

## CHAPTER 471

RIGHTS, POWERS, DUTIES; SEVERAL POLITICAL  
SUBDIVISIONS

471.191	Acquisition of facilities.	471.58	Range association of municipalities and schools; membership.
471.1921	Cities and towns; playgrounds and recreation; tax levy.	471.616	Repealed.
471.193	Municipal heritage preservation.	471.6161	Group insurance; governmental units.
471.24	Statutory cities and towns may join in maintaining cemeteries.	471.69	Limitation of tax levies; statement.
471.345	Uniform municipal contracting law.	471.699	Enforcement of reporting requirements.
471.38	Claims.	471.72	Application; purpose.
471.56	Municipal funds.	471.73	Acceptance of provisions.
471.562	Definitions.	471.941	Appropriation for artistic activities.
471.563	Uses of loan repayments.	471.981	Self-insurance coverage by political subdivision.
471.571	Permanent improvement fund, certain cities.	471.997	Human rights act, evidence.

**471.191 ACQUISITION OF FACILITIES.**

*[For text of subd 1, see M.S.1988]*

Subd. 2. Any such city may issue bonds pursuant to chapter 475, for the acquisition and betterment of land, buildings, and facilities for the purpose of carrying out the powers granted by this section. Such bonds, unless authorized as general obligations of the issuer pursuant to approval of the electors or pursuant to another law or charter provision permitting such issuance without an election, shall be payable solely from the income of land, buildings, and facilities used or useful for the operation of the program, but may be secured by a pledge to the bondholders, or to a trustee, of all income and revenues of whatsoever nature derived from any such land, buildings, and facilities, as a first charge on the gross revenues thereof to the extent necessary to pay the bonds and interest thereon when due and to accumulate and maintain an additional reserve for that purpose in an amount equal to the total amount of payments to become due in any fiscal year. In this event the governing body of the issuer may by resolution or trust indenture define the land, buildings, or facilities, the revenues of which are pledged, and establish covenants and agreements to be made by the issuer for the security of the bonds, including a covenant that the issuer will establish, maintain, revise when necessary, and collect charges for all services, products, use, and occupancy of the land, buildings, and facilities, in the amounts and at the times required to produce the revenues pledged, and also sufficient, with any other funds appropriated by the governing body from time to time, to provide adequately for the operation and maintenance of the land, buildings, and facilities. After the issuance of any bonds for which revenues are so pledged, the governing body of the issuer shall provide in its budget each year for any anticipated deficiency in the revenues available for such operation and maintenance. For this purpose any issuer other than a city of the first class may levy a tax of not more than 0.01612 percent of taxable market value, in excess of taxes which may otherwise be levied within legal and charter limitations, provided the excess levy is approved by a majority of its electors voting on the question at a regular or special election. The authority to levy additional taxes granted herein shall not apply to cities or towns in which the net tax capacity consists in part of iron ore or lands containing taconite or semitaconite.

*[For text of subds 3 to 5, see M.S.1988]*

**History:** 1989 c 277 art 4 s 68; 1989 c 329 art 13 s 20

**471.1921 CITIES AND TOWNS; PLAYGROUNDS AND RECREATION; TAX  
LEVY.**

Whenever any city or town in which the net tax capacity consists in part of iron

ore or lands containing taconite or semitaconite operates a program of public recreation and playgrounds or other recreational facilities and expends funds for the operation of the program pursuant to sections 471.15 to 471.19, in addition to funds otherwise provided therefor, the governing body of the city or town may levy a tax in excess of any charter or statutory limitation, except the limitation imposed in sections 275.50 to 275.58, for the support of this program of public recreation and playgrounds as follows:

- (1) in cities the council or governing body may levy a tax not exceeding the lesser of (i) 0.00537 percent of taxable market value; (ii) \$3 per capita; or (iii) \$15,000; and
- (2) in towns the governing body may levy a tax not exceeding the lesser of (i) 0.00537 percent of taxable market value; or (ii) \$10,000.

**History:** 1989 c 277 art 4 s 69; 1989 c 329 art 13 s 20

## 471.193 MUNICIPAL HERITAGE PRESERVATION.

*[For text of subd 1, see M.S.1988]*

**Subd. 2. Heritage preservation commissions.** The governing body of a statutory or home rule charter city, county, or town may establish a heritage preservation commission to preserve and promote its historic resources according to this section.

*[For text of subds 3 to 6, see M.S.1988]*

**History:** 1989 c 9 s 2

## 471.24 STATUTORY CITIES AND TOWNS MAY JOIN IN MAINTAINING CEMETERIES.

Where a statutory city or town owns and maintains an established cemetery or burial ground, either within or without the municipal limits, the statutory city or town may, by mutual agreement with contiguous statutory cities and towns, each having a net tax capacity of not less than \$500,000, join together in the maintenance of such public cemetery or burial ground for the use of the inhabitants of each of such municipalities; and each such municipality is hereby authorized, by action of its council or governing body, to levy a tax or make an appropriation for the support and maintenance of such cemetery or burial ground; provided, the amount thus levied or appropriated by each municipality shall not exceed a total of \$10,000 in any one year.

**History:** 1989 c 329 art 13 s 20

## 471.345 UNIFORM MUNICIPAL CONTRACTING LAW.

*[For text of subds 1 to 5, see M.S.1988]*

**Subd. 5a. County or town rental contracts.** If the amount of a county or town contract for the rental of equipment is estimated to be \$60,000 or less, the contract may, in the discretion of the county or town board, be made by direct negotiation by obtaining two or more quotations for the rental when possible and without advertising for bids or otherwise complying with the requirements of competitive bidding. All quotations shall be kept on file for a period of at least one year after their receipt.

*[For text of subds 6 and 7, see M.S.1988]*

**Subd. 8. Procurement from economically disadvantaged persons.** For purposes of this subdivision, the following terms shall have the meanings herein ascribed to them:

(a) "Economically disadvantaged small business" has the meaning given it in section 645.445.

(b) "Business entity" means an entity organized for profit, including an individual, partnership, corporation, joint venture, association, or cooperative.

Nothing in this section shall be construed to prohibit any municipality from

# MINNESOTA STATUTES 1989 SUPPLEMENT

145

RIGHTS, POWERS, DUTIES; SEVERAL POLITICAL SUBDIVISIONS 471.56

adopting a resolution, rule, regulation, or ordinance which on an annual basis designates and sets aside for awarding to economically disadvantaged small businesses a percentage of the value of its anticipated total procurement of goods and services, including construction, and which uses either a negotiated price or bid contract procedure in the awarding of a procurement contract under a set-aside program as allowed in this subdivision, provided that any award based on a negotiated price shall not exceed by more than five percent the municipality's estimated price for the goods and services if they were purchased on the open market and not under the set-aside program.

*[For text of subds 9 to 12, see M.S.1988]*

**History:** 1989 c 9 s 3; 1989 c 352 s 19

**NOTE:** The amendments to subdivision 8, by Laws 1989, chapter 352, section 19, are repealed June 30, 1990. See Laws 1989, chapter 352, section 25, clause (e).

## 471.38 CLAIMS.

*[For text of subds 1 and 2, see M.S.1988]*

Subd. 3. **Electronic funds transfer.** Electronic funds transfer is the process of value exchange via mechanical means without the use of checks, drafts, or similar negotiable instruments. A school district may make an electronic funds transfer for the following:

- (1) for a claim for a payment from an imprest payroll bank account or investment of excess money;
- (2) for a payment of tax or aid anticipation certificates;
- (3) for a payment of contributions to pension or retirement fund;
- (4) for vendor payments; and
- (5) for payment of bond principal, bond interest and a fiscal agent service charge from the debt redemption fund.

Subd. 3a. **School district eligibility.** The authorization in subdivision 3 extends only to a school district that has enacted all of the following policy controls:

- (a) The school board shall annually delegate the authority to make electronic funds transfers to a designated business administrator;
- (b) The dispersing bank shall keep on file a certified copy of the delegation of authority;
- (c) The initiator of the electronic transfer shall be identified;
- (d) The initiator shall document the request and obtain an approval from the designated business administrator before initiating the transfer;
- (e) A written confirmation of the transaction shall be made no later than one business day after the transaction and shall be used in lieu of a check, order check or warrant required to support the transaction;
- (f) A list of all transactions made by electronic funds transfer shall be submitted to the school board at its next regular meeting after the transaction.

**History:** 1989 c 329 art 9 s 29

## 471.56 MUNICIPAL FUNDS.

*[For text of subds 1 to 4, see M.S.1988]*

Subd. 5. In addition to other authority granted by this section, a county containing a city of the first class, a statutory or home rule charter city of the first or second class, and a metropolitan agency, as defined in section 473.121, may:

- (1) sell futures contracts but only with respect to securities owned by it, including securities which are the subject of reverse repurchase agreements under section 475.76 which expire at or before the due date of the futures contract; and

# MINNESOTA STATUTES 1989 SUPPLEMENT

(2) enter into option agreements to buy or sell securities described in section 475.66, subdivision 3, clause (a), but only with respect to securities owned by it, including securities which are the subject of reverse repurchase agreements under section 475.76 which expire at or before the due date of the option agreement.

**History:** 1989 c 355 s 11

## 471.562 DEFINITIONS.

*[For text of subds 1 to 3, see M.S.1988]*

Subd. 4. **Project.** "Project" means an industrial development district as defined in section 469.058, subdivision 1; a project as defined in section 469.002, subdivision 12; a development district as defined in sections 469.124 to 469.134 or any special law; or a project as defined in section 469.153, subdivision 2.

**History:** 1989 c 209 art 2 s 44

## 471.563 USES OF LOAN REPAYMENTS.

Subject to any restrictions imposed on their use by any related federal or state grant, economic development loan repayments and the proceeds of any bonds issued pursuant to section 471.564 may be applied by a municipality to any of the following purposes:

- (1) to finance or otherwise pay the costs of a project;
- (2) to pay principal and interest on any bonds issued pursuant to section 469.178, with respect to a project, certification of which is requested before August 1, 1987, or pursuant to chapter 474, 458, 462, or section 471.564, to purchase insurance or other credit enhancement for any of those obligations or to create or maintain reserves therefor; or
- (3) for any other purpose authorized by law.

If economic development loan repayments are used to pay principal or interest on any such obligations, the municipality may be reimbursed for the amount so applied with interest not exceeding the rate of interest on the obligations from subsequent collections of taxes or other revenues that had been designated as the primary source of payment of the obligations.

**History:** 1989 c 209 art 2 s 45

## 471.571 PERMANENT IMPROVEMENT FUND, CERTAIN CITIES.

Subdivision 1. **Application.** This section applies to each city in which the net tax capacity of real and personal property consists in part of iron ore or lands containing taconite or semitaconite and in which the total taxable market value of real and personal property exceeds \$2,500,000.

Subd. 2. **Creation of fund, tax levy.** The governing body of the city may create a permanent improvement and replacement fund to be maintained by an annual tax levy. The governing body may levy a tax in excess of any charter limitation and in excess of the per capita limitation imposed under section 275.11 for the support of the permanent improvement and replacement fund, but not exceeding the following:

- (a) In cities having a population of not more than 500 inhabitants, the lesser of \$20 per capita or 0.08059 percent of taxable market value;
- (b) In cities having a population of more than 500 and less than 2500, the greater of \$12.50 per capita or \$10,000 but not exceeding 0.08059 percent of taxable market value;
- (c) In cities having a population of more than 2500 inhabitants, the greater of \$10 per capita or \$31,500 but not exceeding 0.08059 percent of taxable market value.

*[For text of subds 3 to 5, see M.S.1988]*

**History:** 1989 c 277 art 4 s 70,71; 1989 c 329 art 13 s 20

**471.58 RANGE ASSOCIATION OF MUNICIPALITIES AND SCHOOLS; MEMBERSHIP.**

For the purpose of providing an areawide approach to problems which demand coordinated and cooperative actions and which are common to those areas of northeast Minnesota affected by operations involved in mining iron ore and taconite and producing concentrate therefrom, and for the purpose of promoting the general welfare and economic development of the cities, towns and school districts within the iron ranges area of northeast Minnesota, any city, town or school district in which the net tax capacity consists in part of iron ore, or lands containing taconite or semitaconite or which is located in whole or part in the tax relief area defined by section 273.134, may pay annual dues in the range association of municipalities and schools. The association may sue, be sued, intervene and act in a civil action in which the outcome of the action will have an effect upon the interest of any of its members.

**History:** 1989 c 329 art 13 s 20

**471.616** [Repealed, 1989 c 90 s 3]

**471.6161 GROUP INSURANCE; GOVERNMENTAL UNITS.**

Subdivision 1. **Group insurance coverage.** "Group insurance coverage" means benefit coverage provided to a group through a carrier authorized under chapters 61A, 62A, 62C, and 62D to do business in the state.

Subd. 2. **Request for proposal.** Every political subdivision authorized by law to purchase group insurance for its employees and providing or intending to provide group insurance coverage and benefits for 25 or more of its employees shall request proposals from and enter into contracts with carriers that in the judgment of the political subdivision are best qualified to provide coverage. The request for proposals shall be in writing and at a minimum shall include: coverage to be provided, criteria for evaluation of carrier proposals, and the aggregate claims records for the appropriate period. A political subdivision may exclude from consideration proposals requiring self-insurance. Public notice of the request for proposals must be provided in a newspaper or trade journal at least 21 days before the final date for submitting proposals.

Subd. 3. **Selection of carrier.** The political subdivision shall make benefit and cost comparisons and evaluate the proposals using the written criteria. The political subdivision may negotiate with the carrier on benefits, premiums, and other contract terms. Carriers applying must provide the political subdivision with aggregate claims records for the appropriate period. The political subdivision must prepare a written rationale for its decision before entering into a contract with a carrier.

Subd. 4. **Contract length; negotiation.** Group insurance contracts may not exceed five years in length, including all extensions. The political subdivision shall request proposals for coverage at least once every 60 months. Employees may be added to an existing group pursuant to a joint powers agreement under section 471.59.

Subd. 5. **Collective bargaining.** The aggregate value of benefits provided by a group insurance contract for employees covered by a collective agreement shall not be reduced, unless the public employer and exclusive representative of the employees of an appropriate bargaining unit, certified under section 179A.12, agree to a reduction in benefits.

Subd. 6. **Filing of contract.** Every political subdivision contracting for and providing group insurance coverage as provided in this section shall file with the clerk or other comparable officer of the subdivision a copy of the group insurance contract and make the copy available for public inspection.

Subd. 7. **Temporary exemption.** Political subdivisions currently providing group insurance coverage and benefits through a contract awarded by a competitive bid process under section 471.616 are exempt from the requirements of this section for the period during which the existing contract remains in force. Upon expiration of the

# MINNESOTA STATUTES 1989 SUPPLEMENT

existing contract, a political subdivision must adhere to the request for proposal process outlined in this section.

**History:** 1989 c 90 s 2

## **471.69 LIMITATION OF TAX LEVIES; STATEMENT.**

No school district, county, statutory city, or town shall contract any debt or issue any warrant or order in any calendar year in anticipation of the collection of taxes levied or to be levied for that year in excess of the average amount actually received in tax collections on the levy for the three previous calendar years plus ten percent thereof, and an average of other income excluding gifts received by the school district for the past three years. This section shall not apply to any school district, county, statutory city, or town, wherein the mineral net tax capacity, exceeds 25 percent of the net tax capacity of real property in such taxing district. This section shall not apply to any school district in a city of the first class which constitutes one single school district.

As soon as practicable after the beginning of each calendar year, the clerk or other recording officer of any municipality described in this section shall present to the governing body of the municipality a statement of tax collections and other income excluding gifts credited to each fund of the municipality during each of the three previous fiscal years and the yearly average thereof. The auditor of the county shall be required to furnish information as appears in the office records to the clerk upon request.

**History:** 1989 c 329 art 13 s 20

## **471.699 ENFORCEMENT OF REPORTING REQUIREMENTS.**

Failure of a city to timely file a statement or report under section 471.697 or 471.698 shall, in addition to any other penalties provided by law, authorize the state auditor to send full-time personnel to the city or to contract with private persons, firms, or corporations pursuant to section 6.58, in order to complete and file the financial statement or report. The expenses related to the completion and filing of the financial statement or report shall be charged to the city. Upon failure by the city to pay the charge within 30 days of billing, the state auditor shall so certify to the commissioner of finance who shall forward the amount certified to the general fund and deduct the amount from any state funds due to the city under any shared taxes or aids. The state auditor's annual report on cities shall include a listing of all cities failing to file a statement or report.

**History:** 1989 c 335 art 4 s 89

## **471.72 APPLICATION; PURPOSE.**

Sections 471.71 to 471.83 apply to all cities, statutory cities, towns, and school districts in which more than 50 percent of the net tax capacity of taxable real and personal property, excluding money and credits, consists of unmined iron ore. Their purpose is to secure sound fiscal policies in, and remedy the financial condition of, municipalities, a large proportion of the property of which consists of a diminishing natural resource in which the state has a substantial interest.

**History:** 1989 c 329 art 13 s 20

## **471.73 ACCEPTANCE OF PROVISIONS.**

In the case of any city within the class specified in 471.72 having a net tax capacity, as defined in section 471.72, in excess of \$9,000,000; and in the case of any statutory city within such class having a net tax capacity, as defined in section 471.72, of less than \$1,100,000; and in the case of any statutory city within such class which is governed by Laws 1933, chapter 211, or Laws 1937, chapter 356; and in the case of any statutory city within such class which is governed by Laws 1929, chapter 208, and has a net tax capacity of less than \$20,000,000; and in the case of any school district within such class

# MINNESOTA STATUTES 1989 SUPPLEMENT

149

RIGHTS, POWERS, DUTIES; SEVERAL POLITICAL SUBDIVISIONS 471.997

having a net tax capacity, as defined in section 471.72, of more than \$13,000,000; and in the case of all towns within said class; sections 471.71 to 471.83 apply only if the governing body of the city or statutory city, the board of the school district, or the town board of the town shall have adopted a resolution determining to issue bonds under the provisions of sections 471.71 to 471.83 or to go upon a cash basis in accordance with the provisions thereof.

**History:** 1989 c 329 art 13 s 20

## **471.941 APPROPRIATION FOR ARTISTIC ACTIVITIES.**

For the purposes of this section, "artistic organization" means an association, corporation, or other group of persons that provides an opportunity for persons to participate in the creation, performance, or appreciation of artistic activities which include but are not limited to: music, dance, drama, folk art, architecture and allied fields, painting, sculpture, photography, graphic and craft arts, costume and fashion design, motion pictures, television, radio, tape and sound records, activities related to the presentation, performance, execution, and exhibition of the art forms, and the study of the arts and their application to the human environment.

A county, statutory or home rule charter city, or town may appropriate money to support artistic organizations. The appropriation may be divided among organizations in the proportions that the county board, city council, or town board determines.

**History:** 1989 c 39 s 1

## **471.981 SELF-INSURANCE COVERAGE BY POLITICAL SUBDIVISION.**

*[For text of subds 1 to 5, see M.S.1988]*

Subd. 6. **Risk retention groups.** A political subdivision or pool may purchase environmental protection coverage from a risk retention group operating under United States Code, title 15, sections 3901 to 3906, and may purchase nonassessable stock of the group if stock ownership is a prerequisite for participation.

**History:** 1989 c 185 s 1

## **471.997 HUMAN RIGHTS ACT, EVIDENCE.**

The commissioner of human rights or any state court may use as evidence the results of any job evaluation system established under section 471.994 and the reports compiled under section 471.995 in any proceeding or action alleging discrimination.

**History:** 1989 c 223 s 2