

MUNICIPAL INDUSTRIAL DEVELOPMENT ACT 474.03

Subd. 12. "Market value" of real property within a municipality means the "actual market value" of real property within the municipality, determined in the manner and with respect to the property described for school districts in section 475.53, subdivision 4, except that no adjustment shall be made for property on which taxes are paid into the state treasury under gross earnings tax laws applicable to common carrier railroads. For purposes of sections 473F.01 to 473F.13, the equalization aid review committee shall annually make determinations and reports with respect to each municipality which are comparable to those it makes for school districts under section 124.212, subdivision 10, in the same manner and at the same times as are prescribed by the subdivision. The auditor of each county and the commissioner of taxation shall annually determine and certify to the state auditor, for each municipality, information comparable to that required of each of them by section 475.53, subdivision 4, for school districts, as soon as practicable after it becomes available. The state auditor shall then compute the market value of property within each municipality.

[1973 c 35 s 82]

[For text of subds. 13 to 22, see M.S.1971]

CHAPTER 474. MUNICIPAL INDUSTRIAL DEVELOPMENT ACT

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474.02 Definitions

Subdivision 1. The term "project" as used in sections 474.01 to 474.13, unless a different meaning clearly appears from the context, means any properties, real or personal, used or useful in connection with a revenue producing enterprise, or any combination of two or more such enterprises engaged or to be engaged in generating, transmitting, or distributing electricity, assembling, fabricating, manufacturing, mixing, processing, storing, warehousing, or distributing any products of agriculture, forestry, mining, or manufacture, or in research and development activity in this field. The term "project" shall also include any properties, real or personal, used or useful in the abatement or control of noise, air or water pollution, or in the disposal of solid wastes, in connection with a revenue producing enterprise, or any combination of two or more such enterprises engaged or to be engaged in any business or industry.

[1973 c 31 s 1]

[For text of subds. 2 and 3, see M.S.1971]

474.03 Powers

Any municipality or redevelopment agency, in addition to the powers prescribed elsewhere by the laws of this state, shall have the power to:

(1) Acquire, construct, and hold any lands, buildings, easements, water and air rights, improvements to lands and buildings, and capital equipment to be located permanently or used exclusively on a designated site and solid waste disposal and pollution control equipment, regardless of where located, which are deemed necessary in connection with a project to be situated within the state, whether wholly or partially within or without the municipality or redevelopment agency, and construct, reconstruct, improve, better, and extend such project;

(2) Issue revenue bonds, in anticipation of the collection of revenues of such project, to finance, in whole or in part, the cost of the acquisition, construction, reconstruction, improvement, betterment, or extension thereof;

(3) Lease, or sell on an installment basis, projects to any person, firm, or public or private corporation or federal or state governmental subdivision or

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agency in such manner that rents or installment purchase payments to be charged for the use or purchase of such projects shall be fixed, and revised from time to time as necessary, so as to produce income and revenue sufficient to provide for the prompt payment of principal of and interest on all bonds issued hereunder when due, and the lease or installment sale agreement shall also provide that the lessee or vendee shall be required to pay all expenses of the operation and maintenance of the project including, but without limitation, adequate insurance thereon and insurance against all liability for injury to persons or property arising from the operation thereof, and all taxes and special assessments levied upon or with respect to the project and payable during the term of the lease or installment sale agreement, during which term a tax shall be imposed and collected pursuant to the provisions of section 272.01, subdivision 2, for the privilege of using and possessing the project, in the same amount and to the same extent as though the lessee or vendee were the owner of all real and personal property comprising the project;

(4) Pledge and assign to the holders of such bonds or a trustee therefor all or any part of the revenues of one or more projects owned or to be acquired by the municipality or redevelopment agency, and define and segregate such revenues or provide for the payment thereof to a trustee, whether or not such trustee is in possession of the project under a mortgage or otherwise;

(5) Mortgage or otherwise encumber such projects in favor of the holders of such bonds, or a trustee therefor, provided that in creating any such mortgages or encumbrances a municipality or redevelopment agency shall not have the power to obligate itself except with respect to the project;

(6) Make all contracts, execute all instruments, and do all things necessary or convenient in the exercise of the powers herein granted, or in the performance of its covenants or duties, or in order to secure the payment of its bonds; including, but without limitation, a contract entered into prior to the construction of the project authorizing the lessee or vendee, subject to such terms and conditions as the municipality or redevelopment agency shall find necessary or desirable and proper, to provide for the construction, acquisition, and installation of the buildings, improvements, and equipment to be included in the project by any means available to the lessee or vendee and in the manner determined by the lessee or vendee, and without advertisement for bids as may be required for the construction or acquisition of other municipal facilities;

(7) Enter into and perform such contracts and agreements with other municipalities, political subdivisions, and state agencies, authorities, and institutions as the respective governing bodies of the same may deem proper and feasible for or concerning the planning, construction, lease, purchase, or other acquisition, and the financing of such facilities, and the maintenance thereof, including an agreement whereby one municipality issues its revenue bonds in behalf of one or more other municipalities, which contracts and agreements may establish a board, commission, or such other body as may be deemed proper for the supervision and general management of the facilities of the project;

(8) Accept from any authorized agency of the federal government loans or grants for the planning, construction, acquisition, leasing, purchase, or other provision of any project, and enter into agreements with such agency respecting such loans or grants;

(9) Sell and convey all properties acquired in connection with such projects, including without limitation the sale and conveyance thereof subject to such mortgage as herein provided, and the sale and conveyance thereof under an option granted to the lessee of the project, for such price, and at such time as the governing body of the municipality or redevelopment agency may determine, provided, however, that no sale or conveyance of such properties shall ever be made in such manner as to impair the rights or interests of the holder, or holders, of any bonds issued under the authority of sections 474.01 to 474.13;

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(10) Issue revenue bonds to refund, in whole or in part, bonds previously issued by such municipality or redevelopment agency under authority of sections 474.01 to 474.13; and

(11) As lessor or vendor, re-enter the leased premises or repossess the project upon the default of the lessee or vendee, and operate, re-lease, or re-sell the project in such manner as may be authorized or required by the provisions of the lease or installment sale agreement or of the resolution or indenture securing the bonds issued for the project; provided that no municipality or redevelopment agency shall have power otherwise to operate any project referred to in sections 474.01 to 474.13 as a business or in any manner whatsoever, and nothing herein authorizes any municipality or redevelopment agency to expend any funds on any project herein described, other than the revenues of such projects, or the proceeds of revenue bonds and notes issued hereunder, or other funds granted to the municipality or redevelopment agency for the purposes herein contemplated.

[1973 c 314 s 2]

474.04 Authorization of projects and bonds

The acquisition, construction, reconstruction, improvement, betterment, or extension of any project, the execution of any lease, installment sale agreement, or mortgage thereof, and the issue of bonds in anticipation of the collection of the revenues of such project to provide funds to pay for the cost thereof, may be authorized by an ordinance or resolution of the governing body adopted at a regular or duly called special meeting thereof by the affirmative vote of a majority of its members. No election shall be required to authorize the use of any of the powers conferred by sections 474.01 to 474.13. No lease of any project shall be subject to the provisions of section 504.02, unless expressly so provided in the lease.

[1973 c 314 s 3]

474.06 Manner of issuance of bonds; interest rate

Bonds authorized under sections 474.01 to 474.13 shall be issued in accordance with the provisions of chapter 475 relating to bonds payable from income of revenue producing conveniences, except that public sale shall not be required, and the bonds may mature at any time or times within 30 years from date of issue and may be sold at a price equal to such percentage of the par value thereof, plus accrued interest, and bearing interest at such rate or rates, as may be agreed by the lessee or vendee, the purchaser, and the municipality or redevelopment agency, notwithstanding any limitation of interest rate or cost or of the amounts of annual maturities contained in any other law.

[1973 c 314 s 4]

474.09 Limitation of powers by resolution or ordinance

Any ordinance or resolution authorizing the issuance of bonds under sections 474.01 to 474.13 to finance, in whole or in part, the acquisition, construction, reconstruction, improvement, betterment, or extension of any project may contain covenants, notwithstanding that such covenants may limit the exercise of powers conferred by sections 474.01 to 474.13, as to:

(1) The rents or installment payments to be charged for the use or purchase of properties acquired, constructed, reconstructed, improved, bettered, or extended under the authority of sections 474.01 to 474.13;

(2) The use and disposition of the revenues of such projects;

(3) The creation and maintenance of sinking funds and the regulation, use, and disposition thereof;

(4) The creation and maintenance of funds to provide for maintaining the project and replacement of properties depreciated, damaged, destroyed, or condemned;

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- (5) The purpose, or purposes, to which the proceeds of sale of bonds may be applied and the use and disposition of such proceeds;
- (6) The nature of mortgages or other encumbrances on the project made in favor of the holder or holders of such bonds, or a trustee therefor;
- (7) The events of default and the rights and liabilities arising thereon and the terms and conditions upon which the holders of bonds may bring any suit or action on such bonds or on any coupons appurtenant thereto;
- (8) The issuance of other or additional bonds or instruments payable from or constituting a charge against the revenue of the project;
- (9) The insurance to be carried upon the project and the use and disposition of insurance moneys;
- (10) The keeping of books of account and the inspection and audit thereof;
- (11) The terms and conditions upon which any or all of the bonds shall become or may be declared due before maturity and the terms and conditions upon which such declaration and its consequences may be waived;
- (12) The rights, liabilities, powers, and duties arising upon the breach by the municipality or redevelopment agency of any covenants, conditions, or obligations;
- (13) The vesting in a trustee or trustees of the right to enforce any covenants made to secure or to pay the bonds; the powers and duties of such trustee or trustees, and the limitation of his or its liabilities;
- (14) The terms and conditions upon which the holder or holders of the bonds, or the holders of any proportion or percentage of them, may enforce any covenants made under sections 474.01 to 474.13 or any duties imposed thereby;
- (15) A procedure by which the terms of any ordinance or resolution authorizing bonds or of any other contract with bondholders, including, but not limited to, an indenture of trust or similar instrument, may be amended or abrogated, and the amount of bonds the holders of which must consent thereto, and the manner in which such consent may be given; and
- (16) The subordination of the security of any bonds issued hereunder and the payment of principal and interest thereof, to the extent deemed feasible and desirable by the governing body, to other bonds or obligations of the municipality or redevelopment agency issued to finance the project or that may be outstanding when the bonds thus subordinated are issued and delivered.

[1973 c 314 s 5]

PUBLIC INDEBTEDNESS, BORROWING

CHAPTER 475. PUBLIC INDEBTEDNESS, BORROWING

Sec. 475.67	Refunding bonds and other obligations; validity; procedure.	Sec. 475.754	Disasters or public emergencies, certificates of indebtedness [New].
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475.67 Refunding bonds and other obligations; validity; procedure

[For text of subds. 1 to 11, see M.S.1971]

Subd. 12. In the refunding of general obligations, for which the full faith and credit of the issuing municipality has been pledged, the following additional conditions shall be observed: No refunding obligations shall be issued and sold more than ten years before the date on which all general obligations of the issue to be refunded will have matured or are called for redemption in accordance with their terms. No refunding obligations shall be issued and sold more than six months before said date, unless the average annual net interest rate of the refunding obligations, computed to their stated maturity dates, is lower by at least one fourth of one percent