

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

**Section 1. [106.383] ASSESSMENT FOR VACATED TOWN ROADS.**

When a town is assessed for benefits to a town road in any ditch proceeding under this chapter and the town road is subsequently vacated by the town board under section 164.07, the town board may petition the county board or joint county ditch authority to cancel the assessment. The county board or joint county ditch authority may cancel the assessment if it finds that the town road for which benefits are assessed has been vacated under section 164.07.

Approved May 20, 1983

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**CHAPTER 212 — H.F.No. 1111**

*An act relating to local government; regulating town levies in Crow Wing county; repealing Laws 1941, chapter 451.*

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

**Section 1. REPEALER.**

Laws 1941, chapter 451 is repealed.

**Sec. 2. EFFECTIVE DATE.**

Pursuant to Minnesota Statutes, section 645.023, subdivision 1, clause (b), section 1 is effective without local approval for taxes levied in 1983 and thereafter payable in 1984 and thereafter.

Approved May 20, 1983

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**CHAPTER 213 — H.F.No. 1171**

*An act relating to taxation; clarifying the income tax treatment of certain debt obligations of state and local governments; amending Minnesota Statutes 1982, sections 80A.09, subdivision 1; 115A.69, subdivision 6; 116A.25; 116J.89, subdivision 6; 136.32; 136A.179; 136A.39; 193.146, subdivision 4; 272.02, subdivision 1; 362A.07; 447.35; 447.49; 458.193, subdivision 6; 458A.05, subdivision 6; 458A.09; 462.191, subdivision 3; 462.551; 462A.19, subdivision 1; 472.09, subdivision 4; 473.436, subdivision 6; 473.448; 473.545; and 473.666; repealing Minnesota Statutes 1982, sections 116J.89, subdivision 7; 462A.19, subdivision 2; and 474.12.*

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

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

Section 1. **LEGISLATIVE INTENT.**

It is the intent of the legislature that the taxation of the obligations of the state of Minnesota and any of its political subdivisions, municipalities, governmental agencies, or instrumentalities and the interest on the obligations be determined uniformly pursuant to Minnesota Statutes, sections 272.02, subdivision 1; 290.01, subdivision 20; and 290.08, subdivision 8. This act is intended to clarify the law by eliminating duplicative, inconsistent, and ambiguous statutory references to the taxation of such obligations and the interest paid on the obligations.

Sec. 2. Minnesota Statutes 1982, section 80A.09, subdivision 1, is amended to read:

Subdivision 1. The following securities may be registered by notification:

(a) any industrial revenue bond, ~~the interest on which is exempt from tax under section 290.08, subdivision 7 issued by the state of Minnesota or any of its political or governmental subdivisions, municipalities, governmental agencies, or instrumentalities;~~ and

(b) any securities issued by a person organized exclusively for social, religious, educational, benevolent, fraternal, charitable, reformatory, athletic, chamber of commerce, trade, industrial development, or professional association purposes and not for pecuniary gain, and no part of the net earnings of which inures to the benefit of any private stockholder or individual; provided that no securities issued by any person offering and furnishing a burial service or funeral benefit, directly or indirectly for financial consideration, may be registered under this section.

Sec. 3. Minnesota Statutes 1982, section 115A.69, subdivision 6, is amended to read:

Subd. 6. **PROPERTY EXEMPT FROM TAXATION.** Any real or personal property owned, used, or occupied by the district for any authorized purpose is declared to be acquired, owned, used and occupied for public and governmental purposes, and shall be exempted from taxation by the state or any political subdivision of the state, provided that those properties shall be subject to special assessments levied by a political subdivision for a local improvement in amounts proportionate to and not exceeding the special benefit received by the properties from the improvement. No possible use of the properties in any manner different from their use for solid waste management at the time shall be considered in determining the special benefit received by the properties. ~~All bonds, certificates of indebtedness or other obligations of the district shall be exempted from taxation by the state or any political subdivision of the state. Interest on the obligations of the district shall be exempted from taxation in the~~

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same manner provided for interest on obligations qualifying under section 290.08, subdivision 7.

Sec. 4. Minnesota Statutes 1982, section 116A.25, is amended to read:

**116A.25 PROPERTY EXEMPT FROM TAXATION.**

Any properties, real or personal, owned, leased, controlled, used, or occupied by a water or sewer or water and sewer commission or board for any purpose referred to in sections 116A.01 to 116A.26 are declared to be acquired, owned, leased, controlled, used and occupied for public, governmental, and municipal purposes, and shall be exempt from taxation by the state or any political subdivision of the state, provided that such properties shall be subject to special assessments levied by a political subdivision for a local improvement in amounts proportionate to and not exceeding the special benefit received by the properties from such improvement. No possible use of any such properties in any manner different from their use as part of a distribution or disposal system at the time shall be considered in determining the special benefit received by such properties. All such assessments shall be subject to final confirmation by the county board or boards in whose jurisdiction the system is constructed and whose determination of the benefits shall be conclusive upon the political subdivision levying the assessment. ~~All bonds, certificates of indebtedness or other obligations of the commission or boards, and the interest thereon, shall be exempt from taxation by the state or any political subdivision of the state.~~

Sec. 5. Minnesota Statutes 1982, section 116J.89, subdivision 6, is amended to read:

Subd. 6. The property of the agency and its income and operation shall be exempt from all taxation by the state or any of its political subdivisions ~~and all bonds and notes of the agency shall be exempt from all taxation by the state or any of its political subdivisions.~~

Sec. 6. Minnesota Statutes 1982, section 136.32, is amended to read:

**136.32 BONDS, INVESTMENTS.**

The state, including the state board of investment, and all counties, cities, incorporated towns and other municipal corporations, political subdivisions and political bodies, and public officers of any thereof, all banks, bankers, trust companies, savings banks, and institutions, building and loan associations, savings and loan associations, investment companies and other persons carrying on a banking business, all insurance companies, insurance associations and other persons carrying on an insurance business, and all executors, administrators, guardians, trustees and other fiduciaries may legally invest any sinking funds, moneys or other funds belonging to them or within their control in any bonds issued pursuant to sections 136.31 to 136.38, it being the purpose of this section to authorize the investment in such bonds of all sinking, insurance, retirement,

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compensation, pension and trust funds, whether owned or controlled by private or public persons or officers; provided, however, that nothing contained in this section may be construed as relieving any person, firm or corporation from any duty of exercising due care in selecting securities for purchase or investment. Such bonds are hereby constituted "authorized securities" within the meaning and for the purposes of section 50.14, notwithstanding the restrictions in part (c) of subdivision 4 thereof. All bonds issued under sections 136.31 to 136.38 shall be exempt from all taxation. Interest paid on such bonds shall not be included in gross income for the purpose of computing any tax imposed by or under any provisions of chapter 290, or any act amendatory thereof or supplemental thereto.

Sec. 7. Minnesota Statutes 1982, section 136A.179, is amended to read:

**136A.179 PUBLIC PURPOSE; TAX FREE STATUS.**

The exercise of the powers granted by sections 136A.14 to 136A.179 will be in all respects for the benefit of the people of this state, for the increase of their commerce, welfare and prosperity, and for the improvement of their health and living conditions, and as providing loans by the board or its agent will constitute the performance of an essential public function, and any bonds issued under the provisions of sections 136A.14 to 136A.179, their transfer and the income therefrom including any profit made on the sale thereof, shall at all times be free from taxation of every kind by the state and by the municipalities and other political subdivisions in the state.

Sec. 8. Minnesota Statutes 1982, section 136A.39, is amended to read:

**136A.39 EXEMPTION FROM TAXES AND OTHER RESTRICTIONS.**

The exercise of the powers granted by sections 136A.25 to 136A.42, will be in all respects for the benefit of the people of this state, for the increase of their commerce, welfare and prosperity, and for the improvement of their health and living conditions, and as the operation and maintenance of a project by the authority or its agent will constitute the performance of an essential public function, neither the authority nor its agent shall be required to pay any taxes or assessments upon or in respect of a project or any property acquired or used by the authority or its agent under the provisions of sections 136A.25 to 136A.42, or upon the income therefrom, and any bonds issued under the provisions of sections 136A.25 to 136A.42, their transfer and the income therefrom, including any profit made on the sale thereof, shall at all times be free from taxation of every kind by the state and by the municipalities and other political subdivisions in the state.

Sec. 9. Minnesota Statutes 1982, section 193.146, subdivision 4, is amended to read:

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Subd. 4. **SALE.** The bonds shall be sold by the corporation under notice and upon the terms and at times as the corporation shall deem best. The bonds shall not be deemed or construed to be debts of the state of Minnesota or of the county or municipality in which the armory is situated, nor to impose any personal liability upon any member of the corporation, but shall be payable solely out of the income to be received by the corporation as specified herein. Bonds legally issued pursuant hereto shall be deemed authorized securities within the provisions of section 50.14, and laws supplemental thereto, and shall be proper for the investment of capital, surplus, or deposits of any savings bank or trust company, and for the investment of funds of any insurance company, and for the investment of any sinking funds held by any public or municipal corporation, and may be pledged by any bank or trust company as security for the deposit of public moneys therein in lieu of surety bonds. The bonds shall be deemed and treated as instrumentalities and obligations of a public governmental agency, and as such shall be exempt from taxation.

Sec. 10. Minnesota Statutes 1982, section 272.02, subdivision 1, is amended to read:

Subdivision 1. Except as provided in other subdivisions of this section or in section 272.025 or section 273.13, subdivisions 17, 17b, 17c or 17d, all property described in this section to the extent herein limited shall be exempt from taxation:

- (1) All public burying grounds;
- (2) All public schoolhouses;
- (3) All public hospitals;
- (4) All academies, colleges, and universities, and all seminaries of learning;
- (5) All churches, church property, and houses of worship;
- (6) Institutions of purely public charity except property assessed pursuant to section 273.13, subdivisions 17, 17b, 17c or 17d;
- (7) All public property exclusively used for any public purpose;
- (8) (a) Class 2 property of every household of the value of \$100, maintained in the principal place of residence of the owner thereof. The county auditor shall deduct such exemption from the total valuation of such property as equalized by the revenue commissioner assessed to such household, and extend the levy of taxes upon the remainder only. The term "household" as used in this section is defined to be a domestic establishment maintained either (1) by two or more persons living together within the same house or place of abode, subsisting in common and constituting a domestic or family relationship, or (2) by one person.

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(b) During the period of his active service and for six months after his discharge therefrom, no member of the armed forces of the United States shall lose status of a householder under paragraph (a) which he had immediately prior to becoming a member of the armed forces.

In case there is an assessment against more than one member of a household the \$100 exemption shall be divided among the members assessed in the proportion that the assessed value of the Class 2 property of each bears to the total assessed value of the Class 2 property of all the members assessed. The Class 2 property of each household claimed to be exempt shall be limited to property in one taxing district, except in those cases where a single domestic establishment is maintained in two or more adjoining districts.

Bonds and certificates of indebtedness hereafter, or other obligations issued by the state of Minnesota, or by any county or city of the state, or any town, or any common or independent school district of the state, or any governmental board of the state, or any county or city thereof, shall hereafter be are exempt from ad valorem property taxation; provided, that nothing herein contained shall be construed as exempting such bonds from the payment of a tax thereon, as provided for by section 291.01, when any of such bonds constitute, in whole or in part, any inheritance or bequest, taken or received by any person or corporation this subdivision shall not exempt the obligations or their interest from any excise or other tax levied on income, gross earnings, estates, inheritance, bequests, gifts, transfers, sales, or other transactions, other than an ad valorem property tax.

(9) Farm machinery manufactured prior to 1930, which is used only for display purposes as a collectors item;

(10) The taxpayer shall be exempted with respect to, all agricultural products, inventories, stocks of merchandise of all sorts, all materials, parts and supplies, furniture and equipment, manufacturers material, manufactured articles including the inventories of manufacturers, wholesalers, retailers and contractors; and the furnishings of a room or apartment in a hotel, rooming house, tourist court, motel or trailer camp, tools and machinery which by law are considered as personal property, and the property described in section 272.03, subdivision 1, clause (c), except personal property which is part of an electric generating, transmission, or distribution system or a pipeline system transporting or distributing water, gas, or petroleum products or mains and pipes used in the distribution of steam or hot or chilled water for heating or cooling buildings and structures. Railroad docks and wharves which are part of the operating property of a railroad company as defined in section 270.80 are not exempt.

(11) Containers of a kind customarily in the possession of the consumer during the consumption of commodities, the sale of which are subject to tax under the provisions of the excise tax imposed by Extra Session Laws 1967, chapter 32;

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(12) All livestock, poultry, all horses, mules and other animals used exclusively for agricultural purposes;

(13) All agricultural tools, implements and machinery used by the owners in any agricultural pursuit.

(14) Real and personal property used primarily for the abatement and control of air, water, or land pollution to the extent that it is so used, other than real property used primarily as a solid waste disposal site.

Any taxpayer requesting exemption of all or a portion of any equipment or device, or part thereof, operated primarily for the control or abatement of air or water pollution shall file an application with the commissioner of revenue. Any such equipment or device shall meet standards, regulations or criteria prescribed by the Minnesota Pollution Control Agency, and must be installed or operated in accordance with a permit or order issued by that agency. The Minnesota Pollution Control Agency shall upon request of the commissioner furnish information or advice to the commissioner. If the commissioner determines that property qualifies for exemption, he shall issue an order exempting such property from taxation. Any such equipment or device shall continue to be exempt from taxation as long as the permit issued by the Minnesota Pollution Control Agency remains in effect.

(15) Wetlands. For purposes of this subdivision, "wetlands" means land which is mostly under water, produces little if any income, and has no use except for wildlife or water conservation purposes. "Wetlands" shall be land preserved in its natural condition, drainage of which would be feasible and practical and would provide land suitable for the production of livestock, dairy animals, poultry, fruit, vegetables, forage and grains, except wild rice. "Wetlands" shall include adjacent land which is not suitable for agricultural purposes due to the presence of the wetlands. Exemption of wetlands from taxation pursuant to this section shall not grant the public any additional or greater right of access to the wetlands or diminish any right of ownership to the wetlands.

(16) Native prairie. The commissioner of the department of natural resources shall determine lands in the state which are native prairie and shall notify the county assessor of each county in which the lands are located. Pasture land used for livestock grazing purposes shall not be considered native prairie for the purposes of this clause and section 273.116. Upon receipt of an application for the exemption and credit provided in this clause and section 273.116 for lands for which the assessor has no determination from the commissioner of natural resources, the assessor shall refer the application to the commissioner of natural resources who shall determine within 30 days whether the land is native prairie and notify the county assessor of his decision. Exemption of native prairie pursuant to this clause shall not grant the public any additional or greater right of access to the native prairie or diminish any right of ownership to it.

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(17) Property used in a continuous program to provide emergency shelter for victims of domestic abuse, provided the organization that owns and sponsors the shelter is exempt from federal income taxation pursuant to section 501(c)(3) of the Internal Revenue Code of 1954, as amended through December 31, 1980, notwithstanding the fact that the sponsoring organization receives funding under section 8 of the United States Housing Act of 1937, as amended.

(18) If approved by the governing body of the municipality in which the property is located, property not exceeding one acre which is owned and operated by any senior citizen group or association of groups that in general limits membership to persons age 55 or older and is organized and operated exclusively for pleasure, recreation, and other nonprofit purposes, no part of the net earnings of which inures to the benefit of any private shareholders; provided the property is used primarily as a clubhouse, meeting facility or recreational facility by the group or association and the property is not used for residential purposes on either a temporary or permanent basis.

(19) To the extent provided by section 295.44, real and personal property used or to be used primarily for the production of hydroelectric or hydromechanical power on a site owned by the state or a local governmental unit which is developed and operated pursuant to the provisions of section 105.482, subdivisions 1, 8 and 9.

Sec. 11. Minnesota Statutes 1982, section 362A.07, is amended to read:

**362A.07 STATE AND COUNTY NOT LIABLE ON BONDS.**

The bonds and other obligations of an authority shall not be the debt of the state of Minnesota or of any county or political subdivision. ~~Interest paid on bonds or notes issued pursuant to sections 362A.01 to 362A.08 shall not be included in gross income for the purpose of computing any tax imposed by chapter 290, or any act amendatory thereof or supplemental thereto.~~

Sec. 12. Minnesota Statutes 1982, section 447.35, is amended to read:

**447.35 BONDS.**

Each hospital district may borrow money by the issuance of its general obligation bonds for the acquisition and betterment of hospital and nursing home facilities (including, but without limitation, the provision of an adequate working capital for a new hospital or nursing home), for ambulances and related equipment, for refunding its outstanding bonds, and for funding valid outstanding orders, by the procedure and subject to all of the limitations and conditions set forth in chapter 475, and any future laws amending or supplementing the same, for the issuance of bonds by municipalities. Except for revenue bonds issued pursuant to sections 447.45 through 447.50, no bonds of a hospital district shall be deemed to be excluded from its net debt by virtue of the provisions of section 475.51, subdivision 4(5). Except as may be authorized by special law, the taxes

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initially levied by any district in accordance with section 475.61, for the payment of its bonds, upon property within each municipality included in the hospital district, shall be included in computing the limitations upon the levy of such municipality under section 275.11, as the case may be; but nothing herein shall limit the taxes required by section 475.74, to be levied by the district for payment of any deficiency in its bond sinking funds. If the tax required by section 475.61 to be levied for any year of the term of a bond issue upon property within any municipality included in the district would, when added to the taxes levied by such municipality for all purposes in the year preceding such issue, exceed the limitations prescribed in section 275.11, the bonds shall not be issued without the consent by resolution of the governing body of such municipality. An election shall be required prior to the issuance of any but funding or refunding bonds. The proposition submitted at any such election shall be whether the hospital board shall be authorized to issue bonds of the district in a specified maximum amount, for the purpose of financing the acquisition and betterment of hospital and nursing home facilities, or of facilities of one of said types if it is not proposed to use the bond proceeds for facilities of the other type. Bonds issued by a hospital district shall not constitute indebtedness for any purpose of any county, city, or town whose territory is included therein. ~~The interest on such bonds shall be exempt from taxation by the state or any of its political subdivisions.~~

Sec. 13. Minnesota Statutes 1982, section 447.49, is amended to read:

**447.49 MISCELLANEOUS PROVISIONS.**

All bonds issued pursuant to sections 447.45 to 447.50 shall be issued and sold as provided in chapter 475, but if the bonds do not pledge the credit of the county, city or hospital district as provided in section 447.48, the governing body may negotiate their sale without advertisement for bids. They shall not be included in the net debt of any municipality included therein, and shall not be subject to interest rate limitations, as defined or referred to in sections 475.51 and 475.55. ~~The bonds and interest thereon shall be exempt from taxation by the state or any of its political subdivisions.~~

Sec. 14. Minnesota Statutes 1982, section 458.193, subdivision 6, is amended to read:

Subd. 6. Bonds legally issued pursuant to ~~Laws 1957, Chapter 812~~ chapter 458, shall be deemed authorized as securities within the provisions of Minnesota Statutes, section 50.14, and shall be proper for the investment therein by any savings bank or trust company, insurance company, or sinking funds held by any public or municipal corporation, and may be pledged by any bank or trust company as security for the deposit of public moneys therein in lieu of surety bonds. ~~Such~~ The bonds shall be deemed and treated as instrumentalities of a public governmental agency ~~and, as such, exempt from taxation.~~

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Sec. 15. Minnesota Statutes 1982, section 458A.05, subdivision 6, is amended to read:

Subd. 6. **TAX EXEMPT OBLIGATIONS OF GOVERNMENTAL AGENCY.** Revenue bonds of the commission shall be deemed and treated as instrumentalities and obligations of a public government agency and as such, together with interest thereon, ~~exempt from taxation.~~

Sec. 16. Minnesota Statutes 1982, section 458A.09, is amended to read:  
458A.09 **EXEMPTION FROM TAXATION.**

Notwithstanding any other provision of law to the contrary, the properties, moneys, and other assets of the commission, and all revenues or other income of the commission, ~~and all bonds, certificates of indebtedness, or other obligations issued by the commission, and the interest thereon,~~ shall be exempt from all taxation, licenses, fees, or charges of any kind imposed by the state or by any county, municipality, political subdivision, taxing district, or other public agency or body of the state.

Sec. 17. Minnesota Statutes 1982, section 462.651, subdivision 3, is amended to read:

Subd. 3. **OBLIGATIONS AND DIVIDENDS OF REDEVELOPMENT COMPANY EXEMPT FROM TAXATION.** Bonds and mortgages and the income debenture certificates of all redevelopment companies are declared to be instrumentalities of the state, and issued for public purposes, and shall, together with interest thereon, ~~be exempt from taxation.~~ The dividends on the stock of those companies shall be exempt from taxation by the state.

Sec. 18. Minnesota Statutes 1982, section 462.551, is amended to read:  
462.551 **BOND ISSUE FOR CORPORATE PURPOSES.**

An authority shall have power to issue bonds for any of its corporate purposes. Such bonds may be such type as it determines, including, but not limited to, bonds on which the principal and interest are payable exclusively from the income and revenues of the project financed with the proceeds of such bonds, or exclusively from the income and revenues of certain designated projects, whether or not they are financed in whole or in part with the proceeds of such bonds. Any such bonds may be additionally secured by a pledge of any grant or contributions from the federal government or other source, or a pledge of any income or revenues of the authority, from the project for which the proceeds of the bonds are to be used, or a mortgage of any project, projects, or other property of the authority. No proceeds of bonds issued for or revenue authorized for or derived from any redevelopment project or area shall be used to pay the bonds or costs of, or make contributions or loans to, any public housing project. Further, the proceeds of bonds issued for or revenues authorized for or derived from any one public housing project shall not be used to pay the bonds or costs of, or make

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contributions or loans to any other public housing project until the bonds and costs of the public housing project for which those bonds were issued or from which those revenues were derived or for which they were authorized shall be fully paid. Neither the commissioners of an authority nor any person executing the bonds shall be liable personally on the bonds by reason of the issuance thereof. The bonds and other obligations of an authority (and such bonds and obligations shall so state on their face) shall not be a debt of the municipality, the state or any political subdivision thereof, and neither the municipality nor the state or any political subdivision thereof shall be liable thereon, nor in any event shall such bonds or obligations be payable out of any funds or properties other than those of said authority. The bonds shall not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction. Bonds of an authority are declared to be issued for an essential public and governmental purpose and to be public instrumentalities and, together with interest thereon and income therefrom, shall be exempt from taxes. The provisions of this act exempting from taxation authorities, their properties and their bonds and interest thereon and income therefrom, shall be considered additional security for the repayment of bonds and shall constitute, by virtue of this act and without the necessity of the same being restated in said the bonds, a contract between the bondholders and each and every one thereof, including all transferees of said the bonds from time to time on the one hand and the respective authorities issuing said the bonds and the state on the other. An authority may by covenant confer upon the holder of such bonds such rights and remedies as it deems necessary or advisable, including but not limited to the right in the event of default to have a receiver appointed to take possession of and operate the project; provided, however, that when the obligations issued by an authority to assist in financing the development of a project have been retired and federal contributions have been discontinued, then the exemptions from taxes and special assessments for that project shall terminate.

Sec. 19. Minnesota Statutes 1982, section 462A.19, subdivision 1, is amended to read:

Subdivision 1. The property of the agency and its income and operation shall be exempt from all taxation by the state or any of its political subdivisions and all bonds and notes of the agency shall be exempt from all taxation by the state or any of its political subdivisions.

Sec. 20. Minnesota Statutes 1982, section 472.09, subdivision 4, is amended to read:

Subd. 4. The bonds of a redevelopment agency are declared to be issued for an essential public and governmental purpose and to be public instrumentalities and, together with interest thereon and income therefrom, shall be exempt from taxes. The provisions of these sections exempting from taxation redevelopment agencies, their properties and their bonds and interest thereon and income

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~~therefrom~~, shall be considered additional security for the repayment of bonds and shall constitute, by virtue of this section and without the necessity of the same being restated in ~~said the~~ bonds, a contract between the bondholders and each and every one thereof, including all transferees of ~~said the~~ bonds from time to time on the one hand and the redevelopment agencies issuing ~~said the~~ bonds on the other. A redevelopment agency may by covenant confer upon the holder of such bonds such rights and remedies as it deems necessary or advisable, including but not limited to, the right in the event of default to have a receiver appointed to take possession of and operate the redevelopment project.

Sec. 21. Minnesota Statutes 1982, section 473.436, subdivision 3, is amended to read:

Subd. 3. **TAX EXEMPT.** Certificates of indebtedness, bonds, or other obligations of the commission shall be deemed and treated as instrumentalities of a public government agency and as ~~such, together with interest thereon, exempt from taxation.~~

Sec. 22. Minnesota Statutes 1982, section 473.448, is amended to read:

**473.448 COMMISSION; EXEMPTION FROM TAXATION.**

Notwithstanding any other provision of law to the contrary, the properties, moneys, and other assets of the commission, all revenues or other income of the commission, ~~and all bonds, certificates of indebtedness, or other obligations issued by the commission, and the interest thereon,~~ shall be exempt from all taxation, licenses, fees, or charges of any kind imposed by the state or by any county, municipality, political subdivision, taxing district, or other public agency or body of the state.

Sec. 23. Minnesota Statutes 1982, section 473.545, is amended to read:

**473.545 PROPERTY EXEMPT FROM TAXATION.**

Any properties, real or personal, owned, leased, controlled, used, or occupied by the waste control commission for any purpose referred to in section 473.502 are declared to be acquired, owned, leased, controlled, used and occupied for public, governmental, and municipal purposes, and shall be exempt from taxation by the state or any political subdivision of the state, provided that such properties shall be subject to special assessments levied by a political subdivision for a local improvement in amounts proportionate to and not exceeding the special benefit received by the properties from such improvement. No possible use of any such properties in any manner different from their use as part of the metropolitan disposal system at the time shall be considered in determining the special benefit received by such properties. All such assessments shall be subject to final confirmation by the metropolitan council, whose determination of the benefits shall be conclusive upon the political subdivision levying the assessment. ~~All bonds, certificates of indebtedness or other obligations of the council, and the~~

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interest thereon, shall be exempt from taxation by the state or any political subdivision of the state.

Sec. 24. Minnesota Statutes 1982, section 473.666, is amended to read:

**473.666 BONDS, LEGAL INVESTMENTS FOR PUBLIC FUNDS.**

Bonds legally issued pursuant to sections 473.601 to 473.679 or acts amendatory thereof or supplemental thereto, may be purchased by the state board of investment for the permanent school fund, permanent university fund, swamp land fund, internal improvement land funds, or any other trust fund of the state of Minnesota, or for any other fund administered by such board, and shall be deemed authorized securities within the provisions of section 50.14, and shall be proper for the investment of capital, surplus, or deposits of any savings bank or trust company, and for the investment of funds of any insurance company, and for the investment of any sinking funds held by any public or municipal corporation, and may be pledged by any bank or trust company as security for the deposit of public moneys therein in lieu of surety bonds. ~~Such~~ The bonds shall be deemed and treated as instrumentalities of a public government agency, and as such shall be exempt from taxation.

Sec. 25. **REPEALER.**

(a) Minnesota Statutes 1982, sections 116J.89, subdivision 7; and 462A.19, subdivision 2, are repealed.

(b) Minnesota Statutes 1982, section 474.12, is repealed.

Sec. 26. **EFFECTIVE DATE.**

Sections 10 and 25, clause (a), are effective the day after final enactment. The remainder of this act is effective for income earned after July 1, 1983 in taxable years beginning after December 31, 1982.

Approved May 20, 1983

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**CHAPTER 214 — H.F.No. 77**

*An act relating to horse racing; creating a Minnesota racing commission and providing for its membership, powers, and duties; authorizing the licensing of persons to operate racetracks, conduct horse racing, engage in certain occupations, and conduct pari-mutuel betting on horse racing; prescribing taxes and license fees; establishing a Minnesota breeders fund; defining sports bookmaking and making it a felony; clarifying what is not a lottery; providing for the forfeiture of certain gambling devices, prizes, and*

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