

---

 CHAPTER 144—S.F.No.833

*An act relating to highways; state-aid system; contracts for construction and improvement of county state-aid highways and municipal state-aid streets; requiring percentage payments thereunder, and requiring payment of interest on money due and not paid in accordance with the contract; amending Minnesota Statutes 1976, Sections 162.04 and 162.10.*

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 1976, Section 162.04, is amended to read:

**162.04 HIGHWAYS; STATE-AID SYSTEM; CONTRACTS FOR IMPROVEMENT.** Whenever the construction or improvement of any county state-aid highway is to be done by contract, and the construction or improvement is not financed in whole or in part by federal aid highway money, the county board ~~may~~ shall agree in the contract to pay the contractor on account an amount not to exceed 90 percent of the value of the work from time to time actually completed as shown by monthly estimates thereof, made by the county engineer on the basis of the contract prices, and ~~may~~ shall further agree that when the work is 90 percent or more completed upon the recommendation of the county engineer such portions of the retained price ~~may~~ shall be released as the county board determines are not required to be retained to protect the county's interest in completion of the contract. In such case it shall be lawful for the county auditor to issue a warrant on the county treasurer to the contractor for an amount consistent with the above prescribed limitations of the value of the work so completed and specified in the engineer's monthly estimate without allowance of a claim therefor by the county board. Failure to pay any amount due and payable under the terms of the contract within 30 days of a monthly estimate or 90 days after the final estimate of the value of the work completed shall obligate the county to pay to the contractor simple interest on the past due amount at an annual rate equal to the monthly index of long term United States bond yields for the month prior to the month in which this obligation is incurred plus an additional one percent per annum. Interest shall not be imposed with respect to any amount which a county may legally withhold as a result of breach of contract or other contractual claim.

Sec. 2. Minnesota Statutes 1976, Section 162.10, is amended to read:

**162.10 LIMITATION ON PAYMENT OF CONTRACT PRICES.** Whenever the construction or improvement of any municipal state-aid street is to be done by contract, and the construction or improvement is not financed in whole or in part by federal aid highway money, the governing body of the city ~~may~~ shall agree in the contract to pay the contractor an amount not exceeding 90 percent of the value of the work from time to time actually completed, as shown by monthly estimates thereof made by the engineer of the city on the basis of the contract prices, and ~~may~~ shall further agree that when the work is 90 percent or more completed upon the recommendation of the city engineer such portions of the retained price ~~may~~ shall be released as the governing body of the city

Changes or additions indicated by underline deletions by ~~strikeout~~

determines are not required to be retained to protect the city's interest in completion of the contract. In such case it shall be lawful for the appropriate disbursing officers of the city to pay the contractor an amount consistent with the above prescribed limitations of the value of the work so completed and specified in the engineer's monthly estimate without allowance of a claim therefor by the governing body of the city. Failure to pay any amount due and payable under the terms of the contract within 30 days of a monthly estimate or 90 days after the final estimate of the value of the work completed shall obligate the city to pay to the contractor simple interest on the past due amount at an annual rate equal to the monthly index of long term United States bond yields for the month prior to the month in which this obligation is incurred plus an additional one percent per annum. Interest shall not be imposed with respect to any amount which a city may legally withhold as a result of breach of contract or other contractual claim.

Approved May 19, 1977.

---

**CHAPTER 145—S.F.No.880**

[Not Coded]

*An act relating to towns; granting certain towns the powers of statutory cities.*

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. **TOWNS; POWERS OF STATUTORY CITIES.** The towns of Ravenna, Vermillion, Eureka, Hampton, Douglas, Empire, Nininger, Marshan, Castle Rock, Greenvale, Waterford, Sciota and Randolph may exercise the powers of statutory cities as provided in Minnesota Statutes, Sections 412.111; 412.191, Subdivision 4; 412.221, Subdivisions 3, 6, 8, 9, 11, 14, 16, 17, 18, 19, 20, 21, 22, 23, 25, 26, 28 and 32; 412.231; 412.301; 412.491; 412.851; 462.351 to 462.364; 465.01; and 471.62.

Sec. 2. This act is effective for each town in section 1 upon the approval of the town board of supervisors and upon compliance with Minnesota Statutes, Section 645.021.

Approved May 19, 1977.

---

**CHAPTER 146—S.F.No.903**

*An act relating to public safety; excepting certain personnel in the department of public safety from the requirement of reimbursing the state for the cost of using state-owned vehicles; amending Minnesota Statutes 1976, Section 16.753, Subdivision 2.*

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Changes or additions indicated by underline deletions by ~~strikeout~~