

## CHAPTER 50

### SAVINGS BANKS

50.14 Authorized securities.

#### 50.14 AUTHORIZED SECURITIES.

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

Subd. 4. Class three shall be:

(a) The bonds, certificates of indebtedness, or other interest bearing obligations, payable out of a levy of ad valorem taxes, of any county, city, town, or any school district, drainage district, or other district, or of any board of any municipality, or of any public authority, created pursuant to law for public purposes in Minnesota, without regard to any debt limits other than those in section 475.53;

(b) The bonds, certificates of indebtedness or other interest bearing obligations, payable out of a levy of ad valorem taxes, of any county, city, town, or school, drainage or other district, or public authority, created pursuant to law for public purposes in any state of the United States other than Minnesota, provided that the total bonded indebtedness of the county, municipality, district or authority, after deducting the amount of all sinking funds and of all revenue bonds or certificates (including among revenue bonds and certificates those which pledge the full faith and credit of the issuer, if the net revenues applicable to the payment of the bonds or certificates during the three fiscal years immediately preceding the date of purchase exceeded by at least five percent the amount required to pay principal and interest on those bonds or certificates during that period), shall not exceed ten percent of its net tax capacity; and provided further that if the county, municipality, district or authority is of any state other than Iowa, Wisconsin, North Dakota, or South Dakota, it contains at least 3,500 inhabitants;

(c) The bonds, certificates or other interest bearing obligations, payable out of special revenues, of any county, city, town, or school, drainage, or other district, or public authority, created pursuant to law for public purposes in any state of the United States, provided that:

(aa) If the county, municipality, district or authority is of any state other than Minnesota, it contains at least 3,500 inhabitants;

(bb) The obligations were issued to finance the purpose of construction of or addition to a public enterprise furnishing water, sewer, lighting, power, gas, or road facilities, from which revenue is to be derived;

(cc) The governing body or other legally constituted authority has covenanted or is required by law to establish and maintain rates to yield sufficient revenue for the payment of operating expenses, maintenance expenses, and principal and interest on the revenue obligations and to pledge that revenue irrevocably for those purposes;

(dd) At the date of investment the public enterprise has been in operation for at least three years; and

(ee) During the preceding three fiscal years its annual net earnings, after payment of operating expenses and maintenance expenses, have been on the average at least 1-1/4 times the average annual interest, principal and sinking fund requirements on the revenue obligations during the period from the end of its most recent fiscal year to the final maturity of the obligations; and

(d) The bonds or other interest bearing obligations, payable from revenues other than ad valorem taxes as contemplated in clause (a), validly issued by any state or insular possession of the United States, or by any agency, instrumentality, municipality, or governmental or public subdivision, district, corporation, commission, board, council, or authority of whatsoever kind, created for public purposes by or pursuant to the laws of any state, provided that the bonds or other interest bearing obligations

are at the time of purchase rated among the highest three quality categories, not applicable to bonds or other interest bearing obligations in default as to principal, used by a nationally recognized rating agency for rating the quality of similar bonds or other interest bearing obligations, and are not rated lower by any other such agency.

*[For text of subds 5 to 18, see M.S.1988]*

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