

the issuer and (2) the offer or sale has been exempted from registration by rule or order of the commissioner.

(p) Any transaction pursuant to an offer to existing security holders of the issuer, including persons who at the time of the transaction are holders of convertible securities, nontransferable warrants, or transferable warrants exercisable within not more than 90 days of their issuance, if: (1) no commission or other remuneration (other than a standby commission) is paid or given directly or indirectly for soliciting any security holder in this state; and (2) the commissioner has been furnished with a general description of the transaction and with other information as the commissioner may by rule prescribe no less than ten days prior to the transaction.

(q) Any nonissuer sales of ~~industrial revenue bonds~~ any security, including a revenue obligation, issued by the state of Minnesota or any of its political or governmental subdivisions, municipalities, governmental agencies, or instrumentalities.

Sec. 2. **EFFECTIVE DATE.**

Section 1 is effective the day following final enactment.

Presented to the governor May 18, 1989

Signed by the governor May 19, 1989, 11:10 p.m.

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**CHAPTER 207—H.F.No. 1540**

*An act relating to local government; regulating storm sewer improvements in Plymouth and Golden Valley; amending Laws 1979, chapter 303, article 10, section 15.*

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

Section 1. Laws 1979, chapter 303, article 10, section 15, is amended to read:

Sec. 15. **CITIES OF GOLDEN VALLEY AND PLYMOUTH; STORM SEWER RESERVE FUND.** Subdivision 1. **CAPITAL IMPROVEMENT PROGRAM.** The governing body of the city of Plymouth and the governing body of the city of Golden Valley may by resolution after notice and hearing adopt and annually amend a capital improvement program for a storm sewer tax district established under Minnesota Statutes, Section 444.17. The capital improvement program shall set forth the storm sewer improvement projects to be constructed, a schedule of construction ~~with a termination date not exceeding seven years from its adoption~~, the estimated cost of the improvements, and the proposed methods of financing the program. The capital improvement program may provide for the construction of various improvement projects at different loca-

New language is indicated by underline, deletions by ~~strikeout~~.

tions within the district at different times, but the program shall provide for the reasonable storm drainage of all lands within the district.

Subd. 2. **RESERVE FUND; TAXES.** After the adoption of a capital improvement program for a storm sewer tax district, each municipality may by ordinance after notice and hearing establish a storm sewer reserve fund for the district and may annually levy a tax not exceeding one mill on all the taxable property in the district for the support of the fund in an aggregate amount equal to the actual or estimated cost, whichever is less, of the improvement projects identified in the capital improvement program for the district. The proceeds of the tax shall be paid into the storm sewer reserve fund for the district and used for no other purpose than to pay capital costs of improvement projects therein including principal and interest on obligations issued pursuant to Minnesota Statutes, Section 444.19. ~~A tax levied in accordance with this subdivision is a levy for the payment of principal and interest on bonded indebtedness within the meaning of Minnesota Statutes, Section 275.50, Subdivision 5, Clause (e).~~

Subd. 3. **TERMINATION OF TAX.** If a no contract for ~~one or more~~ of the an improvement ~~projects~~ project identified in the capital improvement program or an amendment to it has ~~not~~ been entered into by the municipality ~~within one year~~ during two years after the date of the adoption of the capital improvement program or its latest amendment and there is no project in construction and not completed, the tax authorized by subdivision 2 shall terminate and any proceeds of the tax in the storm sewer reserve fund shall be transferred and irrevocably pledged to the debt service fund of the municipality to be used solely to reduce tax levies for bonded indebtedness of taxable property within the district. Upon the termination date of the capital improvement program the tax authorized by subdivision 2 shall terminate and proceeds of the tax in the storm sewer reserve fund shall be used as provided in this section.

Subd. 4. **HEARINGS; NOTICE.** The adoption of a capital improvement program and the establishment of a storm sewer reserve fund shall be preceded by a hearing upon the same notice required for the establishment of a storm sewer district. The municipality may establish the district, adopt the program and establish the fund at the same hearing.

## Sec. 2. **EFFECTIVE DATE.**

Pursuant to Minnesota Statutes, section 645.023, subdivision 1, clause (a), this act is effective on the day following its first enactment.

Presented to the governor May 18, 1989

Signed by the governor May 19, 1989, 11:14 p.m.

New language is indicated by underline, deletions by ~~strikeout~~.