

Public Indebtedness, Borrowing

CHAPTER 475

PUBLIC INDEBTEDNESS

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475.01 [Repealed, 1949 c 682 s 26]

475.02 [Repealed, 1949 c 682 s 26]

475.04 [Superseded by 475.03]

475.05 [Repealed, 1947 c 296 s 6]

475.06 [Repealed, 1947 c 296 s 6]

475.08 [Superseded by 475.31]

475.09 [Repealed, 1947 c 296 s 6]

475.091 [Repealed, 1947 c 296 s 6]

475.10 [Repealed, 1947 c 296 s 6]

475.13 [Superseded]

475.15 [Repealed, 1949 c 682 s 26]

475.16 [Repealed, 1949 c 682 s 26]

475.17 [Repealed, 1949 c 682 s 26]

475.26 [Repealed, 1949 c 682 s 26]

475.29 [Repealed, 1949 c 682 s 26]

475.31 [Repealed, 1949 c 682 s 26]

475.35 [Repealed, 1949 c 682 s 26]

475.36 [Superseded]

475.37 [Superseded]

475.38 [Superseded]

475.39 [Repealed, 1949 c 682 s 26]

475.40 [Repealed, 1949 c 682 s 26]

475.42 [Repealed, 1949 c 682 s 26]

475.43 [Repealed, 1949 c 682 s 26]

475.51 **DEFINITIONS.** Subdivision 1. For the purposes of sections 475.51 to 475.75 the terms defined in this section shall have the meanings given them.

Subd. 2. "Municipality" means a city of any class, village, borough, county, town, or school district.

Subd. 3. "Obligation" means any promise to pay a stated amount of money at a fixed future date, regardless of the source of funds to be used for its payment.

Subd. 4. "Net debt" means the amount remaining after deducting from its gross debt the aggregate of the principal of the following:

(1) Obligations issued for improvements which are payable wholly or partly from the proceeds of special assessments levied upon property specially benefited thereby, including those which are general obligations of the municipality issuing them, if the municipality is entitled to reimbursement in whole or in part from the proceeds of the special assessments.

(2) Warrants or orders having no definite or fixed maturity.

(3) Obligations payable wholly from the income from revenue-producing conveniences.

(4) Obligations issued to create or maintain a permanent improvement revolving fund.

(5) Obligations issued for the acquisition, and betterment of public water-works systems, and public lighting, heating or power systems, and of any combination thereof or for any other public convenience from which a revenue is or may be derived.

(6) Amount of all money and the face value of all securities held as a sinking fund for the extinguishment of obligations other than those deductible under this subdivision.

(7) All other obligations which under the provisions of law authorizing their issuance are not to be included in computing the net debt of the municipality.

Subd. 5. "Assessed value" means the latest valuation for purposes of taxation, as finally equalized, of all property taxable within the municipality.

Subd. 6. "Sinking fund" means any fund or money held in the treasury of a municipality appropriated or set aside to pay the principal and interest, or either of them, or any of its obligations.

Subd. 7. "Acquisition" includes purchase, condemnation, construction, and acquisition of necessary land, easements, buildings, structures, machinery or equipment.

Subd. 8. "Betterment" includes reconstruction, extension, improvement, repair, remodeling, lighting, equipping, and furnishing.

Subd. 9. "Governing body" means the board, council, commission, or other body of the municipality charged with the general control of its financial affairs; provided, that where the charter or law under which a municipality is organized confers bond issuing power on a particular board or body, such board or body is the governing body under the provisions of sections 475.51 to 475.75.

Subd. 10. "General obligations" means any obligations which pledge the full faith and credit of the municipality to their payment.

[*R L s 778; 1943 c 656 s 30 subd 3; 1947 c 296 s 2; 1949 c 682 s 1; 1951 c 422 s 1*] (1936)

475.52 BOND ISSUES; PURPOSES. Subdivision 1. **Not under home rule charter.** Any city not governed by a home rule charter, any village, or any borough may issue bonds or other obligations for the acquisition or betterment of public buildings, means of garbage disposal, hospitals, schools, libraries, museums, art galleries, parks, playgrounds, stadia, sewers, sewage disposal plants, subways, streets, sidewalks; for any utility or other public convenience from which a revenue is or may be derived; for a permanent improvement revolving fund; for changing, controlling or bridging streams and other waterways; for the acquisition and betterment of bridges and roads within two miles of the corporate limits; and for acquisition of equipment for snow removal, street construction and maintenance, or fire fighting. Without limitation by the foregoing any such city, village, or borough may issue bonds to provide money for any authorized corporate purpose except current expenses.

Subd. 2. **Home rule charter cities.** Any city governed by a home rule charter may issue bonds for any purpose enumerated in subdivision 1 unless forbidden by its charter; and for other purposes as authorized by its charter.

Subd. 3. **Counties.** Any county may issue bonds for the acquisition or betterment of courthouses, jails, poor farms, morgues, and hospitals, for roads and bridges within the county or bordering thereon and for road equipment and machinery.

Subd. 4. **Towns.** Any town may issue bonds for the acquisition and betterment of town halls, town roads and bridges; and for acquisition of equipment for snow removal, road construction or maintenance, and fire fighting.

Subd. 5. **School districts.** Any school district may issue bonds for the acquisition or betterment of schoolhouses, gymnasiums, athletic fields stadia, teacherages, or school garages; and for acquisition of buses and equipment essential to the transportation of pupils. This section does not grant powers to any school district or board of education contrary to the provisions of a home rule charter.

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Subd. 6. Certain purposes. Any municipality may issue bonds for paying judgments against it; for refunding outstanding bonds; or for funding floating indebtedness.

[*R L s 784; 1907 c 297 s 1; 1909 c 261 s 1; 1921 c 209 s 2; 1939 c 223 s 1; 1945 c 126 s 1; 1947 c 296 s 4; 1949 c 682 s 2*] (1942)

475.53 LIMIT ON NET DEBT. Subdivision 1. **Generally.** Except as otherwise provided in sections 475.51 to 475.75, no municipality, except a school district or a city of the first class, shall incur or be subject to a net debt in excess of 20 percent of the assessed value.

Subd. 2. Special state aid. Any municipality, except school districts, receiving special state aid under the provisions of sections 276.15 to 276.18 may incur, by vote of a majority of the electors, an indebtedness not to exceed 40 percent of the assessed value.

Subd. 3. Cities first class. Unless its charter permits a greater net debt a city of the first class may not incur a net debt in excess of five percent of the full and true valuation of all taxable property therein. If the charter of the city permits a net debt of the city in excess of five percent of its valuation, it may not incur a net debt in excess of ten percent of the full and true valuation of the taxable property therein. In any event, unless the charter of the city or an existing law otherwise provides, in calculating the net debt each of the following obligations shall be deducted from its gross debt:

(1) Obligations issued for improvements which are payable wholly or partly from the proceeds of special assessments levied upon property specially benefited thereby, including those which are general obligations of the municipality issuing them, if the municipality is entitled to reimbursement in whole or in part from the proceeds of the special assessments.

(2) Warrants or orders having no definite or fixed maturity.

(3) Obligations payable wholly from the income from revenue-producing conveniences.

(4) Obligations issued to create or maintain a permanent improvement revolving fund.

(5) Obligations issued for the acquisition, and betterment of public waterworks systems, and public lighting, heating or power systems, and of any combination thereof or for any other public convenience from which a revenue is or may be derived.

(6) Amount of all money and the face value of all securities held as a sinking fund for the extinguishment of obligations other than those deductible under this subdivision.

(7) All other obligations which under the provisions of law authorizing their issuance are not to be included in computing the net debt of the municipality.

The county auditor, at the time of preparing the tax list of the city, shall compile a statement setting forth the total assessed value and the total full and true valuation of each class of taxable property in such city for such year.

Subd. 4. School districts. Except as otherwise provided in sections 475.51 to 475.75, no school district other than those covered by subdivision 5, shall be subject to a net debt in excess of the higher of the following limitations thereon; either (a) 50 percent of the last assessed value of all taxable property therein; or (b) 7½ percent of the correct full and true value of all taxable property therein as determined by the equalization aid review committee constituted by Minnesota Statutes, Section 128.082, Subdivision 1(b) as amended; provided however, in determining the assessed value of all taxable property all real estate used as a homestead shall be computed without regard to the reduction in rate provided by Minnesota Statutes, Section 273.13.

"Correct full and true value" as used in this subdivision means the market value of the taxable property of a school district as determined by the equalization aid review committee. The commissioner of taxation shall certify this value in appropriate form upon request of a school district.

Whenever the erection or construction of a building or structure is completed after the last preceding assessment, the value thereof, as determined pursuant to this subdivision, may be added to the correct full and true and to the assessed value of the school district in determining the limitations on net debt prescribed by this subdivision.

Any school board desiring to have the full and true and the assessed values of such property determined may by resolution request that this be done by the assessor

of the appropriate assessment district or, if such district does not employ a full-time assessor, by the county assessor or county supervisor of assessments. Upon receipt of a certified copy of such resolution such assessor or supervisor shall forthwith value any building or structure on taxable real estate which has been completed after the last preceding assessment and prior to the date of such resolution in the same manner as he would so value the same for tax purposes as of the next succeeding May 1. He shall thereupon estimate the increase in the full and true and in the assessed values which will result from the completion of such building or structure, as of the next succeeding May 1 and shall certify the estimate of the assessed value to the county auditor, and shall certify the estimate of the full and true value to the commissioner of taxation, who shall apply thereto the ratio theretofore determined by him to exist between the full and true value and the market value of property of the same class within the district, in order to ascertain the correct full and true value of such additional property. The amount of correct full and true value so ascertained shall be added to the correct full and true value of the school district as previously certified by the commissioner of taxation in order to determine the correct full and true value of such district for the purposes of this subdivision, and the amount of assessed value so determined shall be added to the assessed value of such district for purposes of this subdivision, but the provisions of this subdivision shall not render property taxable until it would otherwise become taxable.

Subd. 5. Certain independent school districts. No independent school district located wholly or partly within a city of the first class shall issue any obligations unless first authorized by a two-thirds vote of the governing body of such city. No such school district shall issue obligations running more than two years, whenever the aggregate of the outstanding obligations of the district equals or exceeds seven and one-half percent of the assessed value of the taxable property within the school district.

[1927 c 131 s 2; 1935 c 256; 1937 c 285 s 1; 1943 c 480 s 1; 1945 c 549 s 1; 1947 c 296 s 5; 1949 c 682 s 3; 1955 c 304 s 1; 1955 c 356 s 1; 1955 c 656 s 1; 1957 c 879 s 1] (1938-4)

475.533 NET INDEBTEDNESS, CERTAIN SCHOOL DISTRICTS. Any school district in which at least 25 percent in value of the taxable properties is exempt from local taxation, because taxes thereon are paid into the state treasury under provisions of the gross earnings tax laws, shall have authority to incur and be subject to a net indebtedness aggregating not more than 50 percent of the latest valuation for purposes of taxation, as finally equalized, of all property taxable within and by such district and 30 percent of the railroad property described in Minnesota Statutes, Section 128.22.

[1949 c 148 s 1; 1955 c 693 s 1]

475.54 SERIAL PAYMENTS; REDEMPTION PRIOR TO MATURITY. All obligations authorized under this chapter shall mature serially in annual or semi-annual installments. The first installment shall mature not later than three years from the date of the obligations and the last installment shall mature not more than 30 years from such date. No amount of principal of any obligations payable in any calendar year shall exceed five times the amount of the smallest amount payable in any preceding calendar year ending three years or more after date of issue. Any obligation may be issued reserving the right of redemption and payment thereof prior to maturity, at par and accrued interest or at such premium and at such time or times and upon such notice as shall be determined by the governing body. When any such obligation has been validly called for redemption and the principal thereof and all interest thereon to the date of redemption have been paid or deposited with the paying agent, interest thereon shall cease.

[1927 c 131 s 3; 1949 c 682 s 4; 1951 c 422 s 2; 1955 c 179 s 1] (1938-5)

475.55 OBLIGATIONS; EXECUTION, CONTENTS. All obligations shall be signed by the officers as authorized by resolution of the governing body and shall express the amount and the terms of payment. Interest thereon shall not exceed the rate of 6 percent per annum, payable half yearly. All obligations shall be negotiable instruments notwithstanding any limitation in the source of the funds for payment. The validity of every obligation so executed shall remain unimpaired by the fact that one or more of such officers shall have ceased to be in office before delivery to the purchaser or shall not have been in office on the formal date of the bonds. Such resolution may provide that one of the officers shall sign such bonds manually and that the other signatures may be printed, lithographed, stamped

or engraved thereon. Where the municipality has a seal such seal may be impressed on each bond or a facsimile thereof may be printed, lithographed or engraved on each bond as determined by the resolution of the governing body.

[*R L s 781; 1947 c 296 s 3; 1949 c 682 s 5; 1951 c 422 s 3*] (1939)

475.553 PAYING AGENT. The governing body may appoint as paying agent for an issue of obligations one or more national banks or banks incorporated under the laws of any state, and may direct the treasurer to remit funds for payment of both principal and interest to such paying agent although such paying agent has not complied with statutes relating to public depositories. It may also direct the county treasurer to remit any proceeds from assessments or taxes levied for payment of obligations directly to such paying agent. In such case, the county treasurer shall furnish a duplicate statement of each remittance to the treasurer of the municipality who shall enter the amount on his books.

[*1951 c 422 s 10; 1953 c 64 s 1*]

59 c 36 e 1 **475.56 INTEREST RATES.** Any municipality issuing obligations under any law may issue obligations bearing interest at a single rate or at rates varying from year to year in integral multiples of $\frac{1}{4}$ or $\frac{1}{10}$ of 1 percent which may be lower or higher in later years than in earlier years, as specified in the obligations but the highest rate contracted to be so paid shall not exceed the maximum rate authorized by the law. This section does not authorize a provision in any such obligations for the payment of a higher rate of interest after maturity than before.

[*1933 c 171; 1949 c 682 s 6*] (1938-2 $\frac{1}{2}$)

475.57 INITIATION OF PROCEEDINGS; RESOLUTION. Proceedings for issuing bonds under sections 475.51 to 475.75 shall be initiated by a resolution of the governing body of the municipality stating the amount proposed to be borrowed and the purpose for which the debt is to be incurred. Such resolution may provide for the submission of the question to vote of the electors. A town board may adopt such resolution without a statement for special town meeting being filed with the clerk.

[*1949 c 682 s 7*]

475.58 OBLIGATIONS, ELECTIONS TO DETERMINE ISSUE. Subdivision 1. **Approval by majority of electors; exceptions.** Obligations authorized by law or charter may be issued by any municipality upon obtaining the approval of a majority of the electors voting on the question of issuing the obligations, but an election shall not be required to authorize obligations issued:

- (1) to pay any unpaid judgment against the municipality;
- (2) for refunding obligations;
- (3) for an improvement, which obligation is payable wholly or partly from the proceeds of special assessments levied upon property specially benefited by the improvement, including obligations which are the general obligations of the municipality, if the municipality is entitled to reimbursement in whole or in part from the proceeds of special assessments levied upon such property;
- (4) payable wholly from the income of revenue-producing conveniences;
- (5) under the provisions of a home rule charter which permits the issuance of obligations of the municipality without election; and
- (6) under the provisions of a law which permits the issuance of obligations of a municipality without an election.

Subd. 2. Funding, refunding. Any village, town or school district whose outstanding gross debt exceeds 20 percent of its assessed value may issue bonds under this subdivision for the purpose of funding or refunding such indebtedness or any part thereof. A list of the items of indebtedness to be funded or refunded shall be made by the recording officer and treasurer and filed in the office of the recording officer. The initial resolution of the governing body shall refer to this subdivision as authority for the issue, state the amount of bonds to be issued and refer to the list of indebtedness to be funded or refunded. This resolution shall be published once each week for two successive weeks in a legal newspaper published in the municipality or if there be no such newspaper, in a legal newspaper published in the county seat. Such bonds may be issued without the submission of the question of their issue to the electors unless within ten days after the second publication of the resolution a petition requesting such election signed by ten or more

voters who are taxpayers of the municipality, shall be filed with the recording officer. In event such petition is filed, no bonds shall be issued hereunder unless authorized by a majority of the electors voting on the question.

[1927 c 131 s 4; 1949 c 682 s 8; 1951 c 422 s 4; 1955 c 298 s 1] (1938-6)

475.59 MANNER OF SUBMISSION; NOTICE. When the governing body of a municipality resolved to issue bonds for any purpose requiring the approval of the electors, it shall provide for submission of the proposition of their issuance at a general or special election or town or school district meeting. Notice of such election or meeting shall be given in the manner required by law and shall state the maximum amount and the purpose of the proposed issue. In any school district, the school board or board of education may, according to its judgment and discretion, submit as a single ballot question or as two or more separate questions in the notice of election and ballots the proposition of their issuance for any one or more of the following, stated conjunctively or in the alternative: acquisition or enlargement of sites, acquisition, betterment, erection, furnishing, equipping of one or more new schoolhouses, remodeling, repairing, improving, adding to, betterment, furnishing, equipping of one or more existing schoolhouses.

[1949 c 682 s 9; 1957 c 318 s 1]

475.60 SALE OF BONDS. Subdivision 1. **Advertisement.** All obligations shall be negotiated and sold by the governing body, except when authority therefor is delegated by the governing body or by the charter of the municipality to a board, department, or officers of the municipality. Obligations shall be sold at not less than par value plus accrued interest to date of delivery. Except as provided in subdivision 2 all obligations shall be sold at public sale after notice given at least ten days in advance by publication in a legal newspaper having general circulation in the municipality and ten days in advance by publication in a daily or weekly periodical, published in a Minnesota city of the first class, which circulates throughout the state and furnishes financial news as a part of its service.

Subd. 2. **Requirements waived.** The requirements as to public sale shall not apply to:

(1) Obligations issued under the provisions of a home rule charter or of a law specifically authorizing a different method of sale;

(2) Obligations payable wholly or partly from the proceeds of special assessments;

(3) Obligations payable wholly from the income of revenue-producing conveniences when such obligations do not exceed the total sum of \$50,000; and

(4) Obligations sold to any board, department, or agency of the United States of America or of the State of Minnesota, in accordance with rules or regulations promulgated by such board, department, or agency.

Subd. 3. **Published notice.** Published notice, where required, shall specify the principal amount and purpose of the obligations, the time and place of receipt and consideration of bids and such other details as to the obligations and terms of sale which the governing body deems suitable. Additional notice may be given for such time and in such manner as the governing body deems suitable. At the time and place so fixed, the bids shall be opened and the offer complying with the terms of sale and deemed most favorable shall be accepted, but the governing body may reject any and all such offers and award the bonds to a lower bidder or upon like notice it may invite other bids.

Subd. 4. **Public subscription.** In lieu of calling for bids, obligations may be sold on public subscription, after notice given in the manner required for public sale. Such notice of call for public subscription shall specify the interest rate and all terms of sale, including the date and place of delivery of the obligations.

Subd. 5. **Compliance mandatory.** No contract for the sale and delivery of obligations shall be enforceable unless made in accordance with this section.

Subd. 6. **Prohibitions and penalties.** Any officer of any municipality who shall enter into or approve any contract or agreement for the sale of obligations contrary to the provisions hereof or which lessens, restricts or tends to prevent competitive bidding shall be guilty of a misdemeanor.

[1949 c 682 s 10]

475.61 TAX LEVIES. Subdivision 1. The governing body of any municipality issuing general obligations shall, prior to delivery of the obligations, levy by resolution a direct general ad valorem tax upon all taxable property in the municipality to be spread upon the tax rolls for each year of the term of the obligations. The

tax levies for all years shall be specified and such that if collected in full they, together with estimated collections of special assessments and other revenues pledged for the payment of said obligations, will produce at least 5 percent in excess of the amount needed to meet when due the principal and interest payments on the obligations. Such resolution shall irrevocably appropriate the taxes so levied and any special assessments or other revenues so pledged to the municipality's sinking fund or a special sinking fund or account.

Subd. 2. The recording officer of the municipality shall file in the office of the county auditor of each county in which any part of the municipality is located a certified copy of the resolution, together with full information regarding the obligations for which the tax is levied. No further action by the municipality is required to authorize the extension, assessment and collection of the tax, but the municipality's liability on the obligations is not limited thereto and its governing body shall levy and cause to be extended, assessed and collected any additional taxes found necessary for full payment of the principal and interest. The county auditor shall forthwith certify to the municipality that he has entered the obligations in the register required by sections 475.51 to 475.75 and that the tax levy required by sections 475.51 to 475.75 has been made. The auditor shall annually assess and extend upon the tax rolls the amount specified for such year in the resolution, unless the amount has been reduced as authorized below or, if the municipality is located in more than one county, the portion thereof which bears the same ratio to the whole amount as the assessed value of taxable property in that part of the municipality located in his county bears to the assessed value of all taxable property in the municipality.

Subd. 3. Tax levies so made and filed shall be irrevocable, except that if the governing body in any year makes an irrevocable appropriation to the sinking fund of moneys actually on hand or if there is on hand any excess amount in the sinking fund, the recording officer may certify to the county auditor the fact and amount thereof and the auditor shall reduce by the amount so certified the amount otherwise to be included in the rolls next thereafter prepared.

Subd. 4. All such taxes shall be collected and remitted to the municipality by the county treasurer as other taxes are collected and remitted, and shall be used only for payment of the obligations on account of which levied or to repay advances from other funds used for such payments, except that any surplus remaining in the sinking fund when the obligations and interest thereon are paid may be appropriated to any other general purpose by the municipality.

[1949 c 682 s 11; 1951 c 422 s 5; 1955 c 811 s 8; 1957 c 187 s 1]

475.62 REGISTER. Each county auditor shall keep a register in which shall be entered, as to each issue of such obligations by any municipality located, in whole or in part, in the county, a record of the aggregate amount authorized, the aggregate amount issued, the purpose for which issued, the number, denomination, date, and maturity of each, the rate of interest, the time of payment, the place of payment of principal and interest, and the amount of tax levied for the payment thereof.

[1927 c 131 s 6; 1949 c 682 s 12] (1938-8)

475.63 CERTIFICATE AS TO REGISTRATION. Before any obligations shall be delivered to the purchaser, the municipality shall obtain and deliver to the purchaser a certificate of the county auditor that the issue has been entered on his register. If a tax levy is required by law, such certificate shall also recite that such tax has been levied as required by law.

[1927 c 131 s 7; 1949 c 682 s 13; 1951 c 422 s 6] (1938-9)

475.64 LEVY BY AUDITOR. In the event no method of levying a tax for the payment of the indebtedness of any municipality and the interest thereon is provided, or the municipal authorities fail to cause such levy to be made, the county auditor shall add to the other taxes charged upon the property taxable in the municipality an amount sufficient to meet such obligations when due, which additional levy shall be extended and collected with the other taxes of the year.

[R L s 787; 1949 c 682 s 14] (1945)

475.65 DELIVERY OF BONDS; USE OF PROCEEDS. Upon payment to the treasurer of the purchase price by the successful bidder, the obligations shall be delivered, and the treasurer shall hold the proceeds thereof as a separate fund for the use named in the resolution authorizing such obligations. The purchaser shall not be obligated to see to the application of the purchase price. If the con-

templated improvement be afterward abandoned, such fund may be devoted to any other public improvement authorized by law, and approved by vote taken in the manner required to authorize bonds for such new purpose. Any balance remaining after the improvement has been completed and paid for shall become a part of the sinking fund of the municipality.

[R L s 786; 1949 c 682 s 15] (1944)

475.66 SINKING FUND; SURPLUSES. There shall always be retained in any sinking fund sufficient cash to provide for the annual payments of principal and interest on the obligations for which the fund was created. Subject to the provisions of any resolutions of the governing body relating to the maintenance of reserves of cash or investments for the security of holders of such obligations, any surplus in any sinking fund above such amount may be invested under the direction of the governing body in any general obligation of the United States, the State of Minnesota or any of its municipalities, and may be used to purchase any obligation, whether general or special, of the issue for which the fund is created, at such price, which may include a premium, as shall be agreed to by the holder, or may be used to redeem any obligation of said issue prior to maturity in accordance with its terms. The obligations representing any such investment may be sold or hypothecated by the governing body at any time, but the money so received remains a part of such fund until used for the purpose for which the fund was created. Any obligation held in the sinking fund from which it is payable may be cancelled at any time when moneys in such fund are sufficient to pay all other obligations payable therefrom with interest to maturity or to their earliest redemption dates.

[1927 c 131 s 9; 1949 c 682 s 16; 1951 c 422 s 7; 1955 c 179 s 2] (1938-11)

475.67 REFUNDING BONDS; VALIDITY. Subdivision 1. No purchaser or owner of bonds or other obligations issued by a municipality for the purpose of refunding its outstanding obligations or floating indebtedness need inquire into the validity of the debts refunded by such bonds or other obligations. The determination by resolution of the governing body to issue the bonds or other obligations of the municipality for such purpose, as to such purchaser or owner, shall be conclusive evidence of the validity of the debts thereby refunded.

Subd. 2. As between the municipality and the owner or holder of any bond, warrant, or order so refunded, nothing in this section validates any invalid bond, warrant, or order.

[1921 c 185 s 1, 2; 1933 c 232 s 2; 1949 c 682 s 17] (1946-1, 1946-2)

475.68 JOINT LIABILITY OF TOWN AND VILLAGE. In the event a town and a village are jointly liable for the payment of any bonded indebtedness or in the event all the property within any town or village is liable to be taxed for the payment of any such indebtedness, any such town or village, at the time bonds mature, may pay that proportion of such indebtedness that the amount of the last assessment of property situate in the town or the village bears to the assessed valuation of both the town and the village. If either the town or the village deems such assessment to be inequitable, its governing body may demand, in writing, that the commissioner of taxation appoint a disinterested assessor, not a resident of either the town or the village, to make a reassessment of all the property situate in the town and the village. Thereupon the commissioner shall appoint such assessor. The reassessment so made governs in the division of such indebtedness. Any such town or village may issue bonds for the payment of the amount thereof for which it is liable.

[1909 c 254 s 1; 1949 c 682 s 18] (1953)

475.69 DEFACED BONDS; DUPLICATES. When any obligation of a municipality becomes unfit for circulation, it may be surrendered and canceled. Upon the authorization of the governing body, a duplicate of the obligation except as to signatures and a duplicate of any unpaid coupons, may be issued to the owners. These duplicates shall be marked "DUPLICATE" and the date of issue shown thereon. Such marking shall be signed by the treasurer then in office.

[R L s 791; 1949 c 682 s 19] (1970)

475.70 LOST INSTRUMENTS; INDEMNITY. If the owner of any obligation which is destroyed or lost, first gives a satisfactory surety bond to the municipality, in a sum double the amount of such obligation, conditioned to save it harmless in the premises, the governing body thereof may authorize the issuance of another to the owner in its place, corresponding with the missing obligation as to number, date, amount, and unpaid coupons. Such obligation shall be signed by the

proper officials who are then in office, and shall be marked and dated as provided in section 475.69. The treasurer shall keep a record of all reissues and duplicates showing the date of issue and the persons to whom issued.

[*R L s 792; 1949 c 682 s 20*] (1971)

475.71 REGISTRATION OF BONDS. If the purchaser or holder of negotiable bonds issued by a city shall so request, the governing body, by a resolution prescribing the method and terms of exchange, may authorize the proper officers to issue registered bonds in lieu thereof, in such denominations as may be desired. The governing body of any municipal corporation may, by a resolution prescribing the method and terms of registration, authorize the proper officer of such municipal corporation designated in such resolution to register as to the payment of principal only any negotiable bonds issued by such municipal corporation, such registration to be by endorsement on such bonds of a certificate of registration, which shall recite that the principal thereof will be payable only to such person as by such registration appears to be the owner thereof or his legal representatives, and such resolution shall provide for the keeping of a permanent record of bonds so registered.

[*R L s 782; 1923 c 313; 1949 c 682 s 21*] (1940)

475.72 VIOLATIONS AND PENALTIES. Any officer of any municipality who knowingly fails to comply with any provision of sections 475.52 to 475.55; 475.56 and 475.73 is guilty of a misdemeanor.

[*1927 c 131 s 10; 1949 c 682 s 22*] (1938-12)

475.73 STATE BOARD OF INVESTMENT. Subdivision 1. Obligations sold under the provisions of section 475.60 may be purchased by the State Board of Investment, upon the approval of the Attorney General as to form and execution of the application therefor, and under such rules and regulations as the board may specify, and the State Board of Investment shall have authority to purchase the same to an amount not exceeding 15 per cent of the assessed valuation of the taxable property of such municipality, according to the last preceding assessment. Such obligations shall not run for a shorter period than one year, nor for a longer period than 30 years and shall bear interest at a rate to be fixed by the State Board of Investment, but not less than two per cent per annum. Forthwith upon the delivery to the State of Minnesota of any obligations issued by virtue thereof, the State Auditor shall certify to the respective auditors of the various counties wherein are situated the municipalities issuing the same, the number, denomination, amount, rate of interest and date of maturity of each such obligation.

Subd. 2. The annual tax levy for the payment of principal and interest on account of such obligations shall be for an amount 50 per cent in excess of the sum to be paid therefrom. The state auditor, at the time of certifying the state tax, shall also certify to each county auditor the amount necessary to pay such principal and interest. When collected so much of such tax as may be necessary shall be paid into the state treasury. The excess remaining shall be held over in the county treasury to be applied on the next future payment due on such obligations, and the amount of such excess shall be reported by the county auditor to the state auditor on or before August first each year, who shall deduct the same from his next annual tax levy for such purpose. The remainder, when such bonds are paid in full, shall be credited to the general fund of the municipality; and, in case a portion of the territory embraced in such municipality at the time such obligations were issued, has since been set off to another municipality, such remainder shall be divided with such other municipality, using as a basis for such division the last assessed valuation of the territory affected by such obligations. Any such municipality which shall make payment to the state of the full amount of principal and interest due on account of such obligations prior to the extending of such tax therefor by the state auditor shall be exempt from the provisions of this section.

[*1949 c 682 s 23*]

475.74 PER CAPITA LIMITATION NOT APPLICABLE. The provisions of any law limiting taxes on a per capita basis or otherwise shall not limit the power of any city of the first or second class or any independent school district in any city of the first class, or any special school district in a city of the second class having a population of not less than 28,000 nor more than 32,000 according to the 1950 federal census, to levy taxes to pay its general obligation bonds nor shall such pro-

visions limit the power of any municipality to levy taxes to make good any deficiency in any prior levies made pursuant to section 475.61. The governing body shall levy such taxes without limitation as to rate or amount.

[1949 c 682 s 24; 1951 c 422 s 8; 1957 c 43 s 1; 1957 c 743 s 1]

475.75 EFFECTIVE DATE. Subdivision 1. Except as provided in subdivision 2, sections 475.51 to 475.75 shall be in full force and effect on and after July 1, 1949. Notwithstanding any amendment or repeal of existing laws by sections 475.51 to 475.75, any municipality which has theretofore commenced any proceedings for the authorization or issuance of bonds or other obligations may complete such proceedings either under such laws as in force prior to July 1, 1949, or under such laws as hereby amended, as determined by its governing body.

Subd. 2. The provisions of section 475.74 shall apply to bonds or other obligations issued pursuant to proceedings heretofore commenced.

[1949 c 682 s 25]

475.753 MUNICIPALITIES ARE SUBJECT TO CHAPTER 475. All municipalities are subject to the provisions of Minnesota Statutes, Chapter 475, in the issuance of obligations and may incur indebtedness to the extent of but not in excess of the debt limit in said chapter notwithstanding any home rule charter provision or charter law adopted prior to April 1, 1951. Nothing herein shall prevent the adoption after that date of additional debt limitations or restrictions. This section shall not be deemed to amend or otherwise affect or change Minnesota Statutes, Section 475.53, Subdivision 3.

[1951 c 422 s 9]