the University of Minnesota hospitals; authorizing the sale of state bonds and loan of the proceeds of the sale to the board of regents of the University of Minnesota; limiting the use of the proceeds of the bonds; requiring an annual report to the legislature; appropriating money.

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

Section 1. UNIVERSITY HOSPITALS BONDS.

Subdivision 1. PURPOSE AND APPROPRIATION. The commissioner of finance shall sell and issue bonds of the state of Minnesota in an aggregate principal amount not to exceed \$190,000,000 for the prompt and full payment of which, with interest, the full faith, credit, and taxing powers of the state are irrevocably pledged, for the purpose of providing money to be loaned to the board of regents of the University of Minnesota to acquire and better public land, buildings, and improvements of a capital nature needed to provide facilities, equipment, and services at the University of Minnesota hospitals, including principal and interest during construction. The proceeds of the bonds are appropriated to the commissioner of finance to be loaned to the board of regents except as otherwise provided by subdivisions 3 and 6. This appropriation is not subject to the limitations in Minnesota Statutes, Section 137.025, Subdivision 2. The proceeds of the bonds shall be available until the purposes for which the bonds were authorized have been accomplished or abandoned, and the appropriation of the money shall not cancel. When the board of regents certifies to the commissioner of finance that the purposes of the bonds have been accomplished or abandoned, any unexpended balance of the proceeds shall be transferred and credited to the state bond fund. The bonds shall not be subject to restrictions or limitations contained in any other law.

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

Subd. 2. ISSUANCE OF BONDS. Upon request by resolution of the board of regents, after execution of a loan agreement as provided by subdivision 4, and after making the determinations as provided in subdivision 8, the commissioner of finance shall sell and issue bonds in the aggregate amount requested. The commissioner shall have the powers and duties and the bonds shall be issued and sold in the manner provided for the issuance and sale of state building bonds by Minnesota Statutes, Section 16A.64, Subdivisions 2 and 3. The provisions of Minnesota Statutes, Section 16A.65, Subdivision 4, shall not apply to the bonds. The commissioner may issue state refunding bonds as provided in Minnesota Statutes, Section 16A.66, without the approval of the executive council, in order to refund any or all of the bonds.

Subd. 3. EXPENSES. All costs and expenses, as provided for in Minnesota Statutes, Section 16A.64, Subdivision 4, incurred by the commissioner of finance in connection with the sale and issuance of the bonds shall be paid from the proceeds of the bonds and the amounts necessary therefore are appropriated to the commissioner of finance from the University of Minnesota hospitals bond account. Any proceeds expended by the commissioner for costs and expenses are deemed to be loaned to the board of regents to be repaid as provided by subdivision 4 and the loan agreement.

Subd. 4. LOAN TERMS. Before issuing any bonds under this section, the commissioner of finance shall obtain the written agreement of the board of regents to use the proceeds of the bonds for the purposes described in subdivision 1 and to repay the loan of the proceeds of the bonds with interest according to the terms of the agreement. This agreement shall also provide that beginning one year after completion of the new facility the operating bed capacity of university hospitals shall be adjusted periodically, at least once each biennium, to comply with appropriate and relevant occupancy guidelines as set by the local health systems agency. The guidelines shall include, at a minimum, occupancy guidelines for general adult medical surgical beds, general pediatric beds, general obstetrical beds, and general psychiatric beds. Before the transfer of the proceeds as a loan to the board of regents, the commissioner shall deduct and withhold from the loan an amount sufficient, when added to the balance on hand in the University of Minnesota hospitals bond account, to pay all principal and interest due and to become due on the bonds through July 1 of the second ensuing year. Payments of principal and interest on the loan shall be made on or before each November 1 in an amount sufficient, when added to the balance on hand in the University of Minnesota hospitals bond account, to pay all principal and interest due and to become due on the bonds through July 1 of the second ensuing year. The board of regents shall be obligated to repay principal and interest under the loan agreement from the proceeds of the bonds or from the operating and nonoperating revenues of the university, excluding restricted gifts and university debt service obligations existing on the effective date of the loan agreement, but including appropriated funds of the University of Minnesota as provided by the loan agreement. If in

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any year the installment paid is less than the installment due, the deficiency shall be payable with interest based on the average daily rate of investment return on invested treasurer's cash for the period in question. If in any year there is a deficiency in a payment due, the board of regents shall consult with the commissioner of finance and shall take appropriate executive action to eliminate the deficiency and to assure prompt payment of future installments due. When the total amount paid by the board of regents equals the total amount of the principal of and interest on the bonds, including any refunding bonds and interest on deficiency, the loan shall be satisfied and cancelled.

If in any year university hospitals revenues are insufficient to make the required installment payment the university shall report on the amount and source of non-hospital funds used to make the payment. This report shall be submitted to the commissioner of finance and to the chairmen of the house appropriations and senate finance committees.

Subd. 5. UNIVERSITY OF MINNESOTA HOSPITALS BOND ACCOUNT. The commissioner of finance shall maintain in the state bond fund a separate bookkeeping account designated as the University of Minnesota hospitals bond account to record receipts and disbursements of money transferred to the fund to pay University of Minnesota hospitals bonds and income from the investment of the money in the account. Investment income shall be accrued and credited to the account on October 31 in each fiscal year.

Subd. 6. APPROPRIATIONS TO THE UNIVERSITY OF MINNESOTA HOSPITALS BOND ACCOUNT. The premium and accrued interest received on each issue of University of Minnesota hospital bonds, any amounts deducted and withheld pursuant to the provisions of subdivision 4, all loan payments received from the board of regents, and all income from the investment of the proceeds from the issuance of the bonds before the proceeds are loaned to the university shall be credited to the University of Minnesota hospitals bond account and are appropriated to the commissioner of finance for the payment of principal and interest on the bonds. To reduce the amount of taxes otherwise required to be levied, the commissioner of finance shall transfer funds to the University of Minnesota hospitals bond account sums of money in the manner and amounts provided by Minnesota Statutes, Sections 16A.64, Subdivision 5 and 16A.65, Subdivision 1.

Subd. 7. TAX LEVY. The state auditor shall levy any necessary property taxes in the manner and amounts provided by Minnesota Statutes, Section 16A.64, Subdivision 6.

Subd. 8. COMMISSIONER OF FINANCE; DETERMINATIONS. The commissioner of finance shall also make the following determinations before issuing any bonds:

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(1) The proceeds of bonds provided for in this section will be sufficient together with other capital funds that may be available to the university to construct and to furnish the new facilities proposed by the university including appropriate professional fees and charges.

(2) The board of regents has executed agreements with appropriate labor organizations and construction contractors which provide that no labor strike or management lockout will halt, delay or impede construction.

(3) The board of regents has executed agreements which will provide for the construction of the new facilities for a certified construction price, which includes construction and construction related costs, construction management fees, architects fees, the cost of fixed equipment and site development costs, and completion dates and which include performance bonds in an amount at least equal to 100 percent of the certified price to cover any costs which may be incurred by the university or loss of revenues resulting from incomplete construction on the completion date.

(4) The anticipated revenue from the operation of the hospital facilities plus any additional available revenue of the university will be an amount sufficient to pay when due all debt service plus all administration, operating and maintenance expense.

Subd. 9. LIMITATION ON USE OF BOND PROCEEDS. The proceeds from the sale of bonds authorized by subdivision 1 may not be loaned to the board of regents if the proceeds will be used to pay for:

(1) the construction of a new hospital building with a capacity in excess of 520 beds; or,

(2) the remodeling of the existing hospital to result in newly constructed hospital facilities and newly remodeled facilities in excess of 520 beds.

Notwithstanding this limitation, the proceeds may be used for the purposes stated in this subdivision if the board of regents requests that the legislature permit the use and describes, in detail, the justification, and the legislature, by concurrent resolution, permits the use.

Subd. 10. REPORT TO THE LEGISLATURE. Not later than February 15th of each year, the board of regents shall report to the legislature on the status of the capital project outcharged by subdivision 1. The report shall include a statement of any proposed changes in the scope or size of the project, costs incurred, contracts let and the amount of each, any unanticipated costs or factors which could result in expenditures in excess of bond proceeds, any other matters which the chairman of the house appropriations committee or senate finance committee requests, and any other matter which the board believes may be of interest to the legislature. The report may be discontinued after a report

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is filed indicating that all work to construct hospital facilities has been completed.

Sec. 2. **EFFECTIVE DATE.**

This act is effective the day following final enactment.

Approved May 28, 1981

CHAPTER 276 — H.F.No. 986

An act relating to financial institutions; savings associations; increasing the loan term of direct reduction loans; providing for the organization, operation, conversion, merger, reorganization, consolidation, and dissolution of mutual and capital stock associations; granting the commissioner certain supervisory powers; providing certain examination and reporting requirements; authorizing the issuance and sale of capital certificates; authorizing the payment of dividends on capital stock; authorizing the issuance of certain accounts to married persons or minors as sole owners thereof; defining terms; prescribing penalties; amending Minnesota Statutes 1980, Sections 51A.02, Subdivisions 2 and 4, and by adding subdivisions; 51A.03; 51A.04; 51A.07; 51A.08; 51A.09; 51A.10; 51A.11; 51A.12; 51A.13; 51A.15, Subdivision 7; 51A.19, Subdivision 1, and by adding subdivisions; 51A.20; 51A.21, Subdivision 5, and by adding subdivisions; 51A.22; 51A.50; 51A.52; 51A.53; proposing new law coded in Minnesota Statutes, Chapter 51A; repealing Minnesota Statutes 1980, Sections 51A.06, Subdivisions 1 and 2; and 51A.49.

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

Section 1. Minnesota Statutes 1980, Section 51A.02, Subdivision 2, is amended to read:

Subd. 2. "Association" means a mutual or capital stock savings association or savings and loan association subject to the provisions of sections 51A.01 to 51A.57.

Sec. 2. Minnesota Statutes 1980, Section 51A.02, is amended by adding a subdivision to read:

Subd. 2a. "Capital stock" means the aggregate of shares of nonwith-
drawable capital issued by a capital stock association, but does not include
nonwithdrawable capital represented by capital certificates.

Sec. 3. Minnesota Statutes 1980, Section 51A.02, Subdivision 4, is amended to read:

Subd. 4. "Direct reduction loan" means a loan or other obligation repayable in consecutive monthly installments, equal or unequal, beginning not

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