

the city of Red Wing by and in the name of its T. B. Sheldon Auditorium Board.

Sec. 3. This law shall become effective upon its approval by the city of Red Wing expressed through a majority vote of the people voting on the question.

Approved April 24, 1959.

CHAPTER 545—H. F. No. 1499

[Coded in Part]

An act relating to municipal housing and redevelopment authorities; litigation in connection therewith; amending Minnesota Statutes 1957, Sections 462.421, Subdivision 15, and by adding a new Subdivision; 462.425, Subdivision 2; 462.445, Subdivision 4; 462.475, Subdivision 1; 462.521, Subdivision 1; 462.525, Subdivisions 1, 2, and 6; 462.541, Subdivision 1; 462.545, Subdivision 6; 462.591, Subdivision 1; 462.611; and 462.625.

Be it enacted by the Legislature of the State of Minnesota:

Section 1. Minnesota Statutes 1957, Section 462.421, Subdivision 15, is amended to read:

Subd. 15. **Redevelopment plan.** "Redevelopment plan" means a plan approved by the governing body (or agency designated by it for that purpose or authorized by law so to act) of each municipality in which any of the area to be covered by a redevelopment project is situated, which plan provides an outline for the development or redevelopment of such area and is sufficiently complete (1) to indicate its relationship to definite local objectives as to appropriate land uses; and (2) to indicate general land uses and general standards of development or redevelopment.

Sec. 2. Minnesota Statutes 1957, Section 462.421, is amended by adding a subdivision to read:

Subd. 24. **General plan.** "General plan for the development of the locality as a whole" means such plan as may have been adopted by a local planning agency or approved by the governing body of the municipality establishing general objectives for the future use of land in a locality, or in the event no such plan has been adopted or approved, such general land use proposals for the development of the locality as may

have been established from time to time by the local planning agency or by the governing body of the municipality.

Sec. 3. Minnesota Statutes 1957, Section 462.425, Subdivision 2, is amended to read :

Subd. 2. **Public hearing; notice; publication; resolution.** The governing body of a municipality shall consider such a resolution only after a public hearing thereon after published notice in a newspaper of general circulation in the municipality *at least once not less than ten days nor more than 30 days prior to the date of the hearing.* Opportunity to be heard shall be granted to all residents of the municipality and its environs and to all other interested persons. The resolution shall be published in the same manner in which ordinances are published in the municipality.

Sec. 4. Minnesota Statutes 1957, Section 462.445, Subdivision 4, is amended to read :

Subd. 4. **Additional powers.** An authority shall further have power :

(1) To make, or agree to make, such payments in lieu of taxes to the city or the county, the state or any political subdivision thereof, as it finds consistent with the purposes of sections 462.415 to 462.711;

(2) To cooperate with or act as agent for the federal government, the state or any state public body, or any agency or instrumentality of the foregoing, in carrying out any of the provisions of sections 462.415 to 462.711 or of any other related federal, state or local legislation; and upon the consent of the governing body of the municipality purchase, lease, manage, or otherwise take over any housing project already owned and operated by the government of the United States or any agency thereof;

To make (i) plans for carrying out a program of voluntary repair and rehabilitation of buildings and improvements, and (ii) plans for the enforcement of laws, codes, and regulations relating to the use of land and the use and occupancy of buildings and improvements, and to the compulsory repair, rehabilitation, demolition, or removal of buildings and improvements. The authority *is* authorized to develop, test, and report methods and techniques, and carry out demonstrations and other activities, for the prevention and the elimination of slums and urban blight.

(4) To borrow money or other property and accept contributions, grants, gifts, services, or other assistance from

the federal government, the state government, state public bodies, or from any other public or private sources;

(5) To include in any contract for financial assistance with the federal government any conditions which the federal government may attach to its financial aid of a project, not inconsistent with purposes of sections 462.415 to 462.711, including obligating itself (which obligation shall be specifically enforceable and not constitute a mortgage, notwithstanding any other laws) to convey to the federal government the project to which such contract relates upon the occurrence of a substantial default with respect to the covenants or conditions to which such authority is subject; to provide in such contract that, in case of such conveyance, the federal government may complete, operate, manage, lease, convey or otherwise deal with the project until such defaults are cured if the federal government agrees in such contract to reconvey to the authority the project as then constituted when such defaults have been cured;

(6) To issue bonds, notes, or other evidences of indebtedness, as hereinafter provided, for any of its corporate purposes and to secure the same by mortgages upon property held or to be held by it or by pledge of its revenues, including grants or contributions;

(7) To invest any funds held in reserves or sinking funds, or any funds not required for immediate disbursement, in property or securities in which savings banks may legally invest funds subject to their control;

(8) Within its area of operation to determine where sub-standard, slum, or blighted areas exist or where there is unsafe, unsanitary, or overcrowded housing;

(9) To establish and revise from time to time the maximum amount of income of tenants entitled to admission to housing projects of an authority, subject to the qualifications in sections 462.415 to 462.711 contained;

(10) To undertake and carry out studies and analyses of the housing and redevelopment needs within its area of operation and of the meeting of those needs (including data with respect to population and family groups and the distribution thereof according to income groups, the amount and quality of available housing and its distribution according to rentals and sales prices, employment, wages, desirable patterns for land use and community growth, and other factors affecting the local housing and redevelopment needs and the meeting thereof) and to make the results of those studies and

analyses available to the public and building, housing and supply industries; and to engage in research and disseminate information on housing and redevelopment;

(11) When a local public body does not have a planning agency or when a comprehensive or general community development plan or plans is or are not already available by the planning agency, to make or cause to be made such plans as a guide in the more detailed planning of housing and redevelopment areas;

(12) To lease or rent any dwellings, accommodations, lands, buildings, structures, or facilities embraced in any project and (subject to the limitations contained in sections 462.415 to 462.711 with respect to the rental of dwellings in housing projects) to establish and revise the rents or charges therefor;

(13) To own, hold, and improve real or personal property and to sell, lease, exchange, transfer, assign, pledge, or dispose of any real or personal property or any interest therein;

(14) To insure or provide for the insurance of any real or personal property or operations of the authority against any risks or hazards;

(15) To procure or agree to the procurement of government insurance or guaranties of the payment of any bonds or parts thereof issued by an authority, including the powers to pay premiums on such insurance;

(16) To make such expenditures as may be necessary to carry out the purposes of sections 462.415 to 462.711;

(17) *To enter into an agreement or agreements with any state public body to provide informational service and relocation assistance to families displaced or to be displaced by the activities of any state public body or bodies.*

Sec. 5. Minnesota Statutes 1957, Section 462.475, Subdivision 1, is amended to read:

462.475 Subdivision 1. Authority, powers, duties. In the operation or management of housing projects an authority shall at all times observe the following duties with respect to rentals and tenant admissions.

(1) It may rent or lease the dwelling accommodations therein only to persons of low income and at rentals within the financial reach of such persons of low income;

(2) It may rent or lease to a tenant dwelling accommodations consisting of the number of rooms (but no greater number) which it deems necessary to provide safe and sanitary accommodations to the proposed occupants thereof, without overcrowding; and

(3) An authority in its operations within a municipality shall not accept any families as tenants in any housing project if the families who occupy the dwelling accommodations have an aggregate annual net income at the time of admission, less an exemption of \$100 for each minor *and adult dependent member other than the head of the family and his spouse or in the discretion of the authority an exemption of \$600 of income of each such minor or adult member other than the principal income recipient*, in excess of five times the annual rental of the quarters to be furnished such family, and, in computing the rental for this [the] purpose of this section, there shall be included in the rental the average annual cost (as determined by the authority) to occupants of heat, water, electricity, gas, cooking fuel, and other necessary services or facilities, whether or not the charge for such services and facilities is included in the rental.

Sec. 6. Minnesota Statutes 1957, Section 462.521, Subdivision 1, is amended to read:

462.521 Subdivision 1. **Findings, notice, determination.** Whenever an authority determines that a redevelopment project should be undertaken, it shall apply to the governing body of the municipality in which the project is located for approval thereof. The application shall be accompanied by a redevelopment plan, a statement of the method proposed for financing the project, and the written opinion of the planning agency, if there is one. Before approving any redevelopment plan, the governing body shall hold a public hearing thereon after published notice in a newspaper of general circulation in the municipality *at least once not less than ten days nor more than 30 days prior to the date of the hearing.*

Sec. 7. Minnesota Statutes 1957, Section 462.525, Subdivision 1, is amended to read:

462.525 Subdivision 1. **Sale, lease or development.** In accordance with a redevelopment plan, an authority may make any of its land in a redevelopment project available for use by private individuals, firms, corporations, partnerships, insurance companies, or other private interests, or by public agencies, by sale, lease, or otherwise, or the authority itself may retain property for redevelopment by it. Such land shall

be made available at a price which shall take into consideration the estimated fair market or rental value of the cleared land as determined pursuant to Minnesota Statutes, Section 462.541, for proposed uses in accordance with the redevelopment plan.

Sec. 8. Minnesota Statutes 1957, Section 462.525, Subdivision 2, is amended to read :

Subd. 2. **Notice; public hearing, determination; terms and conditions.** Any such lease or sale may be made without public bidding but only after a public hearing, after published notice, by the authority *at least once not less than ten days nor more than 30 days prior to the date of the hearing* upon the proposed lease or sale and the provisions thereof. The terms of any such lease shall be fixed by the authority, and the instrument of lease may provide for renewals upon reappraisals and with rentals and other provisions adjusted to such reappraisals. Every such lease or sale shall provide that the lessee or purchaser shall carry out or cause to be carried out the approved project area redevelopment plan or approved modifications thereof and that no use shall be made of any land or real property included in the lease or sale nor any building or structure erected thereon which does not conform to such approved plan or approved modifications thereof. In the instrument, or instruments, of lease or sale the authority may include such other terms, conditions, and provisions as in its judgment will provide reasonable assurance of the priority of the obligations of the lease or sale and of conformance to the plan over any other obligations of the lessee or purchaser, and also assurance of the financial and legal ability of the lessee or purchaser to carry out and conform to the plan and the terms and conditions of the lease or sale, to begin the building of any improvements within a period of time which the authority fixes as reasonable; also, such terms, conditions and specifications concerning buildings, improvements, sub-leases, or tenancies, maintenance and management, and any other related matters as the authority may reasonably impose or approve, including provisions whereby the obligations to carry out and conform to the project area plan shall run with the land. In the event that maximum rentals to be charged to tenants of housing be specified, provision may be made for periodic reconsideration of such rental bases, with a view to proposing modification of the project area plan with respect to such rentals.

Sec. 9. Minnesota Statutes 1957, Section 462.525, Subdivision 6, is amended to read :

Subd. 6. **Modification of plan.** A redevelopment plan may be modified at any time *before or after* the lease or sale of the project area or parts thereof, provided the modification shall be adopted by the authority and the governing body of the political subdivision in which the project is located, *upon such notice and after such public hearing as is required for the original adoption of the redevelopment plan: Provided, however, that where the authority determines the necessity of changes in an approved redevelopment plan or approved modification thereof, which changes do not alter or affect the exterior boundaries, or do not substantially alter or affect the general land uses established in such plan, such changes shall not constitute a modification of the redevelopment plan nor require approval by the governing body of the political subdivision in which the project is located.*

Sec. 10. Minnesota Statutes 1957, Section 462.541, Subdivision 1, is amended to read:

462.541 Subdivision 1. **Determination.** The authority *prior to lease or sale of land in a project area*, shall, as an aid to it in determining the rentals and other terms upon which it will lease or the price at which it will sell the area or parts thereof, place *an estimated fair market or rental value upon each piece or tract of land within the area which, in accordance with the plan, is to be used for private uses or for low-rent housing, such value to be based on the planned use; and, for the purpose of this valuation, it may in its discretion cause a fair market appraisal to be made by two or more land value experts employed by it for the purpose, or it may use the land appraisal services of the municipality; but nothing contained in this section shall be construed as requiring the authority to base its rentals or selling prices upon any such appraisal. The authority may from time to time redetermine its estimated values both prior to and after receipt by it of any proposal or proposals to purchase or lease property.*

Sec. 11. Minnesota Statutes 1957, Section 462.545, Subdivision 6, is amended to read:

Subd. 6. **Operation area as taxing district, special tax.** All of the territory included within the area of operation of any authority shall constitute a taxing district for the purpose of levying and collecting special benefit taxes for redevelopment purposes as provided in this subdivision. All of the taxable property, both real and personal, within that taxing district shall be deemed to be benefited by redevelopment projects to the extent of the special taxes levied under

the provisions hereof. Subject to the consent by resolution, of the governing body of the municipality in and for which it was created, an authority is authorized to levy in each year a special tax upon all property, both real and personal, within that taxing district. The authority shall cause the tax so levied each year to be certified to the auditor of the county in which the taxing district is located on or before October 10 in each year. Such tax so levied and certified shall be extended, spread, and included with and as a part of the general taxes for state, county, and municipal purposes, by the county auditor, to be collected and enforced therewith, together with the penalty, interest, and costs, and as such tax (including any penalties, interest, and costs) is collected by the county treasurer it shall be accumulated and kept in a separate fund to be known as the "Redevelopment Project Fund" and shall be turned over to the authority at the same time and in the same manner that the tax collections for the municipality are turned over to the municipality, and shall be expended and applied for the purpose of the redevelopment provisions of sections 462.411 to 462.711, and for no other purpose whatsoever. It shall be paid out upon vouchers signed by the chairman of the authority or his duly authorized representative. The amount of such special tax levy shall be an amount approved by the governing body of the municipality, but shall not exceed ten cents on each \$100 of taxable valuation in the area of operation, except in cities of the first class having a population of less than 200,000, the special tax levy shall not exceed five cents on each \$100 of taxable valuation in the area of operation. *The authority is authorized to levy in the manner specified in this subdivision 6 an additional levy, not to exceed one cent on each \$100 of taxable valuation in the area of operation, said levy to be used to defray costs of providing informational service and relocation assistance as set forth in Minnesota Statutes, Section 462.445, Subdivision 4.* The authority shall each year formulate and file a budget in accordance with the budget procedure of the municipality in the same manner as required of executive departments of the municipality or, if no budgets are required to be filed, on or before August first, and the amount of the tax levy for the following year shall be based on that budget and shall be approved by the governing body.

Sec. 12. Minnesota Statutes 1957, Section 462.591, Subdivision 1, is amended to read:

462.591 Subdivision 1. **Creation; contents of certificate; filing.** A redevelopment company may be created by three or more persons signing, acknowledging, and filing in

the office of the secretary of state a certificate which shall contain:

- (1) The name of the proposed redevelopment company;
- (2) The purposes for which it is to be formed, which shall be as follows: to acquire one or more areas under a plan or plans and to construct, own, maintain, operate, sell, and convey projects, pursuant to the terms and provisions of sections 462.415 to 462.711.
- (3) The amount of the capital stock and, if any be preferred stock, the preference thereof;
- (4) The number of shares of which the capital shall consist, all of which shall have a par value;
- (5) The location of its principal business office;
- (6) Its duration, which shall not be less than 20 years;
- (7) The number of directors, which shall not be less than three and who need not be stockholders;
- (8) The names and post-office addresses of the directors for the first year;
- (9) The names and post-office addresses of the subscribers to the certificate and a statement of the number of shares of stock which each agrees to take in the redevelopment company;
- (10) A provision that, so long as sections 462.415 to 462.711 shall remain applicable to any project of the redevelopment company, the real property of the redevelopment company shall not be sold, transferred, or assigned except as permitted by the terms and provisions of sections 462.415 to 462.711;
- (11) A declaration that all of the subscribers to the certificates are of full age, that at least two-thirds of them are citizens of the United States and that at least one of them is a resident of the State of Minnesota; that at least one of the persons named as a director is a citizen of the United States and a resident of the State of Minnesota;
- (12) A declaration that the redevelopment company has been organized to serve a public purpose and that it shall be and remain subject to the supervision and control of the state housing commission, authorities and governing bodies, as provided in sections 462.415 to 462.711, so long as sections 462.415 to 462.711 remain applicable to any project of the

redevelopment company; that all real and personal property acquired by it and all structures erected by it shall be deemed to be acquired or created for the promotion of the purposes of sections 462.415 to 462.711;

(13) A declaration that, after providing for all expenses, taxes, or payments in lieu of taxes, and assessments, there shall be paid annually out of the earnings of the development company from any project for interest *paid to the company or to any of its stockholders*, amortization, and dividends a sum equal to but not exceeding *eight* percent of the total actual final cost of that project as defined by section 462.635, clause 2; that the obligation in respect of such payments shall be cumulative, and any deficiency in interest, amortization, and dividends in respect of that project in any year shall be paid from the first available earnings in subsequent years; and that any cash surplus derived from earnings from that project remaining in the treasury of the redevelopment company in excess of the amount necessary to provide such cumulative annual sums shall, upon a conveyance of the project or upon a dissolution of the company, in accordance with the provisions of section 462.695, be paid into the general fund of the city, village, borough, or town in which that project is located;

(14) A declaration that, upon compliance with the provisions of section 462.695, the property may be conveyed in fee as provided in that section;

(15) A declaration that mortgage indebtedness, income debenture certificates, and stock of the redevelopment company may be retired if, as, and when there shall be funds available for amortization purposes in the treasury of the redevelopment company.

Sec. 13. Minnesota Statutes 1957, Section 462.611, is amended to read:

462.611 Interest, amortization, limited dividends. There shall be paid annually out of the earnings of the redevelopment company from any project, after providing for all expenses, taxes, or payments in lieu of taxes, and assessments, a sum for interest, amortization, and dividends, equal to but not exceeding *eight* percent of the total actual final cost of that project as defined by section 462.635, clause 2; the obligation in respect of such payments shall be cumulative, and any deficiency in interest, amortization, and dividends in any year in respect of that project shall be paid from the first available earnings in subsequent years; and any cash

surplus derived from earnings from that project remaining in the treasury of the redevelopment company in excess of the amount necessary to provide such cumulative annual sums shall, upon a conveyance of the project or upon a dissolution of the company, in accordance with the provisions of section 462.695, be paid into the general fund of the municipality in which that project is located.

Sec. 14. Minnesota Statutes 1957, Section 462.625, is amended to read:

462.625 Income debenture certificates. With the approval of the state housing commission, the certificate of incorporation, or an amended certificate, may authorize the issuance of income debenture certificates bearing no greater interest than *eight* percent per annum. Such income debenture certificates and any instrument under which they are issued may contain such other provisions, including provisions for amortization by serial maturities, through the operation of a sinking fund or otherwise, as may be approved by the state housing commission.

Sec. 15. [462.712] **Retroactive effect of published notice provisions.** *Sections 1 to 14, so far as they relate to published notice of public hearings of any and all kinds shall operate not only prospectively, but retroactively, so as to eliminate the necessity of more than one publication of a given hearing, if more than one publication is, was, or is claimed to be required under Minnesota Statutes, Sections 462.415 to 462.711 and sections 1 to 19. All orders, resolutions, motions, plans, and agreements and actions taken by any municipal housing and redevelopment authority organized, or purported to be organized under Minnesota Statutes, Sections 462.415 to 462.711 and sections 1 to 19, and taken or purported to have been taken by any governing body, city planning commission, or political subdivision of the state or public state body with respect to plans and projects, are hereby declared valid and effective.*

Sec. 16. [462.713] **Bond pending litigation.** *When any action or proceeding at law or in equity shall hereafter be commenced, drawing in question the right, power, or authority of a public corporation created and operating under Minnesota Statutes 1957, Sections 462.415 to 462.711 and sections 1 to 19, to do any act or to make or perform any contract or agreement or to undertake or enter upon the discharge of any obligations or commitments under such statutes, the corporation may, if it deems that the pendency of such litigation might directly or indirectly impair its borrowing power, increase the*

cost of its projects, or be otherwise injurious to the public interest, move the court in which such litigation is pending, to require the party or parties who instituted the suit to give a surety bond as provided in sections 17 to 19 hereof.

Sec. 17. [462.714] Appearance of public corporation; bond. *If the public corporation is not a party to the litigation described in section 16 it may appear specially for the purpose of making and being heard on such a motion. Three days' notice of hearing on the motion shall be given. If the court determines that loss or damage to the public or taxpayers may result from the pendency of the action or proceeding, the court may require the party or parties who instituted the same to give a surety bond, approved by the court or judge, in a penal sum to be determined by the court to protect against such loss or damage, whether or not a temporary injunction or restraining order against the corporation shall have been demanded or ordered. If the bond so ordered be not filed within the reasonable time allowed therefor by the court, the action or proceeding shall be dismissed with prejudice. Such bond shall be executed by the party or parties who instituted the litigation or some person for him or them as principal and conditioned for the payment to the corporation of such damage as the public and taxpayers shall sustain by reason of the litigation, if the court finally determines that the party or parties were not entitled to the relief sought. The amount of damages may be ascertained by a reference or otherwise as the court shall direct, in which case the sureties shall be concluded as to the amount but the damages shall be recoverable only in an action on the bond. If the party or parties by or for whom such bond is furnished prevails in the litigation, the premium paid on the bond shall be repaid by or taxed against the corporation. During the pendency of the litigation, the court, on motion, may require additional security if found necessary, and upon failure to furnish the same shall dismiss the action or proceeding with prejudice. The court may likewise, on motion, reduce the amount of a bond theretofore required or release the bond upon a showing that the amount is excessive or the bond no longer required.*

Sec. 18. [462.715] Advance of litigation on calendar. *In any litigation as described in sections 16 and 17, wherein a bond has been required and given or the court has denied a motion to require such bond, the court shall advance the case on its calendar for trial at the earliest feasible date; and in such litigation an appeal to the supreme court from an appealable order made, or from a judgment entered in a district court may be taken after 30 days from entry of such judg-*

ment or after written notice of such order from the adverse party.

Sec. 19. [462.716] **Suit for civil damages.** *Nothing contained in sections 16 to 19 shall affect the rights of any person to bring a suit for civil damages. No bond shall be required in such a suit except as otherwise provided by law.*

Approved April 24, 1959.

CHAPTER 546—H. F. No. 1211

[Coded]

An act relating to teachers retirement; increasing payments to certain annuitants under the Minnesota teachers retirement fund law.

Be it enacted by the Legislature of the State of Minnesota:

Section 1. [135.56] **Annuitants under Laws 1915, Chapter 199; added benefits.** Each annuitant who as a member of the fund commenced drawing his annuity pursuant to Laws 1915, Chapter 199, as amended, but not including his beneficiaries, shall be paid the sum of \$25 per month, which payments shall be guaranteed by the state, in addition to the amounts such annuitant is otherwise entitled to receive under the provisions of Minnesota Statutes, Sections 135.01 to 135.15.

Approved April 24, 1959.

CHAPTER 547—H. F. No. 750

[Coded]

An act relating to appeals from decisions of the water resources board; providing for numbering of Section 1.

Be it enacted by the Legislature of the State of Minnesota:

Section 1. [112.792] **Appeals from decision of board.** Subdivision 1. Any person aggrieved by any final order, rule, regulations, or final decision of the board may have the same reviewed by certiorari proceedings in the district court in the county in which a part of the district is located. The court of its own motion, or on application of any party, may, in its discretion, take additional testimony on any issue of fact, but no jury trial shall be had. If the court shall determine