

## CHAPTER 471A

CAPITAL INTENSIVE PUBLIC SERVICES; PRIVATE  
SUPPLIERS

471A.03 Basic authorization and related powers.

**471A.03 BASIC AUTHORIZATION AND RELATED POWERS.**

*[For text of subd 1, see M.S.1986]*

Subd. 2. **Service contract.** Subject to the provisions of section 471A.08, a municipality may enter into a service contract for a term of not more than 30 years. However, the service contract may permit the municipality to either extend or renew the term of the service contract so long as the municipality is not bound under the service contract for an extended or renewal period of more than 30 years. Under the service contract the municipality may, under terms and conditions agreed to by the municipality and the private vendor:

(1) obligate itself to pay or cause to be paid a service fee for the availability and use of the capital intensive public services to be furnished under the service contract;

(2) enter into other agreements relating to the service to be provided and which the municipality considers appropriate that are not otherwise contrary to law; and

(3) either pledge its full faith and credit or obligate a specific source of payment for the payment of the service fee and the performance of other obligations under the service contract and the payment of damages for failure to perform the obligations.

The obligation of the municipality to pay the service fee and perform any other permitted obligations under the service contract are not considered a debt within the meaning of any statutory or charter limitation, and no election is required as a precondition to the municipality entering into any permitted obligation or undertaking a project under a service contract.

*[For text of subds 3 to 8, see M.S.1986]*

Subd. 9. **Use of bond proceeds.** The municipality may issue bonds and other obligations and apply their proceeds toward the payment of the costs of the related facilities in the same manner and subject to the same conditions and limitations that would apply if the related facilities were acquired, constructed, owned, and operated exclusively by the municipality and for these purposes, related facilities shall be considered to be a project within the meaning of section 469.153, subdivision 2, paragraph (b).

*[For text of subds 10 to 12, see M.S.1986]*

**History:** 1987 c 291 s 226; 1987 c 384 art 1 s 43