453.55 BONDS AND NOTES FOR ANY CORPORATE PURPOSE.

Subdivision 1. **In necessary amounts.** A municipal power agency may from time to time issue its bonds or notes in such principal amounts as the municipal power agency shall deem necessary to provide sufficient funds to carry out any of its corporate purposes and powers, including but not limited to the acquisition or construction of any project to be owned or leased, as lessor or lessee, by the municipal power agency, or the acquisition of any interest therein or any right to capacity thereof, the funding or refunding of the principal of, or interest or redemption premiums on, any bonds or notes issued by it whether or not such bonds or notes or interest to be funded or refunded have or have not become due, the establishment or increase of reserves to secure or to pay such bonds or notes or interest thereon, and the payment of all other costs or expenses of the municipal power agency incident to and necessary or convenient to carry out its corporate purposes and powers.

Subd. 2. **How payable; pledge.** Except as may be otherwise expressly provided by sections 453.51 to 453.62 or by the municipal power agency, every issue of bonds or notes of the agency shall be payable out of any revenues or funds of the agency, subject only to any agreements with the holders of particular bonds or notes pledging any particular revenues or funds. A municipal power agency may issue such types of bonds or notes as it may determine, including bonds or notes as to which the principal and interest are payable exclusively from the revenues from one or more projects, or from an interest therein or a right to capacity thereof, or from one or more revenue producing contracts made by the municipal power agency with any person, or from its revenues generally. Any such bonds or notes may be additionally secured by a pledge of any grant, subsidy, or contribution from any public agency or other person, or a pledge of any income or revenues, funds, or moneys of the municipal power agency from any source whatsoever.

Subd. 3. **Negotiable.** All bonds and notes of a municipal power agency shall be negotiable within the meaning and for all the purposes of the Uniform Commercial Code, subject only to any registration requirement.

Subd. 4. **Formalities.** Bonds or notes of a municipal power agency shall be authorized by resolution of its board of directors and may be issued under such resolution or under a trust indenture or other security agreement, in one or more series, and shall bear such date or dates, mature at such time or times, bear interest at such rate or rates, be in such denominations, be in such form, either coupon or registered, carry such conversion, registration, and exchange privileges, have such rank or priority, be executed in such manner, be payable in such medium of payment at such place or places within or outside the state, be subject to such terms of redemption with or without premium, and contain or be subject to such other terms as the resolution, trust indenture, or other security agreement may provide, and shall not be restricted by the provisions of any other law limiting the amounts, maturities, interest rates, or other terms of obligations of public agencies or private persons.

Subd. 5. **Issued, delivered.** Any bonds or notes may be issued and delivered, notwithstanding that one or more of the officers executing them shall have ceased to hold office at the time when the bonds or notes are actually delivered.

Subd. 6. **Temporary bonds.** Pending preparation of definitive bonds, a municipal power agency may issue temporary bonds which shall be exchanged for the definitive bonds.

Subd. 7. **Public or private sale, price.** Bonds or notes of a municipal power agency may be sold at public or private sale for such price or prices and in such manner as the agency determines.

Subd. 8. **Without state consent, other event.** Bonds or notes of a municipal power agency may be issued under the provisions of sections 453.51 to 453.62, and rents, rates, and charges may be established

pursuant to section 453.57 and pledged for the security of bonds or notes and interest and redemption premiums thereon, without obtaining the consent of any department, division, commission, board, bureau, or agency of the state of Minnesota and without any other proceeding or the happening of any other condition or occurrence except as specifically required by sections 453.51 to 453.62.

Subd. 9. **Contract with holders; terms.** The resolution, trust indenture, or other security agreement under which any bonds or notes are issued shall constitute a contract with the holders of the bonds or notes, and may contain provisions, among others, prescribing:

(1) the terms and provisions of the bonds or notes;

(2) the mortgage or pledge of and the grant of a security interest in any real or personal property and all or any part of the revenue from any project or any revenue producing contract made by the municipal power agency with any person to secure the payment of bonds or notes, subject to any agreements with the holders of bonds or notes which might then exist;

(3) the custody, collection, securing, investment, and payment of any revenues, assets, money, funds, or property with respect to which the municipal power agency may have any rights or interest;

(4) the rates or charges for electric energy sold by, or services rendered by, the municipal energy agency, the amount to be raised by the rates or charges, and the use and disposition of any or all revenue;

(5) the creation of reserves or sinking funds and the regulation and disposition thereof;

(6) the purposes to which the proceeds from the sale of any bonds or notes then or thereafter to be issued may be applied, and the pledge of the proceeds to secure the payment of the bonds or notes;

(7) limitations on the issuance of any additional bonds or notes, the terms upon which additional bonds or notes may be issued and secured, and the refunding of outstanding bonds or notes;

(8) the rank or priority of any bonds or notes with respect to any lien or security;

(9) the creation of special funds or moneys to be held in trust or otherwise for operating expenses, payment, or redemption of bonds or notes, reserves or other purposes, and the use and disposition of moneys held in these funds;

(10) the procedure by which the terms of any contract with or for the benefit of the holders of bonds or notes may be amended or abrogated, the amount of bonds or notes the holders of which must consent thereto, and the manner in which consent may be given;

(11) the definition of the acts or omissions to act which shall constitute a default in the duties of the municipal power agency to holders of its bonds or notes, and the rights and remedies of the holders in the event of default including, if the municipal power agency so determines, the right to accelerate the due date of the bonds or notes or the right to appoint a receiver or receivers of the property or revenues subject to the lien of the resolution, trust indenture, or other security agreement;

(12) any other or additional agreements with or for the benefit of the holders of bonds or notes or any covenants or restrictions necessary or desirable to safeguard the interests of the holders;

(13) the custody of any of its properties or investments, the safekeeping thereof, the insurance to be carried thereon, and the use and disposition of insurance proceeds;

(14) the vesting in a trustee or trustees, within or outside the state, of such properties, rights, powers, and duties in trust as the municipal power agency may determine; or the limiting or abrogating of the rights of the holders of any bonds or notes to appoint a trustee, or the limiting of the rights, powers, and duties of such trustee; or

(15) the appointment of and the establishment of the duties and obligations of any paying agent or other fiduciary within or outside the state.

Subd. 10. **Security; UCC filings.** For the security of bonds or notes issued or to be issued by a municipal power agency, the municipal power agency may mortgage or execute deeds of trust of the whole or any part of its property and franchises in the same manner and with the same effect as provided for public service corporations in section 301B.04. Any mortgage or deed of trust covering the whole or any part of easements or other interests in real estate less than fee simple used in the generation or transmission of electric power, and covering fixtures annexed thereto, may be filed in the office of the secretary of state with or as a part of the financing statement covering the fixtures, with the same force and effect as provided in the case of public utilities under the provisions of section 507.327. All filings required under the Uniform Commercial Code to perfect a security interest against the personal property or fixtures of a municipal power agency shall be made and maintained in the Office of the Secretary of State, with the same force and effect as provided in the case of a debtor public utility under the provisions of sections 336B.01 to 336B.03.

Subd. 11. **Liability; indemnification.** Neither the officials, the directors, nor the members of a municipal power agency nor any person executing bonds or notes shall be liable personally on the bonds or notes or be subject to any personal liability or accountability by reason of the issuance thereof. A municipal power agency shall have power to indemnify and to purchase and maintain insurance on behalf of any director, officer, employee, or agent of the municipal power agency, in connection with any threatened, pending, or completed action, suit, or proceeding, to the same extent and in the same manner and with the same force and effect as provided in the case of a private corporation under the provisions of section 302A.521.

Subd. 12. **Deal bonds and notes.** A municipal power agency shall have power to purchase, out of any funds available therefor, bonds or notes, and to hold, pledge, cancel, or resell the bonds or notes, subject to and in accordance with any agreements with the holders.

Subd. 13. **Payable solely from pledged or available revenue.** The principal of and interest upon any bonds or notes issued by a municipal power agency shall be payable solely from the revenues or funds pledged or available for their payment as authorized in sections 453.51 to 453.62. Each bond and note shall contain a statement that the principal thereof or interest thereon is payable solely from revenues or funds of the municipal power agency and that neither the state nor any political subdivision thereof, other than the municipal power agency, nor any member of the municipal power agency is obligated to pay the principal or interest and that neither the faith and credit nor the taxing power of the state or any political subdivision thereof or of any member city is pledged to the payment of the principal of or the interest on the bonds or notes. Nothing herein, however, precludes the use of tax or other revenue by a city for payment of amounts due and performance of covenants under any contract of the city as provided in section 453.58, subdivision 3.

History: *1976 c 313 s 5; 1985 c 56 s 1; 1985 c 248 s 59; 2005 c 69 art 1 s 21; art 3 s 25; 2009 c 19 s 10*