447.345 TEMPORARY BORROWING AUTHORITY.

Subdivision 1. **Certificates of indebtedness.** A hospital district located wholly outside the seven-county metropolitan area and created or reorganized under sections 447.31 to 447.37 may borrow money by issuing certificates of indebtedness in anticipation of taxes previously levied, revenues, and federal aids. Total indebtedness for the certificates must not exceed $50,000. The proceeds must be used for expenses of administration, operation, and maintenance of the district's hospital and nursing home facilities.

Subd. 2. **Resolution.** The district may authorize and borrow and issue the certificates of indebtedness on passage of a resolution specifying the amount and reasons for borrowing. The resolution must be adopted by a vote of at least two-thirds of its board members. The board shall fix the amount, date, maturity, form, denomination, and other details of the certificates and the date and place for receipt of bids for their purchase. The board shall direct the clerk to give notice of the date and place fixed.

Subd. 3. **Terms of certificates.** Certificates must become due and payable no later than two years from the date of issuance. Certificates must be negotiable and payable to the order of the payee and have a definite due date but may be payable on or before the due date. Certificates must be sold for at least par and accrued interest and must bear interest at not more than eight percent a year. Interest must be payable at maturity or earlier as the board determines. The proceeds of the current tax levies and revenues derived from the facilities of the district and future federal aids and any other district funds that become available must be applied to the extent necessary to repay the certificates. The full faith and credit of the hospital district must be pledged for their payment.

History: *1971 c 103 s 1; 1987 c 229 art 10 s 1*