475.58 OBLIGATIONS; ELECTIONS TO DETERMINE ISSUE.

Subdivision 1. **Approval by electors; exceptions.** Obligations authorized by law or charter may be issued by any municipality upon obtaining the approval of a majority of the electors voting on the question of issuing the obligations, but an election shall not be required to authorize obligations issued:

(1) to pay any unpaid judgment against the municipality;

(2) for refunding obligations;

(3) for an improvement or improvement program, which obligation is payable wholly or partly from the proceeds of special assessments levied upon property specially benefited by the improvement or by an improvement within the improvement program, or from tax increments, as defined in section 469.174, subdivision 25, including obligations which are the general obligations of the municipality, if the municipality is entitled to reimbursement in whole or in part from the proceeds of such special assessments or tax increments and not less than 20 percent of the cost of the improvement or the improvement program is to be assessed against benefited property or is to be paid from the proceeds of federal grant funds or a combination thereof, or is estimated to be received from tax increments;

(4) payable wholly from the income of revenue producing conveniences;

(5) under the provisions of a home rule charter which permits the issuance of obligations of the municipality without election;

(6) under the provisions of a law which permits the issuance of obligations of a municipality without an election;

(7) to fund pension or retirement fund liabilities of a municipality pursuant to section 475.52, subdivision 6;

(8) under a capital improvement plan under section 373.40;

(9) under sections 469.1813 to 469.1815 (property tax abatement authority bonds), if the proceeds of the bonds are not used for a purpose prohibited under section 469.176, subdivision 4g, paragraph (b);

(10) to fund postemployment benefit liabilities pursuant to section 475.52, subdivision 6, of a municipality, other than a school district, if the liabilities are limited to:

(i) satisfying the requirements of section 471.61, subdivision 2b; and

(ii) other postemployment benefits, which the municipality no longer provides to employees hired after a date before the obligations are issued; and

(11) under section 475.755.

Subd. 1a. **Resubmission limitation.** If the electors do not approve the issuing of obligations at an election required by subdivision 1, the question of authorizing the obligations for the same purpose and in the same amount may not be submitted to the electors within a period of 180 days from the date the election was held. If the question of authorizing the obligations for the same purpose and in the same amount is not approved a second time it may not be submitted to the electors within a period of one year after the second election.

Subd. 2. **Funding, refunding.** Any county, city, town, or school district whose outstanding gross debt, including all items referred to in section 475.51, subdivision 4, exceed in amount 1.62 percent of its estimated market value may issue bonds under this subdivision for the purpose of funding or refunding such indebtedness

or any part thereof. A list of the items of indebtedness to be funded or refunded shall be made by the recording officer and treasurer and filed in the office of the recording officer. The initial resolution of the governing body shall refer to this subdivision as authority for the issue, state the amount of bonds to be issued and refer to the list of indebtedness to be funded or refunded. This resolution shall be published once each week for two successive weeks in a legal newspaper published in the municipality or if there be no such newspaper, in a legal newspaper published in the county seat. Such bonds may be issued without the submission of the question of their issue to the electors unless within ten days after the second publication of the resolution a petition requesting such election signed by ten or more voters who are taxpayers of the municipality, shall be filed with the recording officer. In event such petition is filed, no bonds shall be issued hereunder unless authorized by a majority of the electors voting on the question.

Subd. 3. MS 1996 [Expired]

Subd. 3a. **Youth ice facilities.** A municipality may, without regard to the election requirement under subdivision 1 or under any other provision of law or home rule charter, issue and sell obligations to refund existing debt of an indoor ice arena that is used predominantly for youth athletic activity if all the following conditions are met:

(1) the obligations are secured by a pledge of revenues from the facility; and

(2) the governing body of the municipality finds, based on analysis provided by a professional experienced in finance, that the facility's revenues and other available money will be sufficient to pay the obligations, without reliance on a property tax levy or the municipality's general purpose state aid.

Subd. 3b. **Street reconstruction and bituminous overlays.** (a) A municipality may, without regard to the election requirement under subdivision 1, issue and sell obligations for street reconstruction or bituminous overlays, if the following conditions are met:

(1) the streets are reconstructed or overlaid under a street reconstruction or overlay plan that describes the street reconstruction or overlay to be financed, the estimated costs, and any planned reconstruction or overlay of other streets in the municipality over the next five years, and the plan and issuance of the obligations has been approved by a vote of a two-thirds majority of the members of the governing body present at the meeting following a public hearing for which notice has been published in the official newspaper at least ten days but not more than 28 days prior to the hearing; and

(2) if a petition requesting a vote on the issuance is signed by voters equal to five percent of the votes cast in the last municipal general election and is filed with the municipal clerk within 30 days of the public hearing, the municipality may issue the bonds only after obtaining the approval of a majority of the voters voting on the question of the issuance of the obligations. If the municipality elects not to submit the question to the voters, the municipality shall not propose the issuance of bonds under this section for the same purpose and in the same amount for a period of 365 days from the date of receipt of the petition. If the question of issuing the bonds is submitted and not approved by the voters, the provisions of section 475.58, subdivision 1a, shall apply.

(b) Obligations issued under this subdivision are subject to the debt limit of the municipality and are not excluded from net debt under section 475.51, subdivision 4.

(c) For purposes of this subdivision, street reconstruction and bituminous overlays include but are not limited to: utility replacement and relocation and other activities incidental to the street reconstruction; the addition or reconstruction of turn lanes, bicycle lanes, sidewalks, paths, and other improvements having a substantial public safety function; realignments and other modifications to intersect with state and county

roads; and the local share of state and county road projects. For purposes of this subdivision, "street reconstruction" includes expenditures for street reconstruction that have been incurred by a municipality before approval of a street reconstruction plan, if such expenditures are included in a street reconstruction plan approved on or before the date of the public hearing under paragraph (a), clause (1), regarding issuance of bonds for such expenditures.

(d) Except in the case of turn lanes, bicycle lanes, sidewalks, paths, and other safety improvements; realignments; intersection modifications; and the local share of state and county road projects, street reconstruction and bituminous overlays does not include the portion of project cost allocable to widening a street or adding curbs and gutters where none previously existed.

Subd. 4. **Proper use of bond proceeds.** The proceeds of obligations issued after approval of the electors under this section may only be spent: (1) for the purposes stated in the ballot language; or (2) to pay, redeem, or defease obligations and interest, penalties, premiums, and costs of issuance of the obligations. The proceeds may not be spent for a different purpose or for an expansion of the original purpose without the approval by a majority of the electors voting on the question of changing or expanding the purpose of the obligations.

History: *(1938-6) 1927 c 131 s 4; 1949 c 682 s 8; 1951 c 422 s 4; 1955 c 298 s 1; 1969 c 446 s 1; 1971 c 886 s 1; 1971 c 903 s 3; 1973 c 123 art 5 s 7; 1974 c 380 s 8,9; 1Sp1985 c 14 art 8 s 53; 1988 c 519 s 4; 1988 c 719 art 5 s 84; 1989 c 329 art 13 s 20; 1990 c 480 art 9 s 22; 1991 c 342 s 16; 1995 c 256 s 26,27; 1996 c 463 s 48; 1998 c 389 art 3 s 25; art 8 s 24; 1999 c 248 s 14; 2001 c 214 s 43; 1Sp2001 c 5 art 15 s 28; 2002 c 390 s 18; 2003 c 127 art 12 s 23; 1Sp2003 c 21 art 10 s 11; 2005 c 152 art 1 s 31; 2006 c 259 art 10 s 11; 2008 c 154 art 10 s 25,26; 2009 c 88 art 2 s 36; 2009 c 96 art 1 s 19; 2013 c 143 art 12 s 17; art 14 s 103; 1Sp2017 c 1 art 7 s 9; 1Sp2021 c 14 art 10 s 6*