

of a municipal charter, ordinance, or resolution which limits or restricts a public employer from negotiating or from entering into binding contracts with exclusive representatives is superseded by this subdivision.

Sec. 4. Minnesota Statutes 1982, section 179.71, subdivision 8, is amended to read:

Subd. 8. Hearings and mediation meetings authorized by this section shall be held in the county which best meets the conveniences of the witnesses, but such hearings may be held at a time and place as is agreed to by the petitioner and those parties affected by the petition determined by the director, but, whenever practical, a hearing shall be held in the general geographic area where the question has arisen or exists.

Sec. 5. **EFFECTIVE DATE.**

This act is effective the day following final enactment.

Approved June 14, 1983

CHAPTER 365 — S.F.No. 889

An act relating to local government; clarifying powers of municipalities and redevelopment agencies with respect to acquisition, construction, leasing, selling, loan of funds, and issuance of revenue bonds for industrial development projects; amending Minnesota Statutes 1982, sections 474.03, 474.06, and 475.65.

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

Section 1. Minnesota Statutes 1982, section 474.03, is amended to read:

474.03 POWERS.

Subdivision 1. GENERAL. Any municipality or redevelopment agency, in addition to the powers prescribed elsewhere by the laws of this state, shall have the power to: has all powers set forth in this section.

(1) Subd. 2. PROJECT ACQUISITION. It may acquire, construct, and hold any lands, buildings, easements, water and air rights, improvements to lands and buildings, and capital equipment to be located permanently or used exclusively on a designated site and solid waste disposal and pollution control equipment, and alternative energy equipment and inventory, regardless of where located, which are deemed necessary in connection with a project to be situated within the state, whether wholly or partially within or without the municipality or redevelopment agency, and construct, reconstruct, improve, better, and extend the

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project; It may also pay part or all of the cost of an acquisition and construction by a contracting party under a revenue agreement.

(2) Subd. 3. REVENUE BONDS. It may issue revenue bonds, in anticipation of the collection of revenues of the project, to finance, in whole or in part, the cost of the acquisition, construction, reconstruction, improvement, betterment, or extension thereof and, in the case of an alternative energy project, in addition to the other powers granted by this chapter, to finance the acquisition and leasing or sale of equipment and products to others;

(3) Subd. 4. REFINANCING HEALTH FACILITIES. It may issue revenue bonds to pay, purchase, or discharge all or any part of the outstanding indebtedness of a contracting party engaged primarily in the operation of one or more nonprofit hospitals or nursing homes, theretofore incurred in the acquisition or betterment of its existing hospital or nursing home facilities, including, to the extent deemed necessary by the governing body of the municipality or redevelopment agency, any unpaid interest on the indebtedness accrued or to accrue to the date on which such indebtedness is finally paid; and any premium the governing body of the municipality or redevelopment agency determines to be necessary to be paid to pay, purchase, or defease the outstanding indebtedness; If revenue bonds are issued for this purpose, the refinancing and the existing properties of the contracting party shall be deemed to constitute a project under section 474.02, subdivision 1c. Industrial Revenue bonds shall only may not be available under issued pursuant to this provision if the commissioner of energy, planning and development has been shown subdivision unless the application for approval of the project pursuant to section 474.01 shows that a reduction in debt service charges to patients and third party payors will occur. All reductions in debt service charges pursuant to this program shall be passed on is estimated to result and will be reflected in charges to patients and third party payors. These industrial Proceeds of revenue bonds issued pursuant to this subdivision may not be used for any purpose not consistent inconsistent with the provisions of chapter 256B; Nothing in this subdivision is intended to prohibit prohibits the use of revenue bond proceeds to pay outstanding indebtedness of a contracting party to the extent now permitted by law; on March 28, 1978.

(4) Subd. 5. REVENUE AGREEMENTS. It may enter into a revenue agreement with any person, firm, or public or private corporation or federal or state governmental subdivision or agency in such manner so that payments required thereby to be made by the contracting party shall be are fixed, and revised from time to time as necessary, se as to produce income and revenue sufficient to provide for the prompt payment of principal of and interest on all bonds issued hereunder when due, and. The revenue agreement shall must also provide that the contracting party shall be is required to pay all expenses of the operation and maintenance of the project including, but without limitation, adequate insurance thereon and insurance against all liability for injury to persons or property arising from the its operation thereof, and all taxes and special

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assessments levied upon or with respect to the project and payable during the term of the revenue agreement; during which term, except as provided in subdivision 17, a tax shall be imposed and collected upon the project or, pursuant to the provisions of section 272.01, subdivision 2, for the privilege of using and possessing the project, in the same amount and to the same extent as though the contracting party were the owner of all real and personal property comprising the project;

(5) Subd. 6. PLEDGE OF REVENUES. It may pledge and assign to the holders of the bonds or a trustee therefor all or any part of the revenues of one or more projects and define and segregate the revenues or provide for the payment thereof to a trustee, whether or not the trustee is in possession of the project under a mortgage or otherwise;

(6) Subd. 7. SECURITY INTERESTS. It may mortgage or otherwise encumber the projects or grant a security interest in any project and its revenues, or may permit a mortgage, encumbrance, or security interest to be granted by a contracting party to the revenue agreement, in favor of the municipality or redevelopment agency, the holders of the bonds, or a trustee therefor, provided that. However, in creating any the mortgages or encumbrances mortgage, encumbrance, or security interest a municipality or redevelopment agency shall does not have the power to obligate itself except with respect to the project; and its revenues, unless otherwise specifically provided by law.

(7) Subd. 8. IMPLEMENTATION OF POWERS AND COVENANTS; CONSTRUCTION AND ACQUISITION BY CONTRACTING PARTY. It may make all contracts, execute all instruments, and do all things necessary or convenient in the exercise of the powers herein granted, or in the performance of its covenants or duties, or in order to secure the payment of its bonds; including, but without limitation, a contract entered into prior to the construction of the project revenue agreement authorizing the contracting party, subject to such any terms and conditions as the municipality or redevelopment agency shall find finds necessary or desirable and proper, to provide for the construction, acquisition, and installation of the buildings, improvements, and equipment to be included in the project by any means legally available to the contracting party and in the manner determined by the contracting party and without advertisement for bids as may be required for the construction or acquisition of other municipal facilities; unless advertisement by the contracting party is otherwise required by law.

(8) Subd. 9. INTERGOVERNMENTAL AGREEMENTS. It may enter into and perform such contracts and agreements with other municipalities, political subdivisions, and state agencies, authorities, and institutions as the respective governing bodies body of the same municipality or redevelopment agency may deem proper and feasible for or concerning the planning, construction, lease, purchase, mortgaging or other acquisition, and the financing of a

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project, and the maintenance thereof, including an agreement whereby one municipality issues its revenue bonds in behalf of one or more other municipalities pursuant to revenue agreements with the same or different contracting parties, which contracts and agreements may establish a board, commission, or such other body as may be deemed proper for the supervision and general management of the facilities of the project; ~~provided.~~ However, no municipality or redevelopment agency shall may enter into or perform any contract or agreement with any school district under which the municipality or redevelopment agency issues its revenue bonds or otherwise provides for the construction of school facilities and the school leases or otherwise acquires these facilities;.

(9) Subd. 10. FEDERAL LOANS AND GRANTS. It may accept from any authorized agency of the federal government loans or grants for the planning, construction, acquisition, leasing, purchase, or other provision of any project, and enter into agreements with the agency respecting the loans or grants;.

(10) Subd. 11. CONVEYANCE OF PROJECTS. It may sell and convey all properties acquired in connection with the projects, including without limitation the sale and conveyance thereof subject to ~~the a mortgage as herein provided,~~ and or the sale and conveyance thereof under an option granted to the lessee of the project, for such the price, and at such the time as the governing body of the municipality or redevelopment agency ~~may determine, provided,~~ determines. However, that no sale or conveyance of the properties shall ever may be made in such a manner as to ~~impair that~~ impairs the rights or interests of the ~~holder, or~~ holders, of any bonds issued under the authority of this chapter;.

(11) Subd. 12. REFUNDING. It may issue revenue bonds to refund, in whole or in part, bonds previously issued by the municipality or redevelopment agency under authority of this chapter; and interest on them.

(12) Subd. 13. TERMINATION OF REVENUE AGREEMENT. If so provided in the revenue agreement, it may terminate the agreement and re-enter or repossess the project upon the default of the contracting party, and operate, lease, or sell the project in such the manner as ~~may be~~ authorized or required by the provisions of the revenue agreement or of the resolution or indenture securing the bonds issued for the project;.
Any revenue agreement which includes provision for a conveyance of real estate to the contracting party may be terminated in accordance with the revenue agreement, notwithstanding that the revenue agreement may constitute an equitable mortgage ~~provided that no~~ municipality or redevelopment agency shall have power otherwise to.

Subd. 14. LIMITATIONS ON POWERS. It may not operate any project referred to in this chapter as a business or in any manner whatsoever, and except as authorized in subdivision 13. Nothing ~~herein in this section~~ authorizes any municipality or redevelopment agency to expend any funds on any project herein described, other than the revenues of the ~~projects~~ project, or the proceeds of revenue bonds and notes issued hereunder, or other funds granted to the

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municipality or redevelopment agency for the purposes herein contemplated, except:

(1) ~~as may be is~~ otherwise permitted by law and ~~except to enforce;~~
 (2) ~~to enforce~~ any right or remedy under any revenue agreement or related agreement for the benefit of the bondholders or for the protection of any security given in connection with a revenue agreement, ~~provided that; or~~

(3) ~~to pay without reimbursement part or all of~~ the public cost of redevelopment of land ~~paid by a city or its redevelopment agency including the acquisition of the site of the project, which cost shall not be deemed part of the cost of any the project situated on the land;~~

(13) Subd. 15. INVESTMENT AND DEPOSIT OF FUNDS. ~~It may invest or deposit, or authorize a trustee to invest or deposit, any money on hand in funds or accounts established in connection with a project or payment of bonds issued therefor, to the extent they are not presently needed for the purposes for which such funds or accounts were created, in accordance with section 471.56, as amended; proceeds of revenue bonds or notes issued pursuant to this chapter, and income from the investment of the proceeds, in any manner and upon any terms and conditions agreed to by the contracting party under the related revenue agreement, resolution, or indenture, notwithstanding chapter 118 or section 471.56 or 475.56, but subject to any statutory provisions which govern the deposit and investment of funds of a contracting party which is itself a governmental subdivision or agency.~~

(14) Subd. 16. CONTRACTOR'S BOND AND MECHANICS' LIENS. ~~It may waive or require the furnishing of a contractors contractor's payment and performance bond of the kind described in section 574.26, whether or not the municipality or redevelopment agency is a party to the construction contract. and If the bond shall be is required, then the provisions of chapter 514 relating to liens for labor and materials, shall are not be applicable in with respect of any to work done or labor or materials supplied for the project, and. If the bond be is waived then, the said provisions of chapter 514 shall apply in with respect of to work done or labor or materials supplied for the project; and.~~

(15) Subd. 17. VALUATION OF UNFINISHED SALE OR RENTAL PROJECTS. ~~Exempt from property taxes on a nonresidential If a building is to be constructed for sale or rent in a project to a contracting party, the building is exempt from taxation as public property exclusively used for a public purpose until the building is first sold, conveyed or first occupied or rented by the lessee, in whole or in part, whichever occurs first, up to a maximum of four years from the date of issue of bonds or notes for the project, provided that the exemption must be provided applied for before October 10 of the levy year of the levy of the first taxes to which the exemption applies.~~

Sec. 2. Minnesota Statutes 1982, section 474.06, is amended to read:

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474.06 MANNER OF ISSUANCE OF BONDS; INTEREST RATE.

Bonds authorized under this chapter ~~shall~~ must be issued in accordance with the provisions of chapter 475 relating to bonds payable from income of revenue producing conveniences, except that public sale ~~shall is~~ not be required, and the bonds may mature at any ~~the~~ time or times in such amount or amounts within 30 years from date of issue and may be sold at a price equal to ~~such~~ the percentage of the par value thereof, plus accrued interest, and bearing interest at ~~such~~ the rate or rates, as ~~may~~ be agreed by the contracting party, the purchaser, and the municipality or redevelopment agency, notwithstanding any limitation of interest rate or cost or of the amounts of annual maturities contained in any other law, and bonds issued to refund bonds previously issued pursuant to this chapter may be issued in amounts as may be determined by the municipality or redevelopment agency notwithstanding the provisions of section 475.67, subdivision 3. When bonds authorized under this chapter are issued, they shall state whether they are issued for a project defined in section 474.02, subdivisions 1, 1a, 1b, or 1c. The rate of interest payable on bonds issued pursuant to this section after December 31, 1985, shall not exceed nine percent per year.

Sec. 3. Minnesota Statutes 1982, section 475.65, is amended to read:

475.65 DELIVERY OF BONDS; USE OF PROCEEDS.

Upon payment to the treasurer of the purchase price by the successful bidder, the obligations shall be delivered, and the treasurer shall account for the receipt and disbursement of the proceeds thereof for the use named in the resolution or other instrument or instruments authorizing such obligations, in a separate fund or account in the official financial records of the municipality. Pending such use the proceeds may be invested and reinvested in accordance with law, and the income and gain therefrom shall be held as part of the proceeds and applied to such use or to the payment of the obligations and interest thereon or otherwise as provided in any city charter or any other law. The purchaser shall not be obligated to see to the application of the purchase price. When the use authorized is the acquisition or betterment of any land, easements, buildings, structures, machinery, or equipment, the proceeds may be used to pay all expenses, incurred and to be incurred, which are reasonably necessary and incidental to such acquisition or betterment, including, but without limitation, the cost of necessary professional planning studies to determine desirable locations, architectural, engineering, legal, financial advisory, and other professional services, printing and publication, and interest to accrue on the obligations prior to the anticipated date of commencement of the collection of taxes or special assessments to be levied or other funds pledged for the payment of the obligations and interest thereon. When the obligations are payable wholly from the income from a utility or other project, for the acquisition or betterment of which the obligations are issued, the proceeds may be used in part to establish a reserve as further security for the payment of such principal and interest when due. If the

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contemplated use be afterward abandoned, or if any balance of the proceeds of the obligations remains after the use is accomplished, such or if the governing body determines that at least 85 percent of the cost of the use has been paid or finally determined and retains in the fund an amount sufficient to pay the estimated costs of completion, the remainder of the fund may be devoted to any other public use authorized by law, and approved by resolution adopted or vote taken in the manner required to authorize bonds for such new use and purpose. Any balance remaining after the improvement has been completed and paid for, unless devoted to a new use as herein authorized, shall become a part of the debt service fund of the municipality.

Sec. 4. VALIDATION.

The amendment effected by section 1 is remedial in character, being adopted to clarify the powers intended to be granted to municipalities and redevelopment agencies in the undertaking, construction, and financing of projects under Minnesota Statutes, section 474.03. All proceedings and other actions taken heretofore by municipalities and redevelopment agencies which would be authorized under section 474.03 as amended by this act are validated and confirmed, and all obligations incurred and to be incurred and contracts made and to be made pursuant to those actions and proceedings are valid and binding.

Sec. 5. EFFECTIVE DATE.

This act is effective the day after final enactment.

Approved June 14, 1983

CHAPTER 366 — S.F.No. 911

An act relating to utilities; specifying the commission's authority over the availability of submetering; amending Minnesota Statutes 1982, section 216B.02, subdivision 4, and by adding a subdivision; proposing new law coded in Minnesota Statutes, chapter 216B.

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

Section 1. Minnesota Statutes 1982, section 216B.02, subdivision 4, is amended to read:

Subd. 4. "Public utility" means persons, corporations or other legal entities, their lessees, trustees, and receivers, now or hereafter operating, maintaining, or controlling in this state equipment or facilities for furnishing at retail natural, manufactured or mixed gas or electric service to or for the public or engaged in the production and retail sale thereof but does not include a

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