

## CHAPTER 462

## PLANNING AND ZONING

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**462.01 MUNICIPALITIES MAY PASS ZONING ORDINANCE.** For the purpose of promoting health, safety, order, convenience, prosperity, and general welfare, any city of the third or fourth class or any village in this state, acting by or through its governing body, may by ordinance regulate the location, size, use, and height of buildings, the arrangement of buildings on lots, and the density of population within such city or village; may make different regulations for different districts thereof; and may acquire or prepare and adopt a comprehensive plan for the future physical development and improvement of such city or village, in accordance with the regulations made as aforesaid, and may thereafter alter the regulations

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or plan, such alterations to be made only by a two-thirds vote of all the members of the governing body of such city or village. After the adoption of an ordinance hereunder and within ten days after its publication such ordinance may be suspended in effect upon the filing of a petition signed by resident freeholders of the municipality in a number equal to not less than ten per cent of the legal voters of the municipality requesting that the question of permitting the council to zone the city be submitted to the electors at a general or special election, and the ordinances shall not again become effective until a majority of the electors voting on the question approve the proposition permitting the governing body to zone the municipality.

[1929 c. 176 s. 1; 1935 c. 235 s. 1; 1935 c. 376 s. 1] (1933-42)

**462.02 ENFORCEMENT.** The governing body of any such city or village is hereby authorized to pass ordinances for the enforcement of the provisions of sections 462.01 to 462.04 and of the regulations of the governing body thereunder, and to provide, in and by such ordinances, penalties for the violation thereof. Such governing body is also hereby authorized to enforce its regulations thereunder, by mandamus, injunction, or any other appropriate remedy in any court having jurisdiction thereof.

[1929 c. 176 s. 2] (1933-43)

**462.03 POWERS ADDITIONAL TO EXISTING LAWS.** In any such city or village having a planning commission, the provisions of sections 462.01 to 462.04 shall be construed as an addition to existing powers and not as an amendment to or a repeal thereof, and the governing body may adopt a plan or plans prepared by such planning commission.

[1929 c. 176 s. 3] (1933-44)

**462.04 APPLICATION.** Sections 462.01 to 462.04 shall apply to cities operating under home rule charters adopted pursuant to the Constitution of the State of Minnesota, Article 4, Section 36, but shall not modify, limit, or affect in any way the power to enact planning and zoning regulations contained in any such charter in the manner prescribed therein.

[1929 c. 176 s. 4; 1931 c. 163] (1933-45)

**462.05 BUILDING AND ZONING REGULATIONS.** For the purpose of promoting health, safety, order, convenience, prosperity and general welfare, any city of the second class, including those operating under a home rule charter, may by ordinance regulate the location, size, use, and height of buildings, the arrangement of buildings on lots, and the density of population within such city; may make different regulations for different districts thereof; and may acquire or prepare and adopt a comprehensive plan for the future physical development and improvement of such city, in accordance with such regulations, and thereafter, by ordinance adopted by a two-thirds vote of all the members of its governing body, may alter the regulations or plan.

[Ex. 1936 c. 35 s. 1] (1664-91)

**462.06 MAY ENFORCE REGULATIONS.** The governing body of any such city is hereby authorized to pass ordinances for the enforcement of the provisions of sections 462.05 to 462.07 and of such regulations and to provide therein penalties for the violation thereof. Such city is also hereby authorized to enforce such regulations by mandamus, injunction, or any other appropriate remedy in any court having jurisdiction thereof.

[Ex. 1936 c. 35 s. 2] (1664-92)

**462.07 POWERS ADDITIONAL TO EXISTING LAWS.** In any such city having a planning commission, the provisions of sections 462.05 to 462.07 shall be construed as an addition to existing powers and not as an amendment to or a repeal thereof, and the governing body thereof may adopt a plan or plans prepared by such planning commission.

[Ex. 1936 c. 35 s. 3] (1664-93)

**462.08 RESIDENCE DISTRICTS DESIGNATED.** Any city of the first class in this state may, in the exercise of the police power, by ordinance duly adopted by its council or other governing body, upon petition of 50 per cent of the property owners of the district sought to be affected, designate residence districts in such cities wherein only buildings for residences may be erected and maintained including

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duplex houses and double houses and prohibiting the erection and maintenance of hotels, stores, factories, warehouses, dry cleaning plants, public garages or stables, tenement and apartment houses.

[1913 c. 98 s. 1] (1569)

**462.09 RESIDENCE DISTRICTS IN CITIES NOT UNDER HOME RULE CHARTERS.** Any city of the first class in this state may, in the exercise of the police power, by ordinance duly adopted by its council or other governing body, by a two-thirds vote, upon petition of 50 per cent of the property owners of the district sought to be affected, designate residence districts in such cities and prohibit the erection and maintenance of hotels, stores, factories, warehouses, dry cleaning plants, public garages or stables, or any industrial establishment or business whatsoever, tenement and apartment houses.

[1913 c. 420 s. 1] (1571)

**462.10 DESIGNATION OF INDUSTRIAL DISTRICTS.** Any such city by a like vote of its governing body may also classify industries and industrial establishments, and may designate, define and limit industrial districts within said city where such classes of industries and industrial establishments may be erected, operated and maintained, and may prohibit the erection, operation and maintenance of others within such districts.

[1913 c. 420 s. 2] (1572)

**462.11 CHANGE OF DISTRICTS.** The council or other governing body of the city may, at any time thereafter and when it shall find that the character of any residence or industrial district shall have changed materially, and on petition of 50 per cent of the property owners of the district, set aside its former determination and establish a residence district out of an industrial district, or an industrial district out of a residence district, by resolution or ordinance, duly passed; provided, that any industry which may have been heretofore established in such district, shall not be disturbed unless the same shall become a public nuisance.

[1913 c. 420 s. 3] (1573)

**462.12 RESTRICTED RESIDENCE DISTRICTS.** Any city of the first class may, through its council, upon petition of 50 per cent of the owners of the real estate in the district sought to be affected, by resolution, designate and establish by proceedings hereunder restricted residence districts and in and by such resolution and proceedings prohibit the erection, alteration, or repair of any building or structure for any one or more of the purposes hereinafter named, and thereafter no building or other structure shall be erected, altered or repaired for any of the purposes prohibited by such resolution and proceedings, which may prohibit the following: hotels, restaurants, eating houses, mercantile business, stores, factories, warehouses, printing establishments, tailor shops, coal yards, ice houses, blacksmith shops, repair shops, paint shops, bakeries, dyeing, cleaning and laundering establishments, billboards and other advertising devices, public garages, public stables, apartment houses, tenement houses, flat buildings, any other building or structure for purposes similar to the foregoing. Public garages and public stables shall include those, and only those, operated for gain.

Nothing herein contained shall be construed to exclude double residences or duplex houses, so-called schools, churches, or signs advertising for rent or sale the property only on which they are placed, and nothing herein contained shall be construed so as to prohibit the council of any such city of the first class from permitting the remodeling or reconstruction of the interior of any structure in any such restricted residence district which possesses a gross ground area delineated by its foundation walls of at least 1,000 square feet, so that the same shall contain separate accommodations for several, not in excess of four, families; provided that the substantial alteration of the exterior of any such structure shall not be authorized in any such case; and provided further, that such city council shall expressly find in each such case that such remodeling or alteration shall be consistent with the public health and safety.

No building or structure erected after the creation of such district shall be used for any purpose for which its erection shall be prohibited hereunder.

The term "council" in sections 462.12 to 462.17 means the chief governing body of the city by whatever name called.

Any district or any portion thereof created under the provisions of sections 462.12 to 462.17 may be vacated and the restrictions thereon removed by the council upon petition of 50 per cent of the owners of the real estate in the original district.

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A portion of a restricted residence district may be vacated and relieved of the restrictions imposed thereon pursuant to sections 462.12 to 462.17 by the council upon petition of the owners of the portion of the district sought to be relieved if such portion or lot sought to be relieved does not in any part lie between other portions of such restricted district, or if the portion sought to be relieved abuts upon a public street or alley along one border of such district and extends along said public street or alley the entire distance between cross streets, or if the portion or lot sought to be relieved is contiguous to, along one or both sides, or across a public street along its entire front from a parcel of land which shall be duly zoned under a valid municipal zoning ordinance for commercial, multiple dwelling or industrial purposes. The vacation of such district or portion thereof and the removal of the restrictions therefrom shall be accomplished in the same manner herein provided for the creation of any such district, and in the vacation of any such district or any portion thereof and the removal of such restrictions each and all of the provisions of sections 462.12 to 462.17 as to allowance of damages and benefits to property affected and as to the appointment of commissioners to appraise such damages and benefits and the duties of such commissioners, of the city clerk, and of each and all of the other officers upon whom duties are herein imposed shall be complied with, and when such proceedings for the vacation of any such district or portion thereof shall have been completed, the property included within such district or portion thereof so vacated shall be deemed relieved of each and all of the restrictions imposed in the proceeding creating such district. In the allowance of damages and benefits to property affected by any proposed vacation, no evidence shall be received, or consideration given to the existence of any other restriction or any restrictive or zoning ordinance, law, or regulation.

[1915 c. 128 s. 1; 1923 c. 133 s. 1; 1925 c. 122 s. 1; 1931 c. 290 s. 1; 1943 c. 246 s. 1] (1618)

**462.13 COUNCIL GIVEN RIGHT OF EMINENT DOMAIN.** The council shall first, after causing the probable costs of the proceedings, if abandoned, to be deposited or secured by the petitioners, designate the restricted residence district and shall have power to acquire by eminent domain the right to exercise the powers granted by sections 462.12 to 462.17 by proceedings hereinafter defined, and when such proceedings shall have been completed, the right to exercise such powers shall be vested in the city.

[1915 c. 128 s. 2; 1931 c. 290 s. 2] (1619)

**462.14 APPRAISAL OF DAMAGE.** Subdivision 1. **Appraisers.** The council shall appoint five appraisers who shall be disinterested qualified voters of the city, and none of whom shall be a resident of the ward or wards in which any part of the district so designated is situate, to view the premises and appraise the damages which may be occasioned by the establishment of such restricted residence district and by the exercise by the city of the powers herein granted.

The appraisers shall be notified as soon as practicable by the city clerk, as the case may be, to attend at a time fixed by him, for the purpose of qualifying and entering upon their duties. When a vacancy may occur among the appraisers by neglect or refusal of any of them to act or otherwise, such vacancy shall be filled by the council.

Subd. 2. **Oath of appraisers.** The appraisers shall be sworn to discharge their duty as appraisers in the matter with impartiality and fidelity; and to make due return of their acts to the council.

Subd. 3. **Notice of hearing by publication.** The appraisers shall give notice, by publication in the official newspaper of the city, once a week for two consecutive weeks, which last publication shall be at least ten days before the day of such meeting, which notice shall contain a general description of the lands designated by the council, and give notice that a plat of the same has been filed in the office of the city clerk, and that the appraisers will meet at a place and time designated in the notice, and thence proceed to view the premises and appraise the damages which may be occasioned by the establishment of such restricted residence district and by the exercise by the city of the powers herein granted, and to assess benefits in the manner hereinafter specified.

Subd. 4. **Appraisal of damages.** The city clerk shall, after the first publication of such notice, and at least six days (Sunday excluded) prior to the meeting specified in said notice, serve upon each person having an interest as owner or mortgagee in each parcel of land in said district as shown by the records in the

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office of the register of deeds a copy of the notice by depositing the same in the post-office of the city, with first class postage prepaid, in an envelope bearing on its front in type no smaller than ten point the words "Notice of Restricted Residence District Proceedings Affecting Your Property" or "Notice of Proceedings to Vacate Restricted Residence Districts Affecting Your Property," as the case may be, directed to such person at his last known place of residence, if known to the city clerk, but if not known, then to his place of residence as given in the last published city directory of the city, if his name appears therein, or obtained from the records of such owner's address last given on tax receipts in the office of the county treasurer or auditor, or, in the case of mortgagees, to the address, if any, appearing in the mortgage.

After the first publication of the notice, and at least six days (Sunday excluded) prior to the meeting specified in the notice, a copy of the same shall also be served upon the person in possession of each of the tracts or parcels of land, or some part thereof, if the same be actually occupied, in the same manner as provided for the service of summons in a civil action in the district court. A copy of all subsequent notices relating to said proceedings which are required to be published, shall be mailed by said clerk in the manner above specified, immediately after the first publication thereof, to owners and mortgagees in the manner and to the address above provided and to such persons as shall have appeared in said proceedings and requested in writing that such notice be mailed to them.

Subd. 5. **Hearing and assessment.** At the time and place mentioned in the notice, the appraisers shall meet and thence proceed to view the premises, and may hear the evidence or proof offered by the parties interested, and may adjourn from time to time for the purposes aforesaid. When their view and hearing shall be concluded they shall determine the amount of damages, if any, suffered by each piece or parcel of land of which each piece or parcel of land in the district is a part. They shall also determine the amount of benefits, if any, to each such piece or parcel of land. If the damages exceed the benefits to any particular piece, the excess shall be awarded as damages. If the benefits exceed the damages to any particular piece, the difference shall be assessed as benefits, but the costs of the proceedings, including printers' fees, appraisers' fees, cost of serving notices and other expenses, shall be added to the amount to be assessed. The total assessments for benefits, however, shall not be greater than the aggregate net award of damages, including the costs of the proceedings as above provided; and in every case the benefits assessed upon the several parcels shall be in proportion to the actual benefits received, and no assessment upon any particular piece shall exceed the amount of actual benefits after deducting the damages, if any.

Subd. 6. **Separate assessment.** If the land and buildings belong to different persons, or if the land be subject to lease, mortgage or judgment, or if there be any estate less than an estate in fee, the injury or damage done to such persons or interests respectively may be awarded to them separately by the appraisers. Neither such award of the appraisers, nor the confirmation thereof by the council shall be deemed to require the payment of such damages to the person or persons named in such award in case it shall transpire that such person or persons are not entitled to receive the same.

Subd. 7. **Report of appraisers.** The appraisers having ascertained and appraised the damages and benefits as aforesaid, shall make and file with the city clerk a written report of their action in the premises, embracing a schedule and appraisal of the damages awarded and benefits assessed, with descriptions of the lands, and the names of the owners, if known to them and also a statement of the costs of the proceedings.

Subd. 8. **Council action.** Upon such report being filed, the city clerk shall give notice that such appraisal has been returned, and that the same will be considered by the council at a meeting thereof to be named in the notice, which notice shall be published in the official newspaper of the city, once a week for two consecutive weeks, and the last publication shall be at least ten days before such meeting. The council upon the day fixed for the consideration of such report, or at any subsequent meeting to which the same may stand over or be referred, shall have power in their discretion to confirm, revise or annul the appraisal and assessment, giving due consideration to any objections interposed by parties interested in the manner hereinafter specified, provided that the council shall not have the power to reduce the amount of any award, nor increase any assessment. In case

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the appraisement and assessment is annulled, the council may thereupon appoint new appraisers, who shall proceed, in like manner, as in case of the first appraisement, and upon the coming in of their report, the council shall proceed in a like manner and with the same powers as in the case of the first appraisement.

**Subd. 9. Awards.** If not annulled or set aside, such awards shall be final, and shall be a charge upon the city, for the payment of which the credit of the city shall be pledged. Such assessments shall be and remain a lien and charge upon the respective lands until paid. The awards shall be paid to the persons entitled thereto, or shall be deposited and set apart in the treasury of the city for the use of the parties entitled thereto, within six months after the confirmation of the appraisement and award. In case any appeal or appeals shall be taken from the order confirming the appraisement and assessment, as hereinafter provided, then the time for payment of the awards shall be extended until and including 60 days after the final determination of all appeals taken in the proceeding, and in case of any change in the awards or assessments upon appeal, the council may, by resolution duly adopted, at any time within 60 days after the determination of all appeals, set aside the entire proceeding. Any awards so set aside shall not be paid, and the proceedings as to the tracts for which the awards are so set aside shall be deemed abandoned. Any awards not so set aside shall be a charge upon the city, for the payment of which the credit of the city shall be pledged. All awards shall bear interest at the rate of six per cent per annum from the time of the filing of the original appraisers' report and all subsequent awards and awards upon appeal shall be made as of the day and date of filing of such original reports.

**Subd. 10. Deposit of damages.** Upon the conclusion of the proceedings and the payment of the awards, the several tracts of lands shall be deemed to be taken and appropriated for the purpose of sections 462.12 to 462.17, and the right above specified shall vest absolutely in the city in which the lands are situate. In case the council shall in any case be unable to determine to whom the damages should in any particular case be paid, or in case of adverse claim in relation thereto, or in case of the legal disability of any person interested, the council shall, and in any and every case, the council may in its discretion deposit the amount of damages with the district court of the county in which such lands are situate, for the use of the parties entitled thereto, and the court shall, upon the application of any person interested and upon such notice as the court shall prescribe, determine who is entitled to the award, and shall order the same paid accordingly. Any such deposit shall have the same effect as the payment to the proper persons.

**Subd. 11. Objections; appeal to district court.** Any owner of land within the district who deems that there is any irregularity in the proceedings of the council, or action of the appraisers, by reason of which the award of the appraisers ought not to be confirmed, or who is dissatisfied with the amount of damages awarded, to him or the assessment thereon, may at any time before the time specified for the consideration of the award and assessment by the council, file with the city clerk, in writing, his objections to such confirmation, setting forth therein specifically the particular irregularities complained of, and the particular objection to the award or assessment, and containing a description of the property in which he is interested, affected by such proceedings and his interest therein, and if, notwithstanding such objections the council shall confirm the award, or assessment, such person so objecting shall have the right to appeal from such order of confirmation of the council to the district court of the county where such land is situate, within 20 days after such order. Such appeals shall be made by serving a written notice of appeal upon the city clerk which shall specify the property of the appellant affected by such award and refer to the objection filed as aforesaid, thereupon the city clerk, at the expense of the appellant, shall make out and transmit to the clerk of the district court a copy of the record of the entire proceedings, and of the award of the appraisers as confirmed by the council and of the order of the council confirming the same, and of the objections filed by the appellant, as aforesaid, and of the notice of appeal, all certified by the city clerk to be true copies, within ten days after the taking of such appeal. If more than one appeal be taken from any award, it shall not be necessary that the city clerk in appeals subsequent to the first, shall send up anything but a certified copy of the appellant's objections. There shall be no pleading on any appeal, but the court shall determine in the first instance whether there was in the proceedings any such irregularity or omis-

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sion of duty prejudicial to the appellant and specified in his written objection that as to him the award or assessment of the appraisers ought not to stand, and whether the appraisers had jurisdiction to take action in the premises.

**Subd. 12. Court proceedings.** The case may be brought on for hearing on eight days' notice, at any general or special term of the court, and the judgment of the court shall be to confirm or annul the proceedings, only so far as the proceedings affect the property of the appellant proposed to be included in the district or damaged or assessed, and described in the written objection. In case the amount of damages or benefits assessed is complained of by such appellant, the court shall, if the proceedings be confirmed in other respects, appoint three disinterested qualified voters, appraisers to reappraise the damages, and reassess benefits as to the property of appellant. The parties to such appeal shall be heard by the court upon the appointment of such appraisers, and the court shall fix the time and place of meeting of such appraisers, they shall be sworn to the faithful discharge of their duties as such appraisers, and shall proceed to view the premises and to hear the parties interested, with their allegations and proofs pertinent to the question of the amount of damages or benefits; such appraisers shall be governed by the same provisions in respect to the method of arriving at the amount of damages or benefits and in all other material respects as are in sections 462.12 to 462.17 made for the government of appraisers appointed by the council. They shall, after the hearing and view of the premises, make a report to the court of their award of damages and assessment of benefits in respect to the property of such appellant. The award shall be final unless set aside by the court. The motion to set aside shall be made within 15 days. In case such report is set aside, the court may, in its discretion, recommit the same to the same appraisers, or appoint new appraisers as it shall deem best; the court shall allow to the appraisers a reasonable compensation for their services, and make such award of costs on such appeal, including the compensation of such appraisers as it shall deem just in the premises, and enforce the same by execution. In case the court shall be of the opinion that such appeal was frivolous or vexatious, it may adjudge double costs against such appellant. An appeal may be taken to the supreme court of the state from any final decision of the district court in the proceedings.

**Subd. 13. Bonds.** The city council, for the purpose of realizing the funds for making such improvements and paying such damages and the costs of such proceeding may issue and sell special certificates of indebtedness, or special restricted residence district bonds, as it may decide, which shall entitle the holder thereof to all sums realized upon any such assessment, or if deemed advisable, a series of two or more certificates or bonds against any one assessment, the principal and interest being payable at fixed dates out of the fund collected from such assessments, including interest and penalties, and the whole of such fund is hereby pledged for the pro rata payment of such certificates or bonds and the interest thereon, as they severally become due. Such certificates or bonds may be made payable to the bearer, with interest coupons attached, and the city council may bind the city to make good deficiencies in the collection up to, but not exceeding, the principal and interest at the rate fixed as hereinafter provided and for the time specified in section 462.15. If the city, because of any such guaranty, shall redeem any certificate or bond, it shall thereupon be subrogated to the holder's rights. For the purpose of such guaranty, penalties collected shall be credited upon deficiencies of principal and interest before the city shall be liable. Such certificates or bonds shall be sold at public sale or by sealed proposals at a meeting of which at least two weeks' published notice shall be given to the purchaser who will pay the par value thereof at the lowest interest rate, and the certificates or bonds shall be drawn accordingly, but the rate of interest shall in no case exceed five per cent per annum payable annually or semiannually. The city clerk shall certify to the county auditor the rate of interest to be determined, and interest shall be computed upon the assessments at such annual rate, in accordance with the terms of section 462.15.

[1915 c. 128 s. 3; 1919 c. 297; 1925 c. 122 s. 2; 1931 c. 290 s. 3] (1620)

**462.15 MAPS, PLATS, AND LISTS OF DISTRICTS MADE AND FILED; ASSESSMENT OF TAXES ON PROPERTY.** As soon as such condemnation proceedings have been completed, it shall be the duty of such council to cause maps or plats of such restricted residence district to be made, with a list of the parcels of land within such district, and to file one of such maps and list duly certified by the president of the council and the city clerk, in each of the following offices: the

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office of the city engineer, the office of the register of deeds of the county and the office of the city clerk, and the same shall be *prima facie* evidence of the full and complete condemnation and establishment of the restricted residence district. As soon as the assessments are confirmed, the city clerk, or the clerk of the district court, as the case may be, shall transmit a copy thereof duly certified, to the auditor of the county in which the lands lie. The county auditor shall include the same in the next general tax list for the collection of state, county, and city taxes against the several tracts or parcels of land and the assessments shall be collected with and as a part of, and subject to the same penalties, costs, and interest, as, the general taxes. Such assessments shall be set down in the tax books in an appropriate column to be headed "Restricted Residence District Assessments" and when collected a separate account thereof shall be kept by the county auditor and the same transmitted to the treasurer of the city and placed to the credit of the proper fund. The city council may by resolution determine that the amount of such assessments shall be collected in from one to five equal annual instalments and in such case the county auditor shall include one of the equal annual instalments of assessments with and as a part of the taxes upon each parcel of land therein described for each year for the number of years into which the assessment is by the city council divided, together with annual interest as hereinafter provided. With the first instalment the auditor shall include interest upon the entire assessment from the date of the assessment to the time when the tax books including the first instalment are delivered by the county auditor to the county treasurer and thereafter the auditor shall include in the taxes for each year one of such instalments, together with one year's interest upon such instalment and all subsequent instalments at the same rate, each of which, together with such interest, shall be collected with the annual taxes upon such land, together with like penalties and interest in case of default, all of which shall be collected with and enforced as the annual taxes and credited to the proper city fund. Any parcel assessed may be discharged from the assessment at any time after the receipt of the assessment by the county auditor by paying all instalments that have gone into the hands of the county treasurer, as aforesaid, with accrued interest, penalties, and costs, as above provided, and by paying all subsequent instalments; or any parcel assessed may be discharged from the assessment by presenting certificates or bonds sold against such assessments as herein provided sufficient in amount to cover all instalments due on such parcel and accrued interest, penalties, and costs, and all instalments yet to accrue, by surrendering such certificates or bonds to the county treasurer for cancellation or having endorsed thereon such instalments, interest, penalties, and costs. The assessment shall be a lien on the land from the time of the making thereof as against the owner and every person in any way interested in the land. The owner of the land and any person interested therein may defend against such assessment at the time of application for judgment in the regular proceedings for the enforcement of delinquent taxes, but such assessment shall not be deemed invalid because of any irregularity provided the notices have been published substantially as required, and no defense shall be allowed except upon the ground that the cost of the improvement is substantially less than the amount of the assessment, and then only to the extent of the difference between the assessment and the actual cost. Assessments made under sections 462.12 to 462.17 shall be called Restricted Residence District Assessments of the city of ..... and numbered consecutively. When an assessment is certified, as aforesaid, by the city clerk to the county auditor a duplicate thereof shall be sent to the city comptroller and all such assessments shall be sufficiently identified by the name and number, as aforesaid.

[1915 c. 128 s. 4; 1925 c. 122 s. 3] (1621)

**462.16 POWER TO ENACT ORDINANCES FOR ENFORCEMENT OF RIGHTS GIVEN TO COUNCIL.** The council shall have the power to enact ordinances for the enforcement of the rights which shall be acquired under sections 462.12 to 462.17, and to fix penalties for their violation, including a fine not exceeding \$100.00, or confinement in the city workhouse not exceeding 90 days. Violations of the ordinances may be prosecuted in the municipal court of the city.

[1915 c. 128 s. 5] (1622)

**462.17 BUILDINGS DECLARED A NUISANCE.** Any building or structure erected, altered, repaired, or used in violation of sections 462.12 to 462.17 or any ordinance passed thereunder, shall be deemed a nuisance and may be abated at the

suit of the city in a civil action. The city may maintain actions for injunction to prevent violation of sections 462.12 to 462.17 and of the ordinances passed in pursuance thereof. Owners of land and others interested in land within the district may also maintain similar actions of abatement and for injunction.

[1915 c. 128 s. 6] (1623)

**462.18 HEIGHT OF BUILDINGS REGULATED IN CITIES OF FIRST CLASS.** For the purpose of promoting the public health, safety, order, convenience, prosperity and general welfare, any city of the first class in the state acting by and through its governing body, may by ordinance regulate the location, size, and use of buildings, the height of buildings, the arrangement of buildings on lots, and the density of population therein, may make different regulations for different districts thereof, and may acquire or prepare and adopt a comprehensive city plan for such city or any portion thereof for the future physical development and improvement of the city, in accordance with the regulations made as aforesaid, and may thereafter alter the regulations or plan, such alterations, however, to be made only after there shall be filed in the office of the city clerk a written consent of the owners of two-thirds of the several descriptions of real estate situate within 100 feet of the real estate affected, and after the affirmative vote in favor thereof by a majority of the members of the governing body of such city; provided, however, that notwithstanding any resolution, ordinance or law conflicting herewith, the governing body of any such city, by an affirmative two-thirds vote in favor thereof, may by resolution grant a permit for the construction of additions, extensions or improvements to any hospital which is being actually operated and maintained on the premises which it occupies on the date of the passage of this section; provided, further, that whenever the city planning commission or board shall make recommendation in writing to the governing body of any such city for altering the regulation or plan, with respect to a more restricted use of any real estate within 1,000 feet of a public park, which park contains not less than 50 acres, located near or adjacent to the waters of a navigable lake, covering an area of not less than 1,000 square miles, the governing body, by a two-thirds vote of all its members, may alter the regulation or plan in accordance with the recommendation of the city planning commission or board.

[1921 c. 217 s. 1; 1923 c. 364 s. 1; 1925 c. 284 s. 1; 1937 c. 239 s. 1] (1614)

**462.19 MAY PASS ORDINANCES FOR ENFORCEMENT.** The governing body of any such city is hereby authorized to pass ordinances for the enforcement of the provisions of sections 462.18 to 462.20 and of the regulations of such governing body under sections 462.18 to 462.20, and to provide, in, and by such ordinances, penalties for violation thereof. Such governing body is also hereby authorized to enforce its regulations thereunder by mandamus, injunction, or any other appropriate remedy in any court having jurisdiction thereof.

[1921 c. 217 s. 2] (1615)

**462.20 IN ADDITION TO EXISTING POWERS.** In any such city having a city planning commission, the provisions of sections 462.18 to 462.20 shall be construed as an addition to existing powers and not as an amendment to or repeal thereof, and the governing body may adopt a plan or plans prepared by such city planning commission.

[1921 c. 217 s. 3] (1616)

**462.21 GRANT OF POWER.** In order to provide for the proper and reasonable enforcement of regulations adopted pursuant to sections 462.18 to 462.20 governing the location, size, and use of buildings, and to provide for such reasonable determinations of such regulations as will eliminate practical difficulties in the enforcement of such regulations and to provide for such reasonable variations in the terms of such regulations as will eliminate unnecessary hardship in the way of carrying out the strict letter of such regulations, the local governing body is hereby empowered to appoint a board of adjustment.

[1929 c. 340 s. 1] (1617-1)

**462.22 BOARD OF ADJUSTMENT.** Such a local governing body may provide for the appointment of a board of adjustment, and in conformity with the provisions of sections 462.21 to 462.23 may provide that the board of adjustment may determine and vary the application of regulations adopted pursuant to the provisions of sections 462.18 to 462.20 in harmony with their general purpose and intent, and the local governing body may provide by ordinance for the enactment of general or specific rules governing the determination and variation of such regulations.

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Where an officially established city planning commission already exists under the city charter it shall be the board of adjustment, otherwise the powers of the board of adjustment shall vest in the governing body who may delegate all or part of such powers to a committee of the governing body. The terms of the members of the board of adjustment shall be concurrent with their terms as members of the governing body or city planning commission. The board shall adopt rules in accordance with the provisions of any ordinances adopted pursuant to sections 462.21 to 462.23.

Appeals to the board of adjustment may be taken by any person aggrieved.

The board of adjustment shall fix a reasonable time for the hearing of the appeal, giving public notice thereof, as well as due notice to the parties in interest, and decide the same within a reasonable time. Upon the hearing any party may appear in person, or by agent, or by attorney.

The board of adjustment shall have the following powers:

(1) To hear and decide appeals where it is alleged there is an error in any order, requirement, decision or determination made by an administrative official in the enforcement of sections 462.21 to 462.23 or of any ordinance adopted pursuant thereto;

(2) To hear and decide all matters referred to it or upon which it is required to pass under such ordinance; and

(3) In passing upon appeals, where there are practical difficulties or unnecessary hardship in the way of carrying out the strict letter of such ordinance to vary or modify the application of any of the regulations or provisions of such ordinance relating to the use, construction, or alteration of buildings or structures or the use of land so that the spirit of the ordinance shall be observed, public safety and welfare secured and substantial justice done.

In exercising the above mentioned powers such board may, in conformity with the provisions of sections 462.21 to 462.23, reverse or affirm wholly or partly, or may modify the order, requirement, decision, or determination appealed from and may make such order, requirement, decision, or determination as ought to be made, and to that end shall have all the powers of the officer from whom the appeal is taken.

The majority vote of the members of the board shall be sufficient to reverse any order, requirement, decision, or determination of any such administrative official, or to decide in favor of the applicant on any matter upon which it is required to pass under any such ordinance, or to effect any variation in such ordinance.

[1929 c. 340 s. 2] (1617-2)

**462.23 APPLICATION.** The provisions of sections 462.21 and 462.22 shall not apply to any city now or hereafter having provided for the establishment of a board of adjustment in conformity with the provisions of the city charter of such city.

[1929 c. 340 s. 3] (1617-3)

**462.24 CITY PLANNING COMMISSIONS TO CONTROL PLATTING.** The governing body of any city of the first class having more than 35 per cent of the land area of the city unplatte land may, by ordinance, authorize and empower its city planning commission to control the platting of land.

[1933 c. 93 s. 2] (8246-3)

**462.25 DEFINITIONS.** For the purposes of sections 462.24 to 462.35, certain terms are defined as follows:

"Subdivision" means the division of a lot, tract, or parcel of land into three or more lots, plats, sites, or other divisions of land of one acre or less in area for the purpose, whether immediate or future, of sale or of building development. It also means the division of a lot, tract, or parcel of land into two or more lots, plats, sites, or other divisions of land of more than one acre and less than ten acres in area, if such subdivision provides, or there is shown on a plat thereof, a new street or highway. It includes resubdivision and, when appropriate to the context, relates to the process of subdividing or to the land or territory subdivided. The term "street" includes street, avenue, boulevard, road, lane, alley, viaduct, and other ways.

[1933 c. 93 s. 1] (8246-2)

**462.26 JURISDICTION.** The territorial jurisdiction of such planning commission over the subdivision of land shall include all land located in the municipality and all land lying within three miles of the corporate limits of the municipality and not located in any other municipality, except that in case of any such non-municipal land lying within three miles of more than one municipality having a

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planning commission, the jurisdiction of such planning commission shall terminate at a boundary line equidistant from the respective corporate limits of such municipalities.

[1933 c. 93 s. 3] (8246-4)

**462.27 PLATS MUST BE APPROVED BY COMMISSION.** When such planning commission shall have adopted a major street plan of the territory within its subdivision jurisdiction, or part thereof, and filed a certified copy of such plan in the office of the register of deeds of the county in which the territory or part is located, no plat of a subdivision of land within such territory or part shall be filed or recorded until it shall have been approved by such planning commission and the approval entered in writing on the plat by the chairman or secretary of the commission.

[1933 c. 93 s. 4] (8246-5)

**462.28 MAY ADOPT REGULATIONS.** Before exercising the powers referred to in section 462.24, the planning commission shall adopt regulations governing the subdivision of land within its jurisdiction so as to secure a harmonious development and to provide for the coordination of streets with other streets and with the city plan and to provide for open spaces for traffic, utilities, access of fire-fighting apparatus, recreation, light, and air, and for the avoidance of congestion of population, including minimum width and area of lots. Such regulations may include reasonable provisions as to the extent to which streets and other ways shall be graded and improved and to which water and sewer and other utility mains, piping, or other facilities shall be installed as a condition precedent to the approval of the plat. In lieu of the completion of such improvements and utilities prior to the final approval of the plat, the city may accept a bond with surety to secure to the municipality the actual construction and installation of such improvements or utilities at a time and according to specifications fixed by the municipality. The municipality is hereby granted the power to enforce such bond by all appropriate legal and equitable remedies. All such regulations shall be published as provided by law for the publication of ordinances and, before adoption, a public hearing shall be held thereon. A copy thereof shall be certified by the planning commission to the register of deeds of each county in which the municipality and territory is located.

[1933 c. 93 s. 5] (8246-6)

**462.29 MUST APPROVE PLAT WITHIN 45 DAYS.** The planning commission shall approve or disapprove a plat within 45 days after the submission thereof otherwise such plat shall be deemed to have been approved and a certificate to that effect shall be issued by the commission on demand. The applicant for the planning commission's approval may waive this requirement and consent to the extension of such period. The ground of disapproval of any plat shall be stated upon the records of the commission. Any plat submitted to the planning commission shall contain the name and address of a person to whom notice of a hearing shall be sent and no plat shall be acted on by the planning commission without affording a hearing thereon. Notice shall be sent to this address by registered mail of the time and place of such hearing not less than five days before the date fixed therefor. Every plat approved by the commission shall, by virtue of such approval, be deemed to be an amendment of or an addition to or a detail of the city plan and a part thereof. Approval of a plat by the planning commission shall be deemed the acceptance by the public of any street or other open space offered therein for dedication but shall not impose any duty upon the governing body to maintain or improve such dedicated areas until the governing body shall have authorized maintenance or improvement of the same in accordance with charter or other local provisions governing public expenditures for such purposes.

[1933 c. 93 s. 6] (8246-7)

**462.30 NOT TO SELL UNTIL PLAT IS APPROVED.** Whoever, being the owner, or agent of the owner, of any land located within a subdivision, transfers or sells or agrees to sell or negotiates to sell any land by reference to or exhibition of or by other use of a plat of a subdivision before such plat has been approved by the planning commission and recorded or filed in the office of the register of deeds shall forfeit and pay a penalty of \$100 for each lot or parcel so transferred or sold or agreed or negotiated to be sold; and the description of such lot or parcel by metes and bounds in the instrument of transfer or other document used in the process of selling or transferring shall not exempt the transaction from such penalties or from the remedies herein provided. The municipal corporation may

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enjoin such transfer or sale or agreement by action for injunction brought in any court of equity jurisdiction or may recover this penalty by a civil action in any court of competent jurisdiction.

[1933 c. 93 s. 7] (8246-8)

**462.31 PLATS MUST BE APPROVED BEFORE FILING.** The register of deeds shall not file or record a plat of a subdivision unless such plat has the approval of the planning commission as required by law.

[1933 c. 93 s. 8] (8246-9)

**462.32 STREET IMPROVEMENTS.** The municipality shall not accept, lay out, open, improve, grade, pave, curb, or light any street or lay or authorize water mains or sewers or connections to be laid in any street within any portion of the territory for which the planning commission shall have adopted a major street plan unless such street shall have been accepted or opened as, or shall otherwise have received the legal status of, a public street prior to the adoption of such plan, or unless such street is a street on a subdivision plat approved by the planning commission or a street on a street plat made and adopted by the commission. The city council may accept any street not shown on, or not corresponding with a street on, an approved subdivision plat or an approved street plat, provided the ordinance accepting such street be first submitted to the planning commission for its approval; and, if approved by the commission, enacted or passed by not less than a majority of the entire membership of the council or, if disapproved by the commission, enacted or passed by not less than two-thirds of the entire membership of the city council.

[1933 c. 93 s. 9] (8246-10)

**462.33 BUILDING RESTRICTIONS.** From and after the time when the planning commission shall have adopted a major street plan of the territory within its subdivision jurisdiction, or part thereof, no building shall be erected on any lot within such territory or part, nor shall a building permit be issued therefor unless the street giving access to the lot upon which such building is proposed to be placed shall have been accepted or opened as, or shall otherwise have received the legal status of, a public street prior to that time, or unless such street corresponds with a street shown on the city plan or with a street on a subdivision plat approved by the planning commission or with a street accepted by the city council, after submission to the planning commission, by the favorable vote required in section 462.32. Any building erected in violation of this section shall be deemed an unlawful structure and the building inspector, or other appropriate official, may cause it to be vacated and have it removed.

[1933 c. 93 s. 10] (8246-11)

**462.34 EXCLUSIVE.** Platting control by the planning commission, as provided in sections 462.24 to 462.35, shall be exclusive within the territory under its jurisdiction and all statutory control over plats or subdivisions of land granted by other statutes, in so far as inconsistent with the provisions of those sections, are hereby repealed.

[1933 c. 93 s. 11] (8246-12)

**462.35 MAY APPEAL TO DISTRICT COURT.** Any person aggrieved by any decision of the planning commission concerning such plat, or any officer, department, board, or bureau of the municipality, may present to the district court a petition duly verified setting forth that such decision is illegal, in whole or in part, specifying the grounds of the illegality. Such petition must be presented to the court within 30 days after the filing of the decision in the office of the planning commission.

Upon the presentation of such petition the court may allow a writ of certiorari, directed to the planning commission, to review such decision of the planning commission and shall prescribe therein the time within which a return thereto must be made and served upon the relator's attorney, which shall not be less than ten days and may be extended by the court. The allowance of the writ shall stay proceedings upon the decision appealed from.

The planning commission shall not be required to return the original papers acted upon by it, but it shall be sufficient to return certified or sworn copies thereof or of such portions thereof as may be called for by such writ. The return must concisely set forth such other facts as may be pertinent and material to show the grounds of the decision appealed from and must be verified.

If upon the hearing it shall appear to the court that testimony is necessary for the proper disposition of the matter, it may take evidence or appoint a referee to

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take such evidence as it may direct and report the same to the court with his findings of fact and conclusions of law, which shall constitute a part of the proceedings upon which the determination of the court shall be made. The court may reverse or affirm, wholly or partly, or may modify the decision brought up for review.

Costs shall not be allowed against the commission unless it shall appear to the court that it acted with gross negligence or in bad faith or with malice in making the decision appealed from.

All issues in any proceeding under this section shall have preference over all other civil actions and proceedings.

[1933 c. 93 s. 12] (8246-13)

462.41 to 462.81 [Repealed, 1947 c 487 s 61]

## HOUSING AND REDEVELOPMENT

**462.411 CITATION.** Sections 462.411 to 462.711 may be cited as the "Municipal Housing and Redevelopment Act."

[1947 c 487 s 1]

**462.415 PURPOSE; PUBLIC INTEREST; DECLARATION OF POLICY.** Subdivision 1. It is hereby declared that there is not in this state a sufficient supply of adequate, safe, and sanitary dwelling accommodations and that in certain urban and rural areas thereof there exist substandard conditions and unsafe and unsanitary housing which, by reason of sociological and technological changes, dilapidation, obsolescence, overcrowding, and faulty arrangement or design of building and improvements, lack of public facilities, ventilation, light and sanitary facilities, excessive land coverage, or deleterious land use, or obsolete layout, or any combination of these and other factors, are injurious to the health, safety, morals, and welfare of the citizens of this state, cause an increase and spread of crime, juvenile delinquency, and disease, inflict blight upon the economic value of large areas, and, by impairing the value of private investments, threaten the source of public revenues while decentralizing communities to areas improperly planned and not related to public facilities, and require many persons of low income to occupy unsafe, unsanitary, and overcrowded dwellings.

It is found that the public interest requires the clearance, replanning, reconstruction, and neighborhood rehabilitation of such substandard and unsanitary areas, and the provision of decent, safe, and sanitary housing for persons of low income and their families; that such redevelopment and the provision of such housing for persons of low income and their families are essential to protect the sources of public revenues; that, in order to protect the financial stability of communities, it is necessary to redevelop substandard and blighted areas according to a comprehensive community plan for development and by encouraging the production of housing properly planned and related to public facilities; that these conditions cannot be remedied by the ordinary operations of private enterprise or by regulation alone; that provision must be made to encourage private enterprise to engage in redevelopment or to provide housing facilities in substandard areas, to be constructed in accordance with such comprehensive plan; that provision must also be made to encourage investment of funds in, and for the acquisition by private enterprise at fair prices of, real property required for such purposes in substandard areas, and for public assistance thereto, and to encourage immediate development by the granting of partial tax exemptions where justified as herein after determined; that local public bodies must be created and authorized to undertake redevelopment and to provide decent, safe, and sanitary low-rent housing for persons of low income and their families where a supply of low-rent housing for families of low income and adequate redevelopment of substandard areas cannot be accomplished at a cost which would warrant private initiative to provide such housing or to undertake such redevelopment, subject to the policy of this state that before public participation is authorized or undertaken it shall be locally determined as hereinafter provided that the fulfillment of these needs cannot be met through reliance solely upon private initiative.

It is hereby declared to be the policy to protect and promote the welfare of the citizens of this state by employing all means necessary and appropriate to satisfy the foregoing needs; that the cooperation of the state and its subdivisions is necessary to accomplish such purposes; that (1) the clearance, replanning, and reconstruction, rehabilitation, and modernization of substandard areas and the

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provision of decent, safe, and sanitary housing for persons of low income and their families by local public bodies and (2) the participation in such redevelopment projects and the provision of adequate housing properly planned and related to public facilities in such substandard areas, according to a redevelopment plan as herein provided, by private enterprise, with or without partial tax exemptions, are public uses and purposes for which private property may be acquired and public money may be spent; that these conditions require the creation of the authorities, instrumentalities, and corporations hereafter prescribed to expedite the provision of adequate housing and for the purpose of attaining the ends herein recited, and the necessity in the public interest for the provisions hereinafter enacted is hereby declared as a matter of legislative determination.

[1947 c 487 s 2]

**462.421 DEFINITIONS.** Subdivision 1. Unless the context clearly indicates otherwise, the following terms, for the purposes of sections 462.411 to 462.711 shall have the meanings, respectively, ascribed to them in this section.

Subd. 2. "Authority" means a housing and redevelopment authority created or authorized to be created by sections 462.411 to 462.711.

Subd. 3. "Municipality" means a city, village, or borough, however organized.

Subd. 4. "State public body" means any municipality, commission, district, authority, or other political subdivision or instrumentality of this state.

Subd. 5. "Governing body" means the council, board of trustees, or other body charged with governing any municipality or other state public body.

Subd. 6. "Mayor" means the mayor of a city, or the mayor or president of a village or borough.

Subd. 7. "Clerk" means the clerk of a city, village, or borough, or the officer of any other state public body charged with the duties customarily imposed on the clerk of a municipality.

Subd. 8. "Area of operation" means, in the case of an authority created in and for a city, village, or borough, the area within the territorial boundaries of that municipality.

Subd. 9. "Federal government" includes the United States of America, the federal public housing authority, or any other department, agency, or instrumentality, corporate or otherwise, of the United States of America.

Subd. 10. "Federal legislation" includes the "United States Housing Act of 1937," Public Act No. 412 of the 75th Congress of the United States, any act in amendment thereof or in addition thereto, and any other legislation of the Congress of the United States relating to federal assistance for clearance of substandard or decadent areas, land assembly, redevelopment projects, or housing.

Subd. 11. "Blighted area" means any area, including slum areas, with buildings or improvements which, by reason of dilapidation, obsolescence, overcrowding, faulty arrangement or design, lack of ventilation, light, and sanitary facilities, excessive land coverage or deleterious land use or obsolete layout, or any combination of these or other factors, are detrimental to the safety, health, morals, or welfare of the community.

Subd. 12. "Housing project" means any work or undertaking:

(1) To demolish, clear, or remove buildings from any blighted area acquired by the authority; or

(2) To provide decent, safe, and sanitary urban dwellings, apartments, or other living accommodations for persons of low income, or for veterans and servicemen, and their families; or

(3) To accomplish a combination of the foregoing.

Such work or undertaking may include buildings, land, equipment, facilities, and other real or personal property for necessary, convenient, or desirable appurtenances, streets, sewers, water service, utilities, site preparation, landscaping, administrative, community, health, recreational, welfare, or other purposes.

The term "housing project" also may be applied to the planning of the buildings and improvements, the acquisition of property, the demolition of existing structures, the construction, reconstruction, alteration, and repair of the improvements and all other work in connection therewith.

Subd. 13. "Redevelopment project" shall mean any work or undertaking:

(1) To acquire blighted areas and other real property for the purpose of removing, preventing, or reducing blight, blighting factors, or the causes of blight;

(2) To acquire real property where the condition of the title, the diverse own-

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ership of the land to be assembled, the street or lot layouts, or other conditions prevent a proper development of the property, and the acquisition of the area by the authority is necessary to carry out a redevelopment plan;

(3) To clear any areas acquired and install, construct, or reconstruct streets, utilities, and site improvements essential to the preparation of sites for uses in accordance with the redevelopment plan;

(4) To sell or lease land so acquired for uses in accordance with redevelopment plan; or

(5) To accomplish a combination of the foregoing to carry out a redevelopment plan.

The term redevelopment project also may be applied to the preparation of a redevelopment plan and to the initiation, planning, survey and other administrative costs of a redevelopment project and also to the preparation of technical and financial plans and arrangements for buildings, structures, and improvements and all other work in connection therewith.

Subd. 14. "Project" means a housing project or a redevelopment project, or both. The term "project" also may be applied to all real and personal property, assets, cash, or other funds, held or used in connection with the development or operation of the housing project or redevelopment project, as the case may be.

Subd. 15. "Redevelopment plan" means a plan approved by the governing body (or agency designated by it for that purpose or authorized by law so to act) of each municipality in which any of the area to be covered by a redevelopment project is situated, which plan provides an outline for the development or redevelopment of such area and is sufficiently complete (1) to indicate its relationship to definite local objectives as to appropriate land uses and improved traffic, public transportation, public utilities, recreational and community facilities, and other public improvements; (2) to indicate proposed land uses and building requirements in such area; and (3) to indicate the method for the temporary relocation of persons living in such areas; and also the method for providing, unless already available, decent, safe, and sanitary dwellings substantially equal in number to the number of substandard dwellings to be cleared from said area, at rents within the financial reach of the income groups displaced from such substandard dwellings.

Subd. 16. "Persons of low income" means persons or families who lack the amount of income which is necessary (as determined by the authority undertaking a project in accordance with the provisions of this act) to enable them, without financial assistance, to live in decent, safe, and sanitary dwellings, without overcrowding.

Subd. 17. "Bonds" means any bonds (including refunding bonds), notes, interim certificates, debentures, or other obligations issued by an authority pursuant to this act.

Subd. 18. "Real property" includes all lands, including improvements and fixtures thereon, and property of any nature appurtenant thereto, or used in connection therewith, and every estate, interest, and right, legal or equitable, therein, including terms for years.

Subd. 19. "Obligee of the authority" or "obligee" includes any bondholder, and the federal government when it is a party to any contract with the authority.

Subd. 20. "Redevelopment company" means only a limited dividend corporation created pursuant to sections 462.591 to 462.711.

Subd. 21. "The commission" means the state housing commission.

Subd. 22. "Veterans" means persons who have served in the military or naval forces of the United States during World War II, and who shall have been discharged or released therefrom under conditions other than dishonorable.

Subd. 23. "Servicemen" means persons in the military or naval forces of the United States who served therein during World War II.

Subd. 24. "Person" means any individual, firm, partnership, corporation, company association, joint stock association, or body politic; and includes any trustee, receiver, assignee, or other similar representative thereof.

[1947 c 487 s 3; 1949 c 505 s 1, 2]

## 462.425 MUNICIPAL HOUSING AND REDEVELOPMENT AUTHORITY.

Subdivision 1. Preliminary municipal findings and declaration. There is hereby created in each municipality in this state a public body corporate and politic, to be known as the housing and redevelopment authority in and for that municipality; provided, however, that no such authority shall transact any business or exercise any powers until the governing body of the municipality shall, by proper resolu-

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tion, find that in such municipality (1) substandard, slum, or blighted areas exist which cannot be redeveloped without government assistance, (2) adequate housing accommodations are not available to veterans and servicemen and their families, or (3) there is a shortage of decent, safe, and sanitary dwelling accommodations available to persons of low income and their families at rentals they can afford, and shall declare that there is need for a housing and redevelopment authority to function in that municipality. In determining whether dwelling accommodations are unsafe or unsanitary, or whether substandard, slum, or blighted areas exist, the governing body may take into consideration the degree of deterioration, obsolescence, or overcrowding, the percentage of land coverage, the light, air, space, and access available to inhabitants of such dwelling accommodations, the size and arrangement of rooms, the sanitary facilities, the extent to which conditions exist in such buildings which endanger life or property by fire or other causes, and the original land planning, lot layout, and conditions of title in the area.

**Subd. 2. Public hearing; notice; publication; resolution.** The governing body of a municipality shall consider such a resolution only after a public hearing thereon after ten days' published notice in a newspaper of general circulation in the municipality. Opportunity to be heard shall be granted to all residents of the municipality and its environs and to all other interested persons. The resolution shall be published in the same manner in which ordinances are published in the municipality.

**Subd. 3. Sufficiency and conclusiveness of resolution.** When the resolution becomes finally effective, it shall be deemed sufficient and conclusive for all purposes, including the policy requirements of section 462.415, if it declares that there is need locally for an authority and finds in substantially the terms provided in subdivision 1 that the conditions therein described exist.

**Subd. 4. Certified copy filed with state housing commission.** When the resolution becomes finally effective, the clerk of the municipality shall file a certified copy thereof with the state housing commission. In any suit, action, or proceeding involving the validity or enforcement of or relating to any contract of an authority, the authority shall be conclusively deemed to have become established and authorized to transact business and exercise its powers upon the filing of that certified copy of the resolution with the state housing commission, and proof of the resolution and of that filing may be made in any such suit, action, or proceeding by a certificate of the director of housing under the seal of the state housing commission.

**Subd. 5. Authority consists of five commissioners.** An authority shall consist of five commissioners, who shall be residents of the area of operation of the authority, who shall be appointed after the resolution provided for in this section becomes finally effective. No public officer or employee shall be eligible to serve as a commissioner, but a commissioner may be a notary public.

**Subd. 6. Appointment; approval; term; vacancy.** The commissioners constituting an authority shall be appointed by the mayor, with the approval of the governing body. Those initially appointed shall be appointed for terms of one, two, three, four, and five years, respectively. Thereafter all commissioners shall be appointed for five-year terms. Each vacancy in an unexpired term shall be filled in the same manner in which the original appointment was made.

**Subd. 7. Certificate of appointment; filing.** Commissioners shall hold office until their successors have been appointed and qualified. A certificate of appointment of each commissioner shall be filed with the clerk and a certified copy thereof shall be transmitted to the state housing commission. Whenever the membership of an authority is changed by reason of a new appointment, a certificate of that appointment and a certified copy thereof shall be promptly so filed. A certificate so filed shall be conclusive evidence of appointment or change in membership. Commissioners are likewise referred to in sections 462.411 to 462.711 as "members" of an authority.

[1947 c 487 s 4]

**462.431 NO INTEREST IN PROJECT.** No commissioner or employee of an authority shall acquire any interest, direct or indirect, in any project or in any property included or planned to be included in any project, nor shall he have any interest, direct or indirect, in any contract or proposed contract for materials or services to be furnished or used in connection with any project. If any commissioner or employee of an authority previously owned or controlled an interest, direct or indirect, in any property included or planned to be included in any project, or presently has such interest, he immediately shall disclose such interest in writing

to the authority, and such disclosure shall be entered upon the minutes of the authority. Whoever violates any provision of this section shall be punished by a fine of not less than \$50 nor more than \$1,000 or by imprisonment for not more than three months, or both.

[1947 c 487 s 5]

**462.435 REMOVAL; HEARING; NOTICE.** For inefficiency or neglect of duty, or misconduct in office, a commissioner of an authority may be removed by the governing body of the municipality, but a commissioner shall be removed only after a hearing and after he shall have been given a copy of the charges at least ten days prior to the hearing and had an opportunity to be heard in person or by counsel. When charges in writing have been preferred against a commissioner, pending final action thereon the governing body may temporarily suspend him, but, if it is found that those charges have not been substantiated, he shall immediately be reinstated in his office. In the event of the removal of any commissioner, a record of the proceedings, together with the charges and findings thereon, shall be filed in the office of the clerk.

[1947 c 487 s 6]

**462.441 POWERS; QUORUM; OFFICERS; MEETINGS; EXPENSES.** The powers of each authority shall be vested in the commissioners thereof in office at any time; a majority of whom shall constitute a quorum for all purposes. Each authority shall select a chairman and a secretary from among its commissioners and shall adopt such by-laws and other rules for the conduct of its affairs as it deems appropriate. The regular meetings of an authority shall be held in a fixed place and shall be open to the public. No commissioner shall receive compensation for his services, but each commissioner shall be entitled to receive necessary expenses, including traveling expenses, incurred in the performance of his duties.

[1947 c 487 s 7; 1949 c 505 s 3]

**462.445 POWERS AND DUTIES OF AUTHORITY.** 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 462.411 to 462.711 (but not the power to levy and collect taxes or special assessments except as provided in sections 462.515 to 462.545 with respect to redevelopment projects only), including the following powers in addition to others granted in the other articles of this act:

(1) To sue and be sued; to have a seal, which shall be judicially noticed, and to alter the same at pleasure; to have perpetual succession; and to make, and from time to time to amend and repeal, rules and regulations not inconsistent with this act;

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

(3) To delegate to one or more of its agents or employees such powers or duties as it may deem 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 462.511, to give, sell, transfer, convey, or otherwise dispose of real or personal property or any interest therein and to execute such leases, deeds, conveyances, negotiable instruments, purchase agreements, and other contracts or instruments, and take such action, as may be necessary or convenient to carry out the purposes of this act;

(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 Minnesota Statutes 1945, Chapter 117, and any amendments thereof or supplements thereto, to acquire real property which it may deem necessary for its purposes under this act, after the adoption by it of a resolution declaring that 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 462.425.

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**Subd. 2. Eminent domain proceedings; money deposit; title to property.** Should an authority deem it necessary it may, in its discretion, after having filed in court an application to assess compensation for the property to be appropriated pursuant to the eminent domain proceedings, forthwith pay into court a sum of money to secure compensation to the owner of the appropriated property, which amount shall be fixed by the court in a sum not less than the true and full valuation of the property appropriated as fixed by the assessor and as finally equalized. The title to the property appropriated shall pass to the authority upon the payment of that sum of money into court, and thereupon the authority shall have the right to enter immediately upon the property appropriated and demolish any structure thereon or therein and proceed with the construction of the project proposed by it. It shall then proceed with the prosecution of its suit to assess compensation with due diligence. The deposit shall be applied, so far as may be necessary for that purpose, to the payment of any award that may be made, with interest thereon, and the residue, if any, shall be returned to the authority.

**Subd. 3. Superior public use; proviso.** Real property in an area, needed or convenient for a project, which is to be acquired by condemnation pursuant to this section, may be acquired by the authority for the project, including any property devoted to a public use, whether or not held in trust, notwithstanding that such property may have been previously acquired by condemnation or is owned by a public utility corporation, it being hereby expressly determined that the public use in conformity with the provisions of this act shall be deemed a superior public use; provided, however, that 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 this act of the real property in an area.

**Subd. 4. Additional powers; research; protection.** An authority shall further have power:

(1) To make, or agree to make, such payments in lieu of taxes to the city or the county, the state or any political subdivision thereof, as it finds consistent with the purposes of sections 462.411 to 462.711;

(2) 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 462.411 to 462.711 or of any other related federal, state or local legislation; provided, however, that in order that an authority will direct its powers to increasing the supply of public low rent housing and undertake redevelopment projects as provided in this act, an authority shall not take over or manage any existing housing owned, controlled, or managed by a municipality or other local public body;

(3) Nothing in sections 462.411 to 462.711 shall allow an authority to purchase, lease, or take over, in any way, any housing project already owned and operated by the government of the United States or any agency thereof;

(4) 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;

(5) To include in any contract for financial assistance with the federal government any conditions which the federal government may attach to its financial aid of a project, not inconsistent with the purposes of sections 462.411 to 462.711, 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 such contract relates upon the occurrence of a substantial default with respect to the covenants or conditions to which such authority is subject; to provide in such contract that, in case of such conveyance, the federal government may complete, operate, manage, lease, convey, or otherwise deal with the project until such defaults are cured if the federal government agrees in such contract to reconvey to the authority the project as then constituted when such defaults have been cured;

(6) To issue bonds, notes, or other evidences of indebtedness, as hereinafter provided, for any of its corporate purposes and to secure the same by mortgages upon property held or to be held by it or by pledge of its revenues, including grants or contributions;

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(7) 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;

(8) Within its area of operation to determine where substandard, slum, or blighted areas exist or where there is unsafe, unsanitary, or overcrowded housing;

(9) To establish and revise from time to time the maximum amount of income of tenants entitled to admission to housing projects of an authority, subject to the qualifications in sections 462.411 to 462.711 contained;

(10) To undertake and carry out studies and analyses of the housing and redevelopment needs within its area of operation and of the meeting of those needs (including data with respect to population and family groups and the distribution thereof 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 thereof) and to make the results of those studies and analyses available to the public and building, housing, and supply industries; and to engage in research and disseminate information on housing and redevelopment;

(11) When a local public body does not have a planning agency or when a comprehensive or general community development plan or plans is or are not already available by the planning agency, to make or cause to be made such plans as a guide in the more detailed planning of housing and redevelopment areas;

(12) To lease or rent any dwellings, accommodations, lands, buildings, structures, or facilities embraced in any project and (subject to the limitations contained in sections 462.411 to 462.711 with respect to the rental of dwellings in housing projects) to establish and revise the rents or charges therefor;

(13) 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;

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

(15) 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, including the powers to pay premiums on such insurance;

(16) To make such expenditures as may be necessary to carry out the purposes of sections 462.411 to 462.711.

Subd. 5. **Powers severable or in combination.** An authority may exercise all or any part or combination of the powers granted by sections 462.411 to 462.711 within its area of operation.

Subd. 6. **Subject to laws of locality.** All projects of an authority shall be subject to the planning, zoning, sanitary, and building laws, ordinances, and regulations applicable to the locality in which the project is situated.

[1947 c 487 s 8; 1949 c 505 s 4]

**462.451 ACCOUNTING; RULES AND REGULATIONS.** Subdivision 1. **Accounting; annual reports.** Each authority shall keep an accurate account of all its activities and of all its receipts and expenditures and shall annually in the month of January make a report thereof to the state housing commission, to the state public examiner, and to the governing body of the municipality, such reports to be in a form prescribed by the state housing commission.

Subd. 2. **State housing commission; powers and duties.** The state housing commission may investigate the affairs of authorities and their dealings, transactions, and relationships. It shall have the power to examine into the properties and records of authorities and to prescribe methods of accounting and the rendering of periodical reports in relation to projects undertaken by authorities, but in prescribing the form of accounts the commission shall take into consideration any requirements of the federal government under any contract with an authority. The commission may from time to time make, amend, and repeal rules and regulations prescribing standards and stating principles governing the planning, construction, maintenance, and operation of projects by authorities. Compliance with sections 462.411 to 462.711 and the rules and regulations adopted by the commission may be enforced by the commission by a proceeding in equity.

[1947 c 487 s 9]

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**462.455 LIABLE IN CONTRACT OR TORT.** An authority shall be liable in contract or in tort in the same manner as a private corporation. The members of an authority shall not be personally liable as such on its contracts, or for torts not committed or directly authorized by them. The property or funds of an authority shall not be subject to attachment, or to levy and sale on execution, but, if an authority refuses to pay a judgment entered against it in any court of competent jurisdiction, the district court for the county in which the authority is situated may, by writ of mandamus, direct the treasurer of the authority to pay the judgment.

[1947 c 487 s 10]

**462.461 LETTING OF CONTRACTS; BONDS.** All construction work, and work of demolition or clearing, and every purchase of equipment, supplies, or materials, necessary in carrying out the purposes of sections 462.411 to 462.711, that shall involve the expenditure of \$1,000 or more shall be awarded by contract as hereinafter provided. Before receiving bids under the provisions of this act the authority shall publish, once a week for two consecutive weeks in an official newspaper of general circulation in the community a notice that bids will be received for that construction work, or that purchase of equipment, supplies, or materials, stating the nature of the work and the terms and conditions upon which the contract is to be let, naming therein a time and place where bids will be received, opened and read publicly, which time shall be not less than seven days after the date of the last publication. After the bids have been duly received, opened and read publicly and recorded, the authority shall award the contract to the lowest responsible bidder, the authority reserving the right, however, to reject any or all bids, each such contract to be duly executed in writing, and the person to whom the contract is awarded shall give sufficient bond to the authority for its faithful performance. If no satisfactory bid is received, the authority may readvertise. The authority shall have the right to set up reasonable qualifications to determine the fitness and responsibility of bidders and to require bidders to meet such qualifications before bids are accepted. If the authority by an affirmative vote of four-fifths of its members shall declare that an emergency exists requiring the immediate purchase of any equipment or material or supplies at a cost in excess of \$1,000, but not exceeding \$5,000 in amount, or making of emergency repairs, it shall not be necessary to advertise for bids, but the material, equipment, or supplies may be purchased in the open market at the lowest price obtainable, or the emergency repairs may be contracted for or performed without securing formal competitive bids. An emergency, as considered in this act, shall be understood to be unforeseen circumstances or conditions which result in the placing in jeopardy of human life or property.

Bonds shall be required from contractors for any works of construction as provided in and subject to all the provisions of Minnesota Statutes 1945, sections 574.26 to 574.31.

[1947 c 487 s 11]

**462.465 LOW RENT HOUSING.** Subdivision 1. **Preliminary research; approval by municipality.** An authority shall not initiate any low rent housing project, and shall not enter into any contract with respect thereto, until it has made findings, after an analysis of the local housing market, (1) that there is need for such low rent housing which cannot be met by private enterprise and (2) that a gap of at least 20% has been left 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 of decent safe and sanitary housing; and unless the governing body of the municipality has by resolution affirmed those findings of the authority and approved the provision of that low rent housing project, and unless the provision of public low rent housing projects has been approved by the voters of the municipality as provided in subdivision 2; provided however that this subdivision shall not be applicable to any public low rent housing projects for which financial assistance is provided by the federal government or any agency or instrumentality thereof, and which does not require any direct loan or grant of money from the municipality as a condition of a federal financial assistance. An authority shall not make any contract with the federal government or any agency thereof for a low rent housing project unless the governing body of the municipality has by resolution approved the provision of that low rent housing project.

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act.*

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**Subd. 2. Submission to electorate; special elections.** No public low-rent housing projects shall be undertaken by any authority until the governing body of the municipality shall have submitted to the qualified voters of the municipality at a special election, or at the next general election, the question in substantially the following form:

Shall public low-rent housing projects be initiated, and constructed and carried on by the housing and redevelopment authority in and for the.....  
(City, village, or borough) of.....(naming the municipality)?

Yes .....

No .....

If a majority of the qualified voters of the municipality voting upon the question shall vote in the affirmative, the housing and redevelopment authority of that municipality shall thereupon be empowered to initiate, construct, and carry on public low-rent housing projects, but it may, under this authorization, construct not to exceed 1,000 family dwelling units and thereafter must again submit the question as to the initiation of further low-rent housing projects in the manner first provided. If a majority of the qualified voters of the municipality voting upon the question shall vote in the negative, then the housing and redevelopment authority shall not initiate any low-rent housing projects in the municipality until authorized by the qualified voters of the municipality in the manner herein provided, and the question shall not again be submitted to those qualified voters for at least one year after the date of such election. Special elections held pursuant to this subdivision shall be held and conducted in the same manner and upon the same notice, and the returns thereon made in the same form and manner, as other special elections in that municipality. In the case of a city operating under a home rule charter, the provisions of law relating to the mechanics of the conduct of elections, time of holding, notice, and returns made applicable in the case of the submission of proposed amendments to the home rule charter shall govern.

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[This subdivision shall not be applicable to any public low-rent housing projects for which financial assistance is provided by the federal government or any agency or instrumentality thereof, and which does not require any direct loan or grant of money from the municipality as a condition of federal financial assistance.]

[1947 c 487 s 12; 1949 c 505 s 5]

**462.471 RENTALS.** Subdivision 1. **Basis of charge.** Each authority shall manage and operate its housing projects in an efficient manner to enable it to fix the rentals or payments for dwelling accommodations at rates consistent with its providing decent, safe, and sanitary dwelling accommodations for persons of low income, and no authority shall construct or operate any housing project for profit, or as a source of revenue to the municipality. To this end an authority shall fix the rentals or payments for dwellings in its projects at no higher rates than it shall find to be necessary in order to produce revenues which (together with all other available moneys, revenues, income, and receipts of the authority from whatever sources derived) will be sufficient (1) to pay, as the same become due, the principal and interest on the bonds of the authority; (2) to create and maintain such reserves as may be required to assure the payment of principal and interest as they become due on its bonds; (3) to meet the cost of, and to provide for, maintaining and operating the projects (including necessary reserves therefor and the cost of any insurance) and the administrative expenses of the authority; and (4) to make such payments in lieu of taxes as it determines are consistent with the maintenance of the low-rent character of projects.

**Subd. 2. Employment of real estate operators.** With respect to the management and operation of a housing project the authority may, in its discretion, employ reliable real estate operators or firms or brokers to perform those services for it, but no such real estate operators or firms or brokers shall have any authority in the matter of tenant selection or the fixing of rentals. Each authority employing any such real estate operators or firms or brokers shall require the execution of a contract of employment stating the terms and conditions under which the services are to be performed, which shall be subject to the approval of the state housing commission.

[1947 c 487 s 13]

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**462.475 TENANT ADMISSIONS AND RENTALS.** Subdivision 1. **Authority; powers and duties.** In the operation or management of housing projects an authority shall at all times observe the following duties with respect to rentals and tenant admissions:

(1) It may rent or lease the dwelling accommodations therein only to persons of low income and at rentals within the financial reach of such persons of low income;

(2) It may rent or lease to a tenant dwelling accommodations consisting of the number of rooms (but no greater number) which it deems necessary to provide safe and sanitary accommodations to the proposed occupants thereof, without overcrowding; and

(3) An authority in its operations within a municipality shall not accept any person or persons as tenants in any housing project if the person or persons who occupy the dwelling accommodations have an aggregate annual net income in excess of five times the annual rental of the quarters to be furnished such person or persons, except that in the case of persons with three or more minor dependents such ratio shall not exceed six to one, and, in computing the rental for this purpose of this section, there shall be included in the rental the average annual cost (as determined by the authority) to occupants of heat, water, electricity, gas, cooking fuel, and other necessary services or facilities, whether or not the charge for such services and facilities is included in the rental.

Subd. 2. **Citizenship.** An authority shall not accept as a tenant in any project any person who is not a citizen of the United States.

[1947 c 487 s 14]

**462.481 DISCRIMINATION PROHIBITED; DISPLACED FAMILIES.** There shall be no discrimination in the selection of tenants because of religious, political, or other affiliations, but, if the number of qualified applicants for dwelling accommodations exceeds the dwelling units available, preference shall be given to inhabitants of the municipality in which the project is located, and to the families who occupied the dwellings eliminated by demolition, condemnation, and effective closing as part of the project, as far as is reasonably practicable without discrimination against families living in other substandard areas within the same municipality.

[1947 c 487 s 15]

**462.485 VETERANS PREFERENCE.** As between applicants equally in need and eligible for occupancy of a dwelling and at the rent involved, preference shall be given to families of servicemen (including families of servicemen who died in service) and to families of veterans. In admitting families of low income to dwelling accommodations in any housing project an authority shall, as far as is reasonably practicable, give due consideration to families making application for dwelling accommodations to which families aid for dependent children is payable, and to resident families making such application to whom public relief, old age assistance, or aid to the blind shall be payable, when such families are otherwise eligible under the terms of sections 462.411 to 462.711.

[1947 c 487 s 16]

**462.491 AVAILABLE SOLELY FOR FAMILIES OF LOW INCOME.** The dwellings in public low-rent housing shall be available solely for families of low income whose net family income does not exceed the maximum net family income falling within the lowest 20 per cent by number of all family incomes in the area of operation as such maximum net family income shall have been determined, or from time to time redetermined, by the authority; provided that at the end of one year after the effective date of Laws 1947, Chapter 487, and each year thereafter, this restriction shall be re-examined by the state housing commission, and a public hearing shall be held by the commission to determine whether administrative or interpretive difficulties or unsatisfactory progress in the provision of low-rent housing require a modification thereof. Upon the conclusion of that hearing the commission is authorized to and shall forthwith modify the restriction first set out in this section to the extent, if any, that may be required to make satisfactory progress in the provision of low-rent housing.

[1947 c 487 s 17]

**462.495 PERIODIC INVESTIGATION OF TENANT; VETERANS PREFERENCE.** An authority shall make periodic investigations of each family admitted to a low-rent housing project and, on the basis of said investigations, shall determine whether that family at the time of its admission (1) lived in an unsafe, unsanitary,

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or overcrowded dwelling or had been displaced by a project or by off-site elimination in compliance with the equivalent elimination requirement hereof, or actually was without housing, or was about to be without housing as a result of a court order of eviction, due to causes other than the fault of the tenant, and (2) had a net family income not exceeding the income limits theretofore fixed by the authority for admission of families of low income to such housing; provided that the requirement in (1) shall not be applicable in the case of the family of any serviceman or the family of any veteran who has been discharged (other than dishonorably) from, or the family of any serviceman who died in, the armed forces of the United States, where application for admission to the project is made within any time limit specified by federal law applicable to federal financial assistance for the project. If it is found upon any such investigation that the net income of any families have increased beyond the maximum income limits fixed pursuant to this act for continued occupancy in such housing, those families shall be required to move from the project.

[1947 c 487 s 18; 1949 c 505 s 6]

**462.501 DURATION OF OCCUPANCY.** Subdivision 1. **Four year limitation.** The occupancy of any dwelling unit in a housing project under the jurisdiction of the authority shall not exceed four years and that at the end of a four-year term the right of the tenant to occupy a housing project shall cease and he shall be required to move; except that, upon a resolution of the authority, based upon findings of changes justifying continued occupancy, a tenant may be permitted to remain for an additional period not exceeding two years.

Subd. 2. **Legal rights of authority in case of default.** Nothing contained in sections 462.465 to 462.501 shall be construed as limiting the power of an authority (1) with respect to a housing project, to vest in an obligee the right, in the event of a default by the authority, to take possession thereof or cause the appointment of a receiver thereof, free from all the restrictions imposed by this or the preceding section; or (2) with respect to a redevelopment project, in the event of a default by a purchaser or lessee of land, to acquire property and operate it free from such restrictions.

[1947 c 487 s 19]

**462.505 DEMOLITION OF UNSAFE OR UNSANITARY BUILDINGS.** No project for low-rent housing or the clearance of a blighted area involving the construction of new dwellings shall be undertaken by a housing authority unless, subsequent to the initiation of the project, there has been or will be elimination by demolition, condemnation and effective closing, or compulsory repair, of unsafe or unsanitary buildings situated in the area of operation substantially equal in number to the number of dwelling units provided by the project; provided that such elimination may, upon approval by the state housing commission by resolution, be deferred for such period as the commission may determine, if the shortage of decent, safe, or sanitary housing available to families of low income is so acute as to force dangerous overcrowding of such families.

[1947 c 487 s 20; 1949 c 505 s 7]

**462.511 ACQUISITION OF EXISTING BUILDINGS; REPAIRS.** In order to conserve the existing housing supply, an authority is authorized to purchase or lease or otherwise acquire existing buildings for low-rent housing whenever this is feasible, in lieu of new construction. All the provisions of sections 462.411 to 462.711 relating to other low-rent housing projects shall be applicable to such projects. Before proceeding with such project an authority shall make an analysis demonstrating:

(1) The buildings to be acquired or leased shall be in such condition that it is feasible to remodel, repair, or reconstruct them and that the buildings, when rehabilitated will provide decent, safe, and sanitary housing;

(2) The rehabilitation of the buildings comprising the project will prevent or arrest the spread of blight so as to protect the neighborhood in which the buildings are located;

(3) The rehabilitated buildings will provide low-rent housing and will otherwise accomplish the purposes of sections 462.411 to 462.711.

[1947 c 487 s 21]

**462.515 REDEVELOPMENT PLAN.** Subdivision 1. Any redevelopment company, or any other person, may submit a redevelopment plan to an authority, or an authority may consider a redevelopment plan on its own initiative. An authority

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shall immediately transmit the plan to the planning agency of the municipality in which the area to be redeveloped is situated, for its study, if such a planning agency is in existence, or, if no such planning agency is in existence, to such agency as the governing body of the municipality shall indicate. An authority shall request the written opinion of the planning or other agency on all redevelopment plans submitted to it prior to approving those redevelopment plans, and the planning or other agency shall submit its written opinion within 30 days. Before approving any redevelopment plan, an authority shall hold a public hearing thereon after not less than ten days' published notice in a newspaper of general circulation in the area of operation.

[1947 c 487 s 22]

**462.521—GOVERNING BODY OF MUNICIPALITY.** Subdivision 1. **Application by authority.** Whenever an authority determines that a redevelopment project should be undertaken, it shall apply to the governing body of the municipality in which the project is located for approval thereof. The application shall be accompanied by a redevelopment plan, a statement of the method proposed for financing the project, and the written opinion of the planning agency, if there is one.

Subd. 2. **Findings, notice, and determination of governing body.** The authority shall not proceed with the project unless the governing body finds by resolution that (1) the land in the project area would not be made available for redevelopment without the financial aid to be sought; (2) the redevelopment plans for the redevelopment areas in the locality will afford maximum opportunity, consistent with the sound needs of the locality as a whole, for the redevelopment of such areas by private enterprise; and (3) the redevelopment plan conforms to a general plan for the development of the locality as a whole. The governing body shall within 30 days after submission of the application, or resubmission as hereinafter provided, give written notice to the authority of its decision with respect to the project. When an authority has determined the location of a proposed redevelopment project, it may without awaiting the approval of the governing body, proceed, by option or otherwise, to obtain control of the real property within the area, but it shall not, without the prior approval by the governing body of the redevelopment plan, unconditionally obligate itself to purchase any such property. A plan which has not been approved by the governing body when submitted to it may be again submitted to it with such modifications as are necessary to meet its objections. Once approved, the determination of the authority to undertake such project and the resolution of the governing body shall be conclusive, in any condemnation proceeding, of the public need for such project.

[1947 c 487 s 23]

**462.525 DISPOSAL OF PROPERTY.** Subdivision 1. **Authority may sell, lease, or develop property.** In accordance with a redevelopment plan, an authority may make any of its land in a redevelopment project available for use by private individuals, firms, corporations, partnerships, insurance companies, or other private interests, or by public agencies, by sale, lease, or otherwise, or the authority itself may retain property for redevelopment by it. Such land shall be made available at its fair use value, as determined by the authority, which determination shall be based on its proposed use as set forth in the redevelopment plan.

Subd. 2. **Notice; public hearing; determination; terms and conditions.** Any such lease or sale may be made without public bidding but only after a public hearing, after ten days' published notice, by the authority upon the proposed lease or sale and the provisions thereof. The terms of any such lease shall be fixed by the authority, and the instrument of lease may provide for renewals upon reappraisals and with rentals and other provisions adjusted to such reappraisals. Every such lease or sale shall provide that the lessee or purchaser shall carry out or cause to be carried out the approved project area redevelopment plan or approved modifications thereof and that no use shall be made of any land or real property included in the lease or sale nor any building or structure erected thereon which does not conform to such approved plan or approved modifications thereof. In the instrument, or instruments, of lease or sale the authority may include such other terms, conditions, and provisions as in its judgment will provide reasonable assurance of the priority of the obligations of the lease or sale and of conformance to the plan over any other obligations of the lessee or purchaser, and also assurance of the financial and legal ability of the lessee or purchaser to carry out and conform to the plan and the terms and conditions of the lease or sale, to begin the

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building of any improvements within a period of time which the authority fixes as reasonable; also, such terms, conditions and specifications concerning buildings, improvements, sub-leases, or tenancies, maintenance and management, and any other related matters as the authority may reasonably impose or approve, including provisions whereby the obligations to carry out and conform to the project area plan shall run with the land. In the event that maximum rentals to be charged to tenants of housing be specified, provision may be made for periodic reconsideration of such rental bases, with a view to proposing modification of the project area plan with respect to such rentals.

Subd. 3. **Property devoted to public uses; transfer.** After the property in a project area shall have been assembled by an authority, the authority shall have the power to transfer by deed to local public bodies those pieces of property which, in accordance with the redevelopment plan, are to be devoted to public uses, other than public housing or redevelopment purposes. Except for such property as may be transferred by dedication, gift, or exchange, the transferee body shall pay to the authority such sum as may be agreed upon, and, in the absence of agreement, as may be determined by arbitration. The authority shall reimburse the redevelopment project fund the fair use value of any property in a redevelopment project transferred to a public low-rent housing project.

Subd. 4. **Disposition in parts.** In lieu of the lease or sale of a project area as an entirety, the authority may lease or sell parts of that area separately to redevelopment companies, or other persons. Any such sale or lease of a part or parts of a project area shall be fully subject to the provisions of this section, excluding property required for public low-rent housing projects.

Subd. 5. **Limitation upon disposal by purchaser.** Until the authority certifies that all building constructions and other physical improvements specified to be done and made by the purchaser of the area have been completed, the purchaser shall have no power to convey the area, or any part thereof, without the consent of the authority, and no such consent shall be given unless the grantee or mortgagee of the purchaser obligates itself or himself by written instrument to the authority to carry out that portion of the redevelopment plan which falls within the boundaries of the conveyed property, and also that the grantee, his or its heirs, representatives, successors, and assigns, shall have no right or power to convey, lease, or let the conveyed property or any part thereof, or erect or use any building or structure erected thereon, free from the obligation and requirement to conform to the approved project area redevelopment plan or approved modifications thereof.

Subd. 6. **Modification of redevelopment plan; conditions.** A redevelopment plan may be modified at any time after the lease or sale of the project area or parts thereof, provided the modification shall be consented to by lessee or purchaser and adopted by the authority and the governing body of the political subdivision in which the project is located, except that minor changes due to conditions occurring or discovered during construction and amounting in the aggregate to not more than two per cent of the total construction cost of the development may be made by the lessee or purchaser without the consent of the authority, provided no such change shall lower the quality of the construction agreed upon.

Subd. 7. **Purchaser or lessee to furnish performance bond.** As security for its fulfillment of the agreement with the authority, a purchaser or lessee shall furnish a performance bond, with such surety and in such form and amount as the authority may approve, or make such other guaranty as the authority may deem necessary in the public interest. If the authority finds that the redevelopment is not being carried out or maintained in accordance with the contract terms and conditions, or there is a failure to prosecute the work with such diligence, or to assume its completion on time, it shall notify the purchaser or lessee and the surety in writing of the noncompliance. Unless the purchaser or lessee complies with the terms of agreement within 20 days from the date of such notice, the authority may take over the work and may cause such work to be done, and the cost of the work shall be paid by the surety. The authority may take possession of and utilize in completion of the work such materials, appliances, and plant as may be on the site of the work and necessary therefor.

[1947 c 487 s 24; 1949 c 505 s 8]

462.531 **TEMPORARY RELOCATION OF DISPLACED FAMILIES.** Prior to approval by the authority of any redevelopment plan, it shall be satisfied that there

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is a feasible method for the temporary relocation of families to be displaced from the project area, and that there are available or will be provided, in the project area or in other areas not less desirable in regard to public utilities and public and commercial facilities and at rents or prices within the financial means of the families displaced from the project area, decent, safe, and sanitary dwellings equal in number to the number of such displaced families.

[1947 c 487 s 25]

**462.535 PROVISIONAL ACCEPTANCE BY AUTHORITY OF FUND OR PROPERTY.** As an aid in the acquisition of the real property of a project area, the authority may accept a fund, or, at an agreed value, any parcel or property within such area, from any redevelopment company or partnership or individual, subject to a provision that, in the event the supplier of any such fund or the conveyer of such property shall become the purchaser of the project area or any part thereof, such fund or the agreed value of such property shall be credited on the purchase price of such area or part thereof, and, if there be an excess above the cost of acquisition of the area, such excess shall be returned, and that, in the event that such supplier or conveyer does not become the purchaser of such area or any part thereof, the amount of the fund or the agreed value of such property, as the case may be, shall be paid to such supplier or conveyer.

[1947 c 487 s 26]

**462.541 USE VALUE.** Subdivision 1. **Determination of use value; appraisal.** After the authority has assembled and acquired the real property of a project area, it shall, as an aid to it in determining the rentals and other terms upon which it will lease or the price at which it will sell the area or parts thereof, place a use value upon each piece or tract of land within the area which, in accordance with the plan, is to be used for private uses or for low-rent housing, such use value to be based on the planned use; and, for the purpose of this use valuation, it may in its discretion cause a use-value appraisal to be made by two or more land value experts employed by it for the purpose, or it may use the land appraisal services of the municipality; but nothing contained in this section shall be construed as requiring the authority to base its rentals or selling prices upon any such appraisal.

Subd. 2. **Use value.** The aggregate use value placed for purposes of lease or sale upon all land within a particular project area leased or sold by an authority pursuant to sections 462.411 to 462.711 shall exclude the cost of old buildings destroyed and the demolition and clearance thereof.

[1947 c 487 s 27; 1949 c 505 s 9]

**462.545 PUBLIC REDEVELOPMENT COST; PROCEEDS; FINANCING.** Subdivision 1. **Financing plans authorized.** The cost of a redevelopment project, including administrative expense of the authority allocable to the project and debt charges, shall be known as the public redevelopment cost. The proceeds from the sale or lease of property in a redevelopment area shall be known as the capital proceeds. Since it is the purpose of this act that authorities will sell or lease or retain the land in the redevelopment area, in whole or in part, for a variety of purposes, including private housing for upper or middle-income groups, public housing for low-income groups, commercial and other purposes, at its fair use value, which may be less than the public redevelopment cost, the capital proceeds from land sold may pay back only a portion of the public redevelopment cost. For the purpose of carrying out the provisions of sections 462.515 to 462.545, including the defrayment of the differences between the public redevelopment cost and the capital proceeds, which includes the difference between any annual debt service and the annual administrative expenses of the authority allocable to the project and any annual capital proceeds, an authority may, in its discretion, finance such redevelopment projects in any one, or by any combination of, the following methods, which are also dealt with in sections 462.411 to 462.711.

Subd. 2. **Federal grants.** The authority may accept grants or other financial assistance from the federal government as provided in sections 462.411 to 462.711. Before resorting to other financial methods authorized by this section the authority shall make full utilization of all such federal funds for which the project qualifies.

Subd. 3. **Bond issue.** An authority may issue its bonds or other obligations as provided in sections 462.411 to 462.711; provided, however, that none of the proceeds of such bonds for redevelopment projects and no proceeds or revenues from any redevelopment project shall be used to pay the bonds or costs of or make contributions or loans to any low-rent housing project.

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**Subd. 4. Revenue pool; use.** The authority may in its discretion provide that all revenues received from its redevelopment areas be placed in a pool for the payment of interest and principal on all bonds issued for any redevelopment project, and the revenue from all such areas shall be paid into the pool until all outstanding bonds have been fully paid.

**Subd. 5. Special benefit tax fund.** In the event the authority shall issue bonds or other obligations to finance a redevelopment project, the authority may, in its discretion, with the consent of the governing body obtained at the time of the approval of the redevelopment plan as required in section 462.521, notify the county treasurer to set aside in a special fund, for the retirement of such bonds and interest thereon, all or part of the real estate tax revenues derived from the real property in the redevelopment area which is in excess of the tax revenue derived therefrom in the tax year immediately preceding the acquisition of such property by the authority, and it shall be the duty of the county treasurer so to do. Such setting aside of funds shall continue until the bonds or other obligations have been retired. That special fund shall, in no event, be used for the retirement of bonds issued to finance the acquisition and clearance of land in the redevelopment projects reserved for public use.

**Subd. 6. Area of operation, taxing district; special tax levy.** All of the territory included within the area of operation of any authority shall constitute a taxing district for the purpose of levying and collecting special benefit taxes for redevelopment purposes as provided in this subdivision. All of the taxable property, both real and personal, within that taxing district shall be deemed to be benefited by the redevelopment projects carried out under the provisions of sections 462.515 to 462.545 to the extent of the special taxes levied under the provisions hereof. Subject to the consent, by resolution, of the governing body of the municipality in and for which it was created, an authority is authorized to levy in each year a special tax upon all property, both real and personal, within that taxing district. The authority shall cause the tax so levied each year to be certified to the auditor of the county in which the taxing district is located on or before October 10th in each year. Such tax so levied and certified shall be extended, spread, and included with and as a part of the general taxes for state, county, and municipal purposes, by the county auditor, to be collected and enforced therewith, together with the penalty, interest, and costs, and as such tax (including any penalties, interest, and costs) is collected by the county treasurer it shall be accumulated and kept in a separate fund to be known as the "Redevelopment Project Fund" and shall be turned over to the authority at the same time and in the same manner that the tax collections for the municipality are turned over to the municipality, and shall be expended and applied for the purpose of sections 462.515 to 462.545, and for no other purpose whatsoever. It shall be paid out upon vouchers signed by the chairman of the authority or his duly authorized representative. The amount of such special tax levy for the first two consecutive levy-making periods after the organization of the authority shall be an amount approved by the governing body of the municipality, but shall not exceed ten cents on each \$100 of taxable valuation in the area of operation. The authority shall each year formulate and file a budget in accordance with the budget procedure of the municipality in the same manner as required of executive departments of the municipality or, if no budgets are required to be filed, on or before August first, and the amount of the tax levy for the following year shall be based on that budget and shall be approved by the governing body, but shall not after the first two years exceed five cents on each \$100 of taxable valuation in the area of operation.

[1947 c 487 s 28; 1949 c 505 s 10]

**462.551 BOND ISSUE FOR CORPORATE PURPOSES.** An authority shall have power to issue bonds for any of its corporate purposes. Such bonds may be such type as it determines, including, but not limited to, bonds on which the principal and interest are payable exclusively from the income and revenues of the project financed with the proceeds of such bonds, or exclusively from the income and revenues of certain designated projects, whether or not they are financed in whole or in part with the proceeds of such bonds. Any such bonds may be additionally secured by a pledge of any grant or contributions from the federal government or other source, or a pledge of any income or revenues of the authority, from the project for which the proceeds of the bonds are to be used, or a mortgage of any project, projects, or other property of the authority. No proceeds of bonds

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issued for or revenue authorized for or derived from any redevelopment project or area shall be used to pay the bonds or costs of, or make contributions or loans to, any public housing project. Further, the proceeds of bonds issued for or revenues authorized for or derived from any one public housing project shall not be used to pay the bonds or costs of, or make contributions or loans to any other public housing project until the bonds and costs of the public housing project for which those bonds were issued or from which those revenues were derived or for which they were authorized shall be fully paid. Neither the commissioners of an authority nor any person executing the bonds shall be liable personally on the bonds by reason of the issuance thereof. The bonds and other obligations of an authority (and such bonds and obligations shall so state on their face) shall not be a debt of the municipality, the state or any political subdivision thereof, and neither the municipality nor the state or any political subdivision thereof shall be liable thereon, nor in any event shall such bonds or obligations be payable out of any funds or properties other than those of said authority. The bonds shall not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction. Bonds of an authority are declared to be issued for an essential public and governmental purpose and to be public instrumentalities and, together with interest thereon and income therefrom, shall be exempt from taxes. The provisions of this act exempting from taxation authorities, their properties and their bonds and interest thereon and income therefrom, shall be considered additional security for the repayment of bonds and shall constitute, by virtue of this act and without the necessity of the same being restated in said bonds, a contract between the bondholders and each and every one thereof, including all transferees of said bonds from time to time on the one hand and the respective authorities issuing said bonds and the state on the other. An authority may by covenant confer upon the holder of such bonds such rights and remedies as it deems necessary or advisable, including but not limited to the right in the event of default to have a receiver appointed to take possession of and operate the project; provided, however, that 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, then the exemptions from taxes and special assessments for that project shall terminate.

[1947 c 487 s 29]

**462.555 MANNER OF BOND ISSUANCE; SALE.** Bonds of an authority shall be authorized by its resolution and may be issued in one or more series and shall bear such date or dates, mature at such time or times, bear interest at such rate or rates, not exceeding six per cent per annum, be in such denomination or denominations, be in such form either coupon or registered, carry such conversion or registration privileges, have such rank or priority, be executed in such manner, be payable in such medium of payment at such place or places, and be subject to such terms of redemption (with or without premium) as such resolution, its trust indenture or mortgage may provide. The bonds may be sold at public or private sale at not less than par. Any provision of any law to the contrary notwithstanding, any bonds issued pursuant to sections 462.411 to 462.711 shall be fully negotiable. In any suit, action, or proceedings involving the validity or enforceability of any bonds of an authority or the security therefor, any such bond reciting in substance that it has been issued by the authority to aid in financing a project, as herein defined, shall be conclusively deemed to have been issued for such purpose, and such project shall be conclusively deemed to have been planned, located, and carried out in accordance with the purposes and provisions of sections 462.411 to 462.711.

[1947 c 487 s 30]

**462.561 ENFORCEMENT BY OBLIGEE OF PROVISIONS AND COVENANTS IN CONTRACTS.** An obligee of an authority shall have the right, in addition to all other rights which may be conferred on such obligee, subject only to any contractual restrictions binding upon such obligee; (1) by mandamus, suit, action, or proceeding at law or in equity to compel said authority and the commissioners, officers, agents, or employees thereof to perform each and every term, provision, and covenant contained in any contract of said authority with or for the benefit of such obligee and to require the carrying out of any or all such covenants and agreements of said authority and the fulfillment of all duties imposed upon said

authority by sections 462.411 to 462.711; and (b) by suit, action, or proceeding in equity to enjoin any acts or things which may be unlawful or the violation of any of the rights of such obligee of said authority.

[1947 c 487 s 31]

**462.565 BONDS, A LEGAL INVESTMENT.** When bonds issued by an authority or bonds issued by any public housing authority or agency in the United States are secured by a pledge of annual contributions to be paid by the United States government or any agency thereof, all banks, bankers, trust companies, savings banks and institutions, investment companies, savings, building and loan associations, insurance companies, insurance associations, and other persons carrying on a banking or insurance business may legally invest any sinking funds, moneys, or other funds belonging to them or within their control in such bonds, and such bonds shall be authorized security for all public deposits.

[1947 c 487 s 32]

**462.571 EXEMPTION FROM PROCESS.** All real property of an authority shall be exempt from levy and sale under execution, and no execution or other judicial process shall issue against such property, nor shall any judgment against an authority be a charge or lien against its real property, but judgments may be enforced as provided in section 462.455. The provisions of this section shall not apply to or limit the right of obligees to foreclose or otherwise enforce any mortgage of an authority or the right of obligees to pursue any remedies for the enforcement of any pledge or lien given by an authority on its rents, fees, or revenues, or the right of the federal government to pursue any remedies conferred upon it pursuant to the provisions of sections 462.411 to 462.711.

[1947 c 487 s 33]

**462.575 TAX STATUS.** Subdivision 1. **Declaration as to essential public and governmental purposes.** The property of an authority is declared to be public property used for essential public and governmental purposes, and such property and the authority shall be exempt from all taxes and special assessments of the city, the county, the state or any political subdivision thereof. "Taxes" does not include charges for utilities and special services, such as heat, water, electricity, gas, sewage disposal, or garbage removal, provided, however, that, 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, then the exemptions from taxes and special assessments for that project shall terminate.

Subd. 2. **Leased property; exception.** Notwithstanding the provisions of subdivision 1, any property which the authority leases to private individuals or corporations for development in connection with a redevelopment project shall have the same tax status as if such leased property were owned by such private individuals or corporations.

Subd. 3. **Statement to be filed with assessor; percentage tax on rentals.** Further, notwithstanding the provisions of subdivision 1, with respect to any housing project of the authority carried on pursuant to the provisions of sections 462.465 to 462.511, the authority shall, after that project has become occupied, either in whole or in part, file with the proper 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; and, unless a greater amount has been agreed upon between the authority and the municipality in and for which the authority was created, five per cent of such aggregate shelter rentals shall be charged to the authority and collected from it as a service charge for the services and facilities to be furnished with respect to that project, in the manner provided by law for the assessment and collection of taxes, and the amount so collected shall be distributed to the municipality and to any school district or districts in the area of operation in such proportions that each will receive therefrom the same proportion as the tax rate of each bears to the total tax rate of those taxing bodies that would be levied against the project if it were not exempt from taxation. A municipality in and for which an authority has been created may agree with the authority, with respect to any housing projects, either separately or jointly or one or more of them, for the payment of a service charge in an amount greater than five per cent of the aggregate annual shelter rentals of any project, upon the basis of shelter rentals or upon such other basis as may be agreed upon, but not exceeding the amount which would be payable in taxes thereon were the property not exempt, and, if such an agreement is made, the amount so agreed upon shall be collected and distributed in the manner

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above provided. If such project or projects have become occupied, or if the land upon which such project or projects are to be constructed has been acquired, the agreement shall specify definitely the location of the project or projects 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. The records of each housing project shall be open to inspection by the proper assessing officers.

[1947 c 487 s 34]

**462.581 POWERS OF MUNICIPALITY RELATING TO PROJECTS.** For the purpose of aiding and cooperating in the planning, undertaking, construction, or operation of housing and redevelopment projects of housing authorities located within the area in which an authority is authorized to act, any municipality may upon such terms, with or without consideration, as it may determine:

(1) Dedicate, sell, convey, or lease any of its interests in any property, or grant easements, licenses, or any other rights or privileges therein, to an authority; provided that no municipality may use any revenues or money of that municipality to pay the bonds of or make any loans or contributions to any redevelopment or public housing project; except that,

(i) this proviso shall not apply to the proceeds of taxes for redevelopment projects levied pursuant to subdivision 6 of section 462.545;

(ii) a municipality is authorized to make an advance on account of the taxes for redevelopment purposes levied pursuant to section 462.545, subdivision 6, provided that any such advance shall be repaid out of the proceeds of the next tax levy;

(iii) this proviso shall not be applicable to any public low-rent housing project for which financial assistance is provided by the federal government or any agency or instrumentality thereof which requires a municipality or other local public body to use its revenues or money for a direct loan or grant to such project as a condition for federal financial assistance where such local financial assistance for such project is authorized by a vote of the people on a referendum on the question conducted in accordance with referendum requirements of section 462.465, subdivision 2.

(2) Cause parks, playgrounds, recreational, community, educational, water, sewer or drainage facilities, or any other works which it is otherwise empowered to undertake, to be furnished adjacent to or in connection with such projects;

(3) Approve (through its governing body or through an agency designated by it for the purpose) redevelopment plans as defined in sections 462.411 to 462.711; plan or replan, zone or rezone its parks; in the case of a city or town, make changes in its map; the governing body of any municipality may waive any building code requirements in connection with the development of projects;

(4) Cause services to be furnished to the authority of the character which it is otherwise empowered to furnish;

(5) Enter into agreements with respect to the exercise by it of its powers relating to the repair, closing, or demolition of unsafe, unsanitary, or unfit buildings;

(6) Do any and all things necessary or convenient to aid and cooperate in the planning, undertaking, construction, or operation of such projects;

(7) Incur the entire expense of any public improvements made by it in exercising the powers granted in sections 462.411 to 462.711; and

(8) Enter into agreements (which may extend over any period, notwithstanding any provision or rule of law to the contrary) with an authority respecting action to be taken by the municipality pursuant to any of the powers granted by sections 462.411 to 462.711.

[1947 c 487 s 35; 1949 c 505 s 11]

**462.585 PAYMENTS IN LIEU OF TAXES; AGREEMENT.** In connection with any project of an authority located wholly or partly within the area in which any municipality is authorized to act, the municipality may agree with the authority with respect to the payment by the authority of such sums in lieu of taxes for any year or period of years in accordance with the provisions of section 462.575, but for no longer period than the period of tax exemption provided for under sections 462.411 to 462.711.

[1947 c 487 s 36]

**462.591 REDEVELOPMENT COMPANY.** Subdivision 1. **Creation; contents of certificates; filing.** A redevelopment company may be created by three or more persons signing, acknowledging, and filing in the office of the secretary of state a certificate which shall contain:

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- (1) The name of the proposed redevelopment company;
- (2) The purposes for which it is to be formed, which shall be as follows: to acquire one or more areas under a plan or plans and to construct, own, maintain, operate, sell, and convey projects, pursuant to the terms and provisions of sections 462.411 to 462.711;
- (3) The amount of the capital stock and, if any be preferred stock, the preference thereof;
- (4) The number of shares of which the capital shall consist, all of which shall have a par value;
- (5) The location of its principal business office;
- (6) Its duration, which shall not be less than 20 years;
- (7) The number of directors, which shall not be less than three and who need not be stockholders;
- (8) The names and post-office addresses of the directors for the first year;
- (9) The names and post-office addresses of the subscribers to the certificate and a statement of the number of shares of stock which each agrees to take in the redevelopment company;
- (10) A provision that, so long as sections 462.411 to 462.711 shall remain applicable to any project of the redevelopment company, the real property of the redevelopment company shall not be sold, transferred, or assigned except as permitted by the terms and provisions of sections 462.411 to 462.711;
- (11) A declaration that all of the subscribers in the certificates are of full age, that at least two-thirds of them are citizens of the United States and that at least one of them is a resident of the State of Minnesota; that at least one of the persons named as a director is a citizen of the United States and a resident of the State of Minnesota;
- (12) A declaration that the redevelopment company has been organized to serve a public purpose and that it shall be and remain subject to the supervision and control of the state housing commission, authorities and governing bodies, as provided in sections 462.411 to 462.711, so long as sections 462.411 to 462.711 remain applicable to any project of the redevelopment company; that all real and personal property acquired by it and all structures erected by it shall be deemed to be acquired or created for the promotion of the purposes of sections 462.411 to 462.711;
- (13) A declaration that, after providing for all expenses, taxes, or payments in lieu of taxes, and assessments, there shall be paid annually out of the earnings of the development company from any project for interest, amortization, and dividends a sum equal to but not exceeding six and one-half per cent of the total actual final cost of that project as defined by subdivision 2 of section 462.635; that the obligation in respect of such payments shall be cumulative, and any deficiency in interest, amortization, and dividends in respect of that project in any year shall be paid from the first available earnings in subsequent years; and that any cash surplus derived from earnings from that project remaining in the treasury of the redevelopment company in excess of the amount necessary to provide such cumulative annual sums shall, upon a conveyance of the project or upon a dissolution of the company, in accordance with the provisions of section 462.695, be paid into the general fund of the city, village, borough, or town in which that project is located;
- (14) A declaration that, upon compliance with the provisions of section 462.695, the property may be conveyed in fee as provided in that section;
- (15) A declaration that mortgage indebtedness, income debenture certificates, and stock of the redevelopment company may be retired if, as, and when there shall be funds available for amortization purposes in the treasury of the redevelopment company.

[1947 c 487 s 37; 1949 c 505 s 12]

### 462.595 CERTIFICATE OF CONSENT FILED WITH INCORPORATION

**PAPERS.** If any certificate of incorporation of a redevelopment company or a certificate of amendment of such a certificate of incorporation is presented to the secretary of state, he shall not file such certificate unless a certificate of the consent of the state housing commission accompanies the same.

[1947 c 487 s 38]

### 462.601 MINNESOTA BUSINESS CORPORATION ACT APPLIES IN PART

The provisions of the Minnesota business corporation act shall apply to redevelopment companies, except where those provisions are in conflict with the provisions of sections 462.411 to 462.711. In the event that any action with respect to which the

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holders of income debentures shall have the right to vote if proposed to be taken, then notice of any meeting at which such action is proposed to be taken shall be given to those holders in the same manner [and] to the same extent as if they were stockholders entitled to notice of and to vote at such meeting, and any certificate filed pursuant to law in the department of state with respect to any such action, whether taken with or without meeting, and any affidavit required by law to be annexed to that certificate, shall contain the same statements or recitals, and the certificate shall be subscribed and acknowledged, and the affidavit shall be made in the same manner as if those holders were stockholders holding shares of an additional class of stock entitled to vote on that action, or with respect to the proceedings provided for in the certificate.

[1947 c 487 s 39]

**462.605 . POWERS OF REDEVELOPMENT COMPANY.** Subdivision 1. Under Minnesota business corporation act. Each redevelopment company shall have and may exercise such of the powers conferred by the Minnesota business corporation act as shall be necessary in conducting the business of a redevelopment company and consistent with the provisions of sections 462.411 to 462.711.

Subd. 2. Declared to be instrumentality of state. Every redevelopment company organized and operating pursuant to the provisions of this article is declared to be an instrumentality of the state, organized and operating to carry out the public uses and purposes of sections 462.411 to 462.711.

[1947 c 487 s 40]

**462.611 INTEREST; AMORTIZATION; LIMITED DIVIDENDS.** There shall be paid annually out of the earnings of the redevelopment company from any project, after providing for all expenses, taxes, or payments in lieu of taxes, and assessments, a sum for interest, amortization, and dividends, equal to but not exceeding six and one-half per cent of the total actual final cost of that project as defined by subdivision 2 of section 462.635; the obligation in respect of such payments shall be cumulative, and any deficiency in interest, amortization, and dividends in any year in respect of that project shall be paid from the first available earnings in subsequent years; and any cash surplus derived from earnings from that project remaining in the treasury of the redevelopment company in excess of the amount necessary to provide such cumulative annual sums shall, upon a conveyance of the project or upon a dissolution of the company, in accordance with the provisions of section 462.695, be paid into the general fund of the municipality in which that project is located.

[1947 c 487 s 41; 1949 c 505 s 14]

**462.615 STOCK, BONDS OR INCOME DEBENTURE CERTIFICATES ISSUED FOR FULL VALUE.** No redevelopment company shall issue stock, bonds, or income debenture certificates except for money or property or services actually received for the use and lawful purposes of the redevelopment company. No stock, bonds, or income debenture certificates shall be issued for property or services except upon a valuation approved by the state housing commission, and that valuation shall be used in computing actual or estimated cost.

[1947 c 487 s 42; 1949 c 505 s 15]

**462.621 ISSUANCE OF STOCK OR DEBENTURE CERTIFICATES.** Subdivision 1. Limitation on issuance. Except as provided in this section, the stock and income debenture certificates issued by a redevelopment company shall in no event be less than the total of 20 per cent of the actual cost of any project or projects undertaken pursuant to sections 462.411 to 462.711. The state housing commission may permit stock or income debenture certificates to be issued for working capital to be used in connection with any project to an amount not exceeding five per cent of the estimated cost, or five per cent of the total actual final cost, if that should exceed the estimated cost, of the project.

[1947 c 487 s 43; 1949 c 505 s 16]

**462.625 INCOME DEBENTURE CERTIFICATES.** With the approval of the state housing commission, the certificate of incorporation, or an amended certificate, may authorize the issuance of income debenture certificates bearing no greater interest than six and one-half per cent per annum. Such income debenture certificates and any instrument under which they are issued may contain such other

provisions, including provisions for amortization by serial maturities, through the operation of a sinking fund or otherwise, as may be approved by the state housing commission.

[1947 c 487 s 44; 1949 c 505 s 17]

**462.631 ACQUISITION OF FUNDS BY APPROVED MORTGAGE OR BOND ISSUE; LIMITATIONS AND PROVISIONS.** Any redevelopment company, subject to the approval of the state housing commission, may borrow funds and secure the repayment thereof by bond and mortgage or by an issue of bonds under a trust indenture. Each mortgage or issue of bonds of a redevelopment company shall relate only to a single specified project and to no other, and those bonds shall be secured by mortgage upon all of the real property of which such project consists. First lien bonds of a redevelopment company, when secured by a mortgage not exceeding 80 per cent of the estimated cost prior to the completion of the project, or 80 per cent of the appraised value or actual cost, but in no event in excess of 80 per cent of the actual cost, after that completion, as certified by the state housing commission, are hereby declared securities in which all public officers and bodies of the state and of its municipal subdivisions, all insurance companies and associations, all savings banks and savings institutions, including savings, building and loan associations, executors, administrators, guardians, trustees, and all other fiduciaries in the state may properly and legally invest the funds within their control. The bonds so issued and secured and the mortgage or trust indenture relating thereto may create a first or senior lien and a second or junior lien upon the real property embraced in any project; provided, however, that the total mortgage liens shall not exceed 80 per cent of the estimated cost prior to the completion of the project, or 80 per cent of the appraised value or actual cost, but in no event in excess of 80 per cent of the actual cost after that completion, as certified by the state housing commission; and provided further that, where there are first and second mortgage liens upon the property embraced in a project, only the first or senior lien thereon shall be deemed a security in which such officers, bodies, corporations, associations, and fiduciaries may invest the funds within their control. Such bonds and mortgages may contain such other clauses and provisions as shall be approved by the state housing commission, including the right to assignment of rents and entry into possession in case of default; but the operation of the housing project in the event of such entry by mortgagee or receiver shall be subject to regulations promulgated by the state housing commission. Provisions for the amortization of the bonded indebtedness of companies formed under this act shall be subject to the approval of the state housing commission. So long as funds made available by the federal government or any instrumentality thereof or any mortgage or mortgage bonds insured by the federal housing administrator or any other instrumentality of the federal government are used in financing, in whole or in part, any project under this act, the capital structure of a redevelopment company undertaking such project and the proportionate amount of the cost of the lands and improvements to be represented by mortgages or bonds shall be entirely in the discretion of the housing commission; and all restrictions as to the amounts to be represented by mortgages, mortgage bonds, income debenture, or stock shall be inapplicable to such projects or to redevelopment companies undertaking such projects, except that the bonds, mortgages, debentures, and stock covering any project shall not exceed the total actual final cost of such project as defined in section 462.635, subdivision 2.

Interest rates on mortgage indebtedness shall not exceed five per cent per annum.

[1947 c 487 s 45]

**462.635 LIMITATION ON POWERS OF REDEVELOPMENT COMPANY.** In addition to limitations prescribed by sections 462.411 to 462.711, a redevelopment company shall not have power to:

(1) Acquire any real property or interest therein for a project or projects until the approval of that acquisition by the governing body as provided in subdivision 3 of section 462.645; provided, however, this clause shall not apply to the obtaining of options to purchase;

(2) Issue its stock, debentures, and bonds covering any project undertaken by it in an amount greater in the aggregate than the total actual final cost of that project. The actual cost of that project shall include initiation, planning, survey, general overhead and other administrative expense necessary for the project, the cost of the lands and improvements constituting the project and charges for financ-

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ing and supervision approved by the state housing commission, condemnation charges, if any, and interest, and other carrying charges during the period of acquisition and of construction. The total actual final cost shall be deemed to be an amount equal to the actual cost plus an allowance for working capital. Such an allowance for working capital shall not exceed an amount equal to five per cent of the estimated cost, or of the total actual final cost of the project if that shall be greater than the estimated cost;

(3) Enter into contracts for the payment of salaries to officers or employees, except subject to the approval of the state housing commission, or for the construction or for the substantial repair, improvement, or operation of a project, except subject to the approval of the authority within the area of operation of which the project is located.

[1947 c 487 s 46; 1949 c 505 s 18]

**462.641 USE OF REDEVELOPMENT PROJECTS.** The project or projects of any redevelopment company shall be designed and used primarily for housing purposes, but portions of the project may be planned and used for business, commercial, cultural, or recreational purposes appurtenant thereto as approved in the project. There shall be no discrimination in the use of projects because of religious, political, or other affiliation.

[1947 c 487 s 47]

**462.645 PROJECT PLANS.** Subdivision 1. **Statement of area and general description of buildings and surroundings.** Every plan, or plan of a project, proposed by a redevelopment company shall contain a general description of the area to be redeveloped and a statement of the plan of redevelopment, with such detail of information with reference thereto as may be necessary to a general understanding thereof, including:

(1) Height and bulk of structures, density of population and percentage of land coverage by structures as to their conformity with the purposes of this act and with the master plan, if any; and the relationship of the density of population contemplated by the plan, or plan of the project, to the distribution of the population of the municipality in other areas or parts thereof; and

(2) Provision, if any, for business or commercial facilities appurtenant to the plan or project, relationship to existing and planned public facilities, adequacy and planned rearrangement of street facilities and provisions for light, air, cultural and recreational facilities as to their conformity with the purposes of sections 462.411 to 462.711 and their adequacy for accommodation of the density of population contemplated by the plan, or plan of the project.

Subd. 2. **Approval of plans.** Every such plan shall be submitted to the authority in the area of operation of which the proposed project is to be located, and that authority shall then proceed as provided by section 462.515, subdivision 1.

Subd. 3. **Contract between authority and company.** Upon approval thereof by the authority, the plan, or plan of a project, with a proposed form of contract between the authority and the company or, when all stock, debentures, and mortgage bonds of the company are owned or are to be owned by one or more insurance companies, between the authority, redevelopment company, and the insurance company or companies, shall be submitted by the authority, with a certificate of its approval, to the local governing body of the municipality in which the project is to be located, for its approval as to conformity with the provisions and purposes of this act, the amount and nature of the property to be acquired for the redevelopment company by the authority, and the terms and conditions of payment therefor by the redevelopment company, the amount of publicly owned land or facilities to be sold to the redevelopment company or exchanged for redevelopment company owned lands, and the availability of other suitable dwelling accommodations for families living in the area or part thereof to be affected by the plan, or plan of the project, and for a determination of the extent of the tax exemption to be granted pursuant to section 462.651, if any. The governing body may not grant its approval unless it makes the findings required by section 462.521, subdivision 2.

Subd. 4. **Dedication for public purposes.** As part of an approved project, the local governing body may require a redevelopment company to dedicate to the municipality, or any agency thereof, in the manner provided by law, specified portions of the land in a project for parks, streets, public recreational and other public purposes.

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**Subd. 5. Rent regulations.** The contract shall regulate the rents to be charged for any property in the project during the period of any tax exemption and may contain such other provisions, not inconsistent with sections 462.411 to 462.711, as may be deemed necessary or desirable for the financing, construction, operation, and supervision of the project.

**Subd. 6. Approval of plan; resolution.** In any case where the authority shall have issued a certificate of unqualified approval of a plan, or plan of a project, approval thereof by the local governing body may be by resolution adopted by a majority of the whole number of the votes authorized to be cast by all of the members thereof.

**Subd. 7. Completion of contract.** Upon approval by the governing body the authority is authorized to enter into the necessary contract, and the redevelopment company may proceed with the project in accordance with that contract and the provisions of sections 462.591 to 462.711.

[1947 c 487 s 48]

**462.651 PARTIAL TAX EXEMPTION.** Subdivision 1. **General taxes.** The governing body of a municipality in which any project of a redevelopment company is located may, by ordinance or resolution, exempt from all local taxes so much of the value of the property included in that project as represents an increase over the assessed valuation of the property, both land and improvements, acquired for the project at the time of its acquisition by the redevelopment company which originally undertook the project. Should such a governing body grant such a tax exemption, the project shall, to the extent of the municipal exemption and during the period thereof, be exempt from any and all state, county, and school district taxes. Such an exemption of housing projects from taxation shall not extend to projects upon which physical construction begins after August 1, 1953. The tax exemption specified herein shall not operate for a period of more than 25 years, commencing in each instance from the date on which the benefits of such exemption first become available and effective. There shall be no exemption from payment of special assessments or from the payment of inspection, supervision, and auditing fees of the state housing commission or the authority.

**Subd. 2. Franchise and special taxes and fees.** A redevelopment company shall be exempt from the payment of any and all franchise, organization, income, mortgage recording, and other taxes to the state and all fees to the state and its officers.

**Subd. 3. Obligations and dividends of redevelopment company exempt from taxation.** Bonds and mortgages and the income debenture certificates of all redevelopment companies are declared to be instrumentalities of the state, issued for public purposes, and shall, together with interest thereon, be exempt from taxation. The dividends on the stock of those companies shall be exempt from taxation by the state.

**Subd. 4. Payment to municipality; termination of tax exemption.** A redevelopment company which has been granted and has received tax exemption pursuant to subdivision 1 may at any time elect to pay to the municipality in which any project is located the total of all accrued taxes referred to in subdivision 1 for which exemption was granted and received, together with interest at the rate of five per cent per annum. Upon such payment the tax exemption of the project granted under subdivision 1 shall cease and terminate.

[1947 c 487 s 49; 1949 c 505 s 19]

**462.655 CHANGE IN FEATURE OF PROJECT PROHIBITED.** During the period of any tax exemption granted pursuant to section 462.651, no redevelopment company or any successor in interest to its title to a project or any part thereof may change or modify any feature of a project for which approval of the authority is required, without the approval of such authority and by a majority of the whole number of the votes authorized to be cast by all of the members of the local governing body.

[1947 c 487 s 50; 1949 c 505 s 20]

**462.661 SPECIAL AUTHORITY GRANTED TO CERTAIN PERSONS TO TRANSFER REAL PROPERTY TO REDEVELOPMENT COMPANY.** Notwithstanding any requirement of law to the contrary or the absence of direct provision therefor in the instrument under which a fiduciary is acting, every executor, administrator, trustee, guardian, or other person holding trust funds or acting in a fiduciary capacity, unless the instrument under which such fiduciary is acting expressly forbids, the state, its subdivisions, municipalities, all other public bodies, all public

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officers, persons, partnerships, and corporations organized under or subject to the provisions of the insurance law, the superintendent of insurance as conservator, liquidator, or rehabilitator of any such person, partnership, or corporation, owning or holding any real property within an area, may grant, sell, lease, or otherwise transfer any such real property to a redevelopment company and receive and hold any cash, stock, income debentures, bonds, mortgages, or other securities or obligations, secured or unsecured, exchanged therefor by such redevelopment company and may execute such instruments and do such acts as may be deemed necessary or desirable by them or it and by the redevelopment company in connection with a project or projects.

[1947 c 487 s 51]

**462.665 RULES AND REGULATIONS.** The state housing commission shall have power to make rules and regulations to carry out its powers and duties pursuant to sections 462.591 to 462.711 and to effectuate the purposes thereof.

[1947 c 487 s 52; 1949 c 505 s 21]

**462.671 SCHEDULE OF FEES.** The state housing commission may adopt a reasonable schedule of fees to be paid upon the filing of a plan, plan for a project or projects, amendments thereto, and other instruments in connection therewith, submitted under sections 462.591 to 462.711 or under sections 462.515 to 462.545.

[1947 c 487 s 53; 1949 c 505 s 22]

**462.675 CONDEMNATION FOR REDEVELOPMENT COMPANY.** An authority may take real property by condemnation for a redevelopment company, provided the contract or contracts executed pursuant to section 462.645 contain a requirement that the company shall pay to the authority the fair use value of that real property, determined in accordance with the provisions of section 462.541, provision as to the time of payment and manner of securing payment thereof, and provisions requiring that the authority receive, before proceeding with the acquisition of that real property, such assurances as to payment or reimbursement by the redevelopment company, or otherwise, as the authority may deem advisable. Upon compliance by the redevelopment company with the applicable terms and conditions of such contract or contracts the authority shall proceed to acquire title to the real property and when title to the real property shall have vested in the authority, it shall convey the same to the redevelopment company upon final compliance by the redevelopment company with such terms and conditions.

[1947 c 487 s 54]

**462.681 DUTIES OF STATE HOUSING COMMISSION.** Subdivision 1. **Examination of redevelopment company.** The state housing commission shall examine each redevelopment company and keep informed as to its general condition, its capitalization, and the manner in which its property is constructed, leased, operated, or managed with respect to its compliance with all provisions of law.

Subd. 2. **Powers of examination and control.** The state housing commission may:

(1) Either itself or through its inspectors or employees duly authorized by it enter in or upon and inspect the property, equipment, buildings, plants, offices, apparatus, and devices of any redevelopment company or any other person entering into an agreement with any authority pursuant to the provisions of sections 462.515 to 462.545; examine all books, contracts, records, documents, and papers of any redevelopment company and by subpoena duces tecum compel the production thereof;

(2) In its discretion, prescribe uniform methods and forms of keeping accounts, records, and books to be observed by redevelopment companies, and after a hearing prescribe by order accounts in which particular outlays and receipts shall be entered, charged, or credited;

(3) Require specific answers to questions upon which it may desire information and require the filing of periodic reports in the form, covering the period, and at the time prescribed by it.

[1947 c 487 s 55; 1949 c 505 s 23]

**462.685 SINKING FUND.** Unless other provisions be made therefor in the contract with the authority, the state housing commission, if it shall deem it feasible at any time, subject to the limitation contained in section 462.611, may require a redevelopment company to provide from earnings, after provision for dividends and interest, a sinking fund in an amount to be fixed by the commission for the gradual retirement of the stock and income debenture certificates of that company.

That sinking fund may be used either for the purchase, from time to time, of stock or income debenture certificates at a price approved by the state housing commission, not exceeding par value thereof with accrued and unpaid dividends or interest, or, if it be not practicable to purchase such stock or such income debenture certificates at a price so approved, the moneys in such sinking fund may be added to the surplus of such company. Any stock or income debenture certificates purchased out of such sinking fund shall be canceled and shall not be reissued.

[1947 c 487 s 56]

**462.691 CONSENT OF LOCAL GOVERNING BODY TO DISPOSAL OF PROPERTY.** Until the termination of the tax exemption, whether by expiration or by any other cause, a redevelopment company shall not have power to sell any project without the consent of the local governing body. Upon acquisition of the project by any person, other than another redevelopment company, by lease or sale, or as the result of foreclosure proceedings, any tax exemption or partial tax exemption granted to such project shall immediately terminate.

[1947 c 487 s 57]

**462.695 DISSOLUTION; DISPOSAL OF PROPERTY.** Subdivision 1. **Dissolution.** After termination of any tax exemption granted as to any project pursuant to section 462.651, whether by expiration or by any other cause, or in the event that prior thereto the redevelopment company elects to pay to the municipality the total of all accrued taxes for which such exemption was granted and received, together with interest at the rate of five per cent per annum, that company may convey title to the project in fee to any person, or, if it owns no other projects in this state as to which tax exemptions are in effect, it may voluntarily dissolve.

Subd. 2. **Conveyance without dissolution.** In case of a conveyance of a project without dissolution, pursuant to subdivision 1, the development company, after providing for the payment of all current operating expenses, taxes, indebtedness, and all accrued interest thereon, and all accrued dividends, subject to the limitations imposed by section 462.611, and after retiring stock at par value and debenture certificates at face value, in the proportion to all its outstanding stock and debenture certificates that the total actual final cost of that project bears to the total actual final cost of all projects owned by the redevelopment company in this state, which proportion shall be determined and certified by the state housing commission, shall pay the cash surplus remaining, if any, into the general fund of the municipality in which the project is located.

Subd. 3. **Provisions for dissolution.** In case of a dissolution, or upon expiration of the period of corporate existence, similar provisions shall be made as to each project, the amount required to retire stock and debenture certificates being apportioned to each project in the same manner as provided in subdivision 2 for the apportionment of stock and debenture certificates to be retired in the case of a single project, and the cash surplus, if any, found to exist in the case of any project shall be paid into the general fund of the municipality in which that project is located.

Subd. 4. **Termination of tax exemption upon conveyance or dissolution.** After any conveyance or dissolution provided for in this section, the provisions of this act shall become and be inapplicable to any project involved in that conveyance or dissolution, and to its owner or owners, and any tax exemption granted to the redevelopment company pursuant to section 462.651 shall cease and terminate as to the project or projects involved.

Subd. 5. **Mortgage settlement before voluntary dissolution.** In no event shall a redevelopment company be voluntarily dissolved unless provision is made for the payment in full of the remaining balance of principal and interest due or unpaid upon any mortgage on its property or any part thereof, but any project may, with the consent of the governing body of the municipality, in which it is located, be conveyed and transferred to the municipality subject to such mortgage and accrued interest.

Subd. 6. **Dissolution under subdivisions 1 and 3.** Unless the local governing body of the municipality shall consent to the voluntary dissolution of a redevelopment company, such a company shall not dissolve except in accordance with subdivisions 1 and 3 or upon the expiration of the period of corporate existence as fixed by its certificate of incorporation.

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**Subd. 7. Contract with authority.** The contract with the authority may contain such other provisions for the dissolution of the redevelopment company as may be deemed advisable, not inconsistent with the provisions of this section.

[1947 c 487 s 58]

**462.701 INSURANCE COMPANIES.** Subdivision 1. **Insurance companies may organize a redevelopment company.** One or more insurance companies shall have the power to organize, or cause to be organized, a redevelopment company formed pursuant to the provisions of sections 462.411 to 462.711 and to purchase for cash, or to receive and hold in exchange for property, and to own and control, the stock or the income debenture certificates, or both, of any redevelopment company, and shall also have power to invest, singly, or jointly, in a bond and first mortgage or in an issue of bonds secured by mortgage or trust indenture constituting a first lien upon any project as provided in sections 462.411 to 462.711. An insurance company, however, which owns stock or income debenture certificates of a redevelopment company and also owns bonds or a bond and mortgage or an interest in a bond and mortgage of the same redevelopment company shall not, without the consent of the state housing commission, sell all or any part of such bonds or such bond and mortgage or of its interest in such bond and mortgage unless it shall simultaneously sell the stock and such income debenture certificates of that company owned by it.

**Subd. 2. Authority to contract; issuance of bonds.** Notwithstanding any other provisions of law, an insurance company or companies owning all of the stock of a redevelopment company are hereby expressly authorized to enter into contracts contemplated by sections 462.411 to 462.711, and to agree by contract with a municipality or authority not to sell, assign, or otherwise transfer the stock, income, debentures, or mortgage bonds of the redevelopment company during the period of tax exemption provided for by the contract pursuant to this act without the consent of the local governing body of the municipality. Such insurance company or companies are hereby expressly authorized to make such capital contributions to any such redevelopment company, in cash or by cancellation of securities or otherwise, as may be necessary to enable that redevelopment company to comply with all conditions precedent to its dissolution or conveyance of its property in accordance with section 462.695 and, upon dissolution of such a redevelopment company, to acquire the project and own and operate the same as a permanent investment for such period as it or they may deem desirable, either directly or through acquisition and ownership of the capital stock of any corporation which may acquire title to the project pursuant to section 462.695, subdivision 1.

**Subd. 3. Restrictions or limitations.** Except as specifically provided herein, sections 462.411 to 462.711 shall not be deemed to limit or restrict any power or authority granted to insurance companies, or to any other corporation, or to any fiduciary, by any other provision of law.

[1947 c 487 s 59]

**462.705 INSURANCE COMPANY DEFINED.** "Insurance company" as used in sections 462.591 to 462.711 means any insurance company or investment trust company authorized to do business in this state.

[1947 c 487 s 60; 1949 c 505 s 24]

**462.711 SUPERVISORY AGENCY.** Until the state housing commission is created by law and organized, the powers granted to and the duties imposed upon "the state housing commission," "the commission," and "the director of housing" by sections 462.411 to 462.711 shall be exercised and performed by the division of housing of the department of business research and development, if such a division in such a department is created by law; otherwise, by the commissioner of administration of this state. All documents required by sections 462.411 to 462.711 to be filed with the state housing commission shall, if such commission be not created and organized, be filed with the officer or agency of the state granted the powers and charged with the duties granted to and imposed upon said state housing commission by Laws 1947, Chapter 447.

[1947 c 487 s 62]

**Revisor's Note:** Since the bills providing for "the state housing commission," "the commission," and "the director of housing" did not pass and as no division of housing was created in the department of business research and redevelopment act, the implementation of the provisions of this chapter devolve upon the commissioner of administration.

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**462.72 CITATION.** Sections 462.72 to 462.82 may be cited as the "Emergency Housing Act."

[1949 c 733 s 1]

**462.73 DEFINITIONS.** Subdivision 1. Unless the context clearly indicates otherwise, the following terms, for the purposes of sections 462.72 to 462.82, shall have the meanings, respectively, ascribed to them in this section.

Subd. 2. "Municipality" means a city, village, or borough however organized.

Subd. 3. "Governing body" means the council, board of trustees or other body charged with governing any municipality or other state public body.

Subd. 4. "Commission" means the state housing commission provided for in Laws 1947, Chapter 487, and any amendments thereto, or any officer or agency of the state authorized to perform the functions of the state housing commission.

Subd. 5. The term "emergency housing" as used in sections 462.72 to 462.82 shall mean new housing construction to be provided for the persons and purposes for which a municipality shall have the power under any provisions of law or charter to provide housing.

Subd. 6. "Veterans" means persons who have served in the active military or naval forces of the United States at any time on or after September 16, 1940, and prior to July 6, 1947, and who shall have been discharged or released therefrom under conditions other than dishonorable or the widows of such persons.

Subd. 7. "Servicemen" means persons in the active military or naval forces of the United States who served therein at any time on or after September 16, 1940, and prior to July 26, 1947.

[1949 c 733 s 2]

**462.74 MUNICIPALITY; POWERS OF.** Any municipality may exercise any of its powers to provide emergency housing in the manner prescribed and subject to the limitations imposed by sections 462.72 to 462.82. In providing such housing, in addition to its other powers, any municipality may:

(1) Rent or sell such housing to veterans and servicemen as hereinafter provided;

(2) Utilize such funds as have been or may hereafter be made available to it for emergency housing or veterans' housing by the federal government, the municipality, or by private organizations; and

(3) Accept and receive financial aid from the Federal Government in providing such emergency housing.

[1949 c 733 s 3]

**462.75 DEVELOPMENT AND OPERATION DURING EMERGENCY.** The authority to initiate, develop and operate emergency housing under this section may be exercised by any municipality only so long as an acute housing shortage exists therein; provided, however, that no housing shall be constructed or otherwise developed under the authority of sections 462.72 to 462.82 after the date of adjournment of the 1951 regular session of the legislature.

[1949 c 733 s 4]

**462.76 PROCEDURE TO ESTABLISH.** Subdivision 1. No municipality shall provide emergency housing or exercise any of the powers conferred by sections 462.72 to 462.82 unless the governing body shall, by resolution, determine that (1) the number of safe and sanitary dwellings within the municipality available for veterans or servicemen and their families or other citizens is not adequate to meet the needs of such families in need of housing and (2) the number of new dwellings within the municipality then in course of construction or for which applications for building permits have been filed within the municipality including any low rent public housing being provided pursuant to Laws 1947, Chapter 487, is not adequate to meet the needs of such families and (3) the shortage in dwelling accommodations, unless remedied, threatens the health, safety and morals of the public and (4) the shortage in dwelling accommodations cannot be otherwise remedied within any reasonable period of time and (5) the number of accommodations which the municipality will provide under the said resolution, whether the same will be temporary or permanent, the characteristics of the project, estimated cost, methods of financing, estimated rent levels and incomes of families to be served thereby and a detailed estimate of the expenses and revenue thereof; and (6) unless the provision of emergency housing has been approved by the voters of the municipality as provided in subdivision 2.

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Subd. 2. No emergency housing shall be constructed or acquired nor shall any bonds be issued for such construction or acquisition by any municipality until the governing body shall have submitted to the qualified voters of the municipality at a special election, or at the next general election, the question in substantially the following form:

Shall the governing body of (naming the municipality) construct or acquire and operate emergency housing in and for the municipality to the extent of..... (give number) family units and issue its bonds for \$..... to pay the cost thereof?

Yes.....  No.....

If a majority of the qualified voters of the municipality voting upon the question shall vote in the affirmative, the municipality shall thereupon be empowered to initiate, construct, and develop emergency housing for the particular number of units to which the referendum relates. Special elections held pursuant to this subdivision shall be held and conducted in the same manner and upon the same notice, and the returns thereon made in the same form and manner, as other special elections in that municipality. In the case of a city operating under a home rule charter, the provisions of law relating to the mechanics of the conduct of elections, time of holding, notice, and returns made applicable in the case of the submission of proposed amendments to the home rule charter shall govern.

[1949 c 733 s 5]

**462.77 RENTALS; TO WHOM; FALSE APPLICATION; PENALTY.** A municipality may rent or lease dwelling units in emergency housing at rents within the reach of families of moderate income and no family shall be accepted as a tenant in a housing project hereunder who was not actually without adequate housing at the time of admission or who was not about to be without housing as a result of a court order of eviction, due to causes other than the fault of the tenant, whose gross income exceeds five times the annual rent of the dwelling unit to be furnished such family, except that, in the case of families with three or more minor dependents, such ratio shall not exceed six to one. Any person who makes a false statement concerning the gross income of the family for which application for housing accommodations is made may be fined not more than \$500 or sentenced to six months in jail, or both.

[1949 c 733 s 6]

**462.78 VETERANS PREFERENCE.** No dwelling unit in an emergency housing project shall be offered initially for rent to any person other than a veteran as herein defined until such dwelling unit has been first advertised for rent to such veterans in a newspaper circulated in the municipality in which such housing project is located, and has been set aside for rental to veterans for at least ten days following such advertisement. If there is a vacancy in any dwelling unit, any such veteran shall have the same rental priority.

[1949 c 733 s 7]

**462.79 TERMINATION OF EMERGENCY.** After the termination of the emergency as determined by the governing body of a municipality to exist pursuant to section 462.76, subdivision 1, or whenever in any municipality that has provided emergency housing the availability of adequate rental housing accommodations and other relevant factors are such, as determined by the governing body, as to make the continuation of emergency housing unnecessary for the purpose of eliminating speculative, unwarranted and abnormal increases in rents and of preventing profiteering and speculative and other disruptive practices relating from abnormal market conditions caused by congestion, and no later than one year after the termination of such emergency, unless the commission shall approve a postponement to a later time, emergency rental housing shall be offered for sale at the fair market value thereof and disposed of as rapidly as is consistent with sound business judgment. Every offer of sale shall be at a minimum price fixed by the governing body after a public hearing before the governing body, after ten days published notice. A municipality may sell housing to a veteran or veterans prior to the termination of the emergency. A municipality may grant to a veteran or veterans leasing housing an option to purchase said housing at the time when it is required to be offered for sale, or at an earlier date at the actual cost thereof, and may agree that the rentals paid by him or them, to the extent that they exceed his or their proportionate share of the cost of operating the development in which

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the residence is located, including insurance, interest on money borrowed, repairs and any payments in lieu of taxes, but not including an allowance for depreciation, or an amount equivalent to taxes, if such property were not tax exempt, from the date of such agreement until the option is exercised, shall be deemed payments on account of the purchase price. Any sale under sections 462.72 to 462.82 shall be by public auction and shall be sold to the highest bidder.

[1949 c 733 s 8]

**462.80 WAIVER OF BUILDING CODE.** Any municipality is authorized to waive any building code requirements in connection with emergency housing, with the approval of the city building inspector, if there be one.

[1949 c 733 s 9]

**462.81 NOT APPLICABLE TO LAWS 1947, CHAPTER 487.** Nothing contained in sections 462.72 to 462.82 shall be applicable to Laws 1947, Chapter 487, or any amendments thereto.

[1949 c 733 s 10]

**462.82 REPORT TO LEGISLATURE.** The governing body of any municipality which has undertaken or operates emergency housing as herein defined on or after September 16, 1940, and the effective date of Laws 1949, Chapter 733, shall prepare for the consideration of the next regular session of the Minnesota State Legislature a report concerning the operation of such emergency housing together with a proposed plan for the orderly disposition of such emergency housing at the earliest practical time.

[1949 c 733 s 11]