

Sec. 7. EFFECTIVE DATE.

Sections 1 to 6 are effective the day following final enactment.

Presented to the governor May 30, 1989

Signed by the governor June 1, 1989, 11:25 p.m.

CHAPTER 355—S.F.No. 1582

An act relating to public finance; providing conditions and requirements for the issuance of debt; amending Minnesota Statutes 1988, sections 298.2211, subdivision 4; 400.101; 469.015, subdivision 4; 469.152; 469.153, subdivision 2; 469.154, subdivisions 3 and 5; 469.155, subdivisions 2, 3, and 5; 471.56, subdivision 5; 473.541, by adding a subdivision; 473.811, subdivision 2; 475.51, by adding subdivisions; 475.54, subdivision 4, and by adding a subdivision; 475.55, subdivision 6, and by adding a subdivision; 475.60, subdivisions 1, 2, and 3; and 475.79; proposing coding for new law in Minnesota Statutes, chapter 473.

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

Section 1. Minnesota Statutes 1988, section 298.2211, subdivision 4, is amended to read:

Subd. 4. **OBLIGATIONS NOT STATE DEBT.** Bonds and other obligations issued by the commissioner pursuant to this section, along with all related documents, are not general obligations of the state of Minnesota and are not subject to section 16B.06. The full faith and credit and taxing powers of the state are not and may not be pledged for the payment of these bonds or other obligations, and no person has the right to compel the levy of any state tax for their payment or to compel the appropriation of any moneys of the state for their payment except as specifically provided herein. These bonds and obligations shall be payable solely from the property and moneys derived by the commissioner pursuant to the authority granted in this section that the commissioner pledges to their payment. All these bonds or other obligations must contain the provisions of this subdivision or words to the same effect on their face.

Sec. 2. Minnesota Statutes 1988, section 400.101, is amended to read:

400.101 BONDS.

The county, by resolution, may authorize the issuance of bonds to provide funds for the acquisition or betterment of solid waste facilities, closure, postclosure and contingency costs, related transmission facilities, or property or property rights for the facilities, for ~~improvements of a capital nature to respond~~ responses, as defined in section 115B.02, to releases from closed solid waste facilities, or for refunding any outstanding bonds issued for any such purpose,

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and may pledge to the payment of the bonds and the interest thereon, its full faith, credit, and taxing powers, or the proceeds of any designated tax levies, or the gross or net revenues or charges to be derived from any facility operated by or for the county, or any combination thereof. The proceeds of bonds issued under this section for closure, postclosure, and contingency costs and noncapital responses to releases may be used only for solid waste facilities in existence on May 15, 1989. Except as otherwise provided in this section, the bonds must be issued and sold in accordance with the provisions of chapter 475. The proceeds of the bonds may be used in part to establish a reserve as further security for the payment of the principal and interest of the bonds when due. Revenue Bonds issued under this section may be sold at public or private sale upon conditions that the county board determines, but any bonds issued after May 22, 1991, to which the full faith and credit and taxing powers of the county are pledged must be sold in accordance with the provisions of chapter 475. No election is required to authorize the issuance of bonds under this section.

Sec. 3. Minnesota Statutes 1988, section 469.015, subdivision 4, is amended to read:

Subd. 4. ~~EXCEPTION; CERTAIN PROJECTS EXCEPTIONS.~~ (a) An authority need not require ~~either competitive bidding or performance bonds in the following circumstances:~~

- (1) in the case of a contract for the acquisition of a low rent housing project:
 - (i) for which financial assistance is provided by the federal government; ~~and;~~
 - (ii) which does not require any direct loan or grant of money from the municipality as a condition of the federal financial assistance; ~~and~~
 - (iii) ~~where for which~~ the contract provides for the construction of ~~such a~~ the project upon land not owned by the authority at the time of the contract, or owned by the authority for redevelopment purposes, and provides for the conveyance or lease to the authority of the project or improvements upon completion of construction: ~~In exercising, pursuant to any general or special law, any power under this chapter, an authority need not require competitive bidding;~~

(2) with respect to a structured parking facility:

- (i) constructed in conjunction with, and directly above or below, a development; ~~and~~
- (ii) financed with the proceeds of tax increment or parking ramp revenue bonds: ~~An authority need not require competitive bidding; and~~

(3) in the case of a housing development project ~~that if:~~

- (4) (i) the project is financed with the proceeds of bonds ~~secured by the project and to which the full faith and credit of the authority is not pledged issued under section 469.034;~~

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(2) (ii) the project is located on land that is not owned by the authority at the time the contract is entered into, or is owned by the authority only for development purposes, and provides for conveyance or lease to the authority of the project or improvements upon completion of construction; and

(3) is constructed or rehabilitated under agreements with a developer for the construction of the project, guarantee of the bonds, and management of the property; and (4) is found by the authority to require negotiation rather than use of a competitive bidding procedure

(iii) the authority finds and determines that elimination of the public bidding requirements is necessary in order for the housing development project to be economical and feasible.

(b) An authority need not require a performance bond in the case of a contract described in paragraph (a), clause (1).

Sec. 4. Minnesota Statutes 1988, section 469.152, is amended to read:

469.152 PURPOSES.

The welfare of the state requires the active promotion, attraction, encouragement, and development of economically sound industry and commerce through governmental action for the purpose of preventing the emergence of blighted and marginal lands and areas of chronic unemployment. It is the policy of the state to facilitate and encourage action by local government units to prevent the economic deterioration of such areas to the point where the process can be reversed only by total redevelopment through the use of local, state, and federal funds derived from taxation, necessitating relocating displaced persons and duplicating public services in other areas. By the use of the powers and procedures described in sections 469.152 to 469.165, local government units and their agencies and authorities responsible for redevelopment and economic development may prevent occurrence of conditions requiring redevelopment, or aid in the redevelopment of existing areas of blight, marginal land, and avoidance of substantial and persistent unemployment.

The welfare of the state further requires the provision of necessary health care facilities, so that adequate health care services are available to residents of the state at reasonable cost. The welfare of the state further requires the provision of county jail facilities for the purpose of providing adequately for the care, control, and safeguarding of civil rights of prisoners. The welfare of the state requires that, whenever feasible, employment opportunities made available in part by sections 469.152 to 469.165 or other state law providing for similar financing mechanisms should be offered to individuals who are unemployed or who are economically disadvantaged.

The welfare of the state further requires that, whenever feasible, action should be taken to reduce the cost of borrowing by local governments for public purposes.

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Sec. 5. Minnesota Statutes 1988, section 469.153, subdivision 2, is amended to read:

Subd. 2. **PROJECT.** (a) "Project" means (1) any properties, real or personal, used or useful in connection with a revenue producing enterprise, or any combination of two or more such enterprises engaged or to be engaged in generating, transmitting, or distributing electricity, assembling, fabricating, manufacturing, mixing, processing, storing, warehousing, or distributing any products of agriculture, forestry, mining, or manufacture, or in research and development activity in this field; (2) any properties, real or personal, used or useful in the abatement or control of noise, air or water pollution, or in the disposal of solid wastes, in connection with a revenue producing enterprise, or any combination of two or more such enterprises engaged or to be engaged in any business or industry; (3) any properties, real or personal, used or useful in connection with the business of telephonic communications, conducted or to be conducted by a telephone company, including toll lines, poles, cables, switching and other electronic equipment and administrative, data processing, garage and research and development facilities; (4) any properties, real or personal, used or useful in connection with a district heating system, consisting of the use of one or more energy conversion facilities to produce hot water or steam for distribution to homes and businesses, including cogeneration facilities, distribution lines, service facilities and retrofit facilities for modifying the user's heating or water system to use the heat energy converted from the steam or hot water.

(b) "Project" also includes any properties, real or personal, used or useful in connection with a revenue producing enterprise, or any combination of two or more such enterprises engaged in any business.

(c) "Project" also includes any properties, real or personal, used or useful for the promotion of tourism in the state. Properties may include hotels, motels, lodges, resorts, recreational facilities of the type that may be acquired under section 471.191, and related facilities.

(d) "Project" also includes any properties, real or personal, used or useful in connection with a revenue producing enterprise, whether or not operated for profit, engaged in providing health care services, including hospitals, nursing homes, and related medical facilities.

(e) "Project" does not include any property to be sold or to be affixed to or consumed in the production of property for sale, and does not include any housing facility to be rented or used as a permanent residence.

(f) "Project" also means the activities of any revenue producing enterprise involving the construction, fabrication, sale, or leasing of equipment or products to be used in gathering, processing, generating, transmitting, or distributing solar, wind, geothermal, biomass, agricultural or forestry energy crops, or other alternative energy sources for use by any person or any residential, commercial, industrial, or governmental entity in heating, cooling, or otherwise providing energy for a facility owned or operated by that person or entity.

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(g) "Project" also includes any properties, real or personal, used or useful in connection with a county jail or county regional jail, the plans for which are approved by the commissioner of corrections; provided that the provisions of section 469.155, subdivisions 7 and 13, do not apply to those projects.

(h) "Project" also includes any real properties used or useful in furtherance of the purposes and policies of sections 469.135 to 469.141.

(i) "Project" also includes related facilities as defined by section 471A.02, subdivision 11.

(j) "Project" also includes an undertaking to purchase the obligations of local governments located in whole or in part within the boundaries of the municipality that are issued or to be issued for public purposes.

Sec. 6. Minnesota Statutes 1988, section 469.154, subdivision 3, is amended to read:

Subd. 3. **CONDITIONS; APPROVAL.** No municipality or redevelopment agency shall undertake any project authorized by sections 469.152 to 469.165, except a project referred to in section 469.153, subdivision 2, paragraph (g) or (j), unless its governing body finds that the project furthers the purposes stated in section 469.152, nor until the commissioner has approved the project, on the basis of preliminary information the commissioner requires, as tending to further the purposes and policies of sections 469.152 to 469.165. The commissioner may not approve any projects relating to health care facilities except as permitted under subdivision 6. Approval shall not be deemed to be an approval by the commissioner or the state of the feasibility of the project or the terms of the revenue agreement to be executed or the bonds to be issued therefor, and the commissioner shall state this in communicating approval.

Sec. 7. Minnesota Statutes 1988, section 469.154, subdivision 5, is amended to read:

Subd. 5. **INFORMATION TO ENERGY AND ECONOMIC DEVELOPMENT AUTHORITY.** Each municipality and redevelopment agency upon entering into a revenue agreement, except one pertaining to a project referred to in section 469.153, subdivision 2, paragraph (g) or (j), shall furnish the energy and economic development authority on forms the authority prescribes the following information concerning the project: The name of the contracting party, the nature of the enterprise, the location, approximate number of employees, the general terms and nature of the revenue agreement, the amount of bonds or notes issued, and other information the energy and economic development authority deems advisable. The energy and economic development authority shall keep a record of the information which shall be available to the public at times the authority prescribes.

Sec. 8. Minnesota Statutes 1988, section 469.155, subdivision 2, is amended to read:

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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, that are deemed necessary in connection with a project to be situated within the state, and construct, reconstruct, improve, better, and extend the project. It may also pay part or all of the cost of an acquisition and construction by a contracting party under a revenue agreement.

In the case of a project described in section 469.153, subdivision 2, paragraph (j), it may purchase obligations issued by a local unit of government that is located in whole or in part within the boundaries of the municipality at public sale, or at private sale if the obligations may be sold in that manner under the law authorizing their issuance. The obligations must be issued under a capital improvement plan or program of at least five years.

Sec. 9. Minnesota Statutes 1988, section 469.155, subdivision 3, is amended to read:

Subd. 3. **REVENUE BONDS.** (a) It may issue revenue bonds, in anticipation of the collection of revenues of a project to be situated within the state, to finance, in whole or in part, the cost of the acquisition, construction, reconstruction, improvement, betterment, or extension thereof.

(b) It may issue revenue bonds to purchase the obligations of local government units located in whole or in part within the boundaries of the municipality. The proceeds of bonds issued to purchase obligations as provided under this paragraph may be disbursed or otherwise used to pay underwriter's or placement fees, expenses, or other costs of issuance and sale for the bonds only on a pro rata basis determined with respect to the portion of the proceeds that are used to purchase the obligations. The municipality may not pay the underwriter's or placement fees, expenses or other costs of issuance and sale out of other money.

Sec. 10. Minnesota Statutes 1988, section 469.155, subdivision 5, is amended to read:

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 so that payments required thereby to be made by the contracting party are fixed and revised as necessary to produce income and revenue sufficient to provide for the prompt payment of principal of and interest on all bonds issued hereunder when due. The revenue agreement must also provide that the contracting party is required to pay all expenses of the operation and maintenance of the project including adequate insurance thereon and insurance against all liability for injury to persons or property arising from its operation, and all taxes and special assessments levied upon or with respect to the project and payable during the term of the revenue agree-

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ment. During the term of the revenue agreement, 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. No revenue agreement is required in connection with a project described in section 469.153, subdivision 2, paragraph (j).

Sec. 11. Minnesota Statutes 1988, section 471.56, subdivision 5, is amended to read:

Subd. 5. In addition to other authority granted by this section, a county containing a city of the first class, a statutory or home rule charter city of the first or second class, and a metropolitan ~~commission~~ agency, as defined in section 473.121, may:

(1) sell futures contracts but only with respect to securities owned by it, including securities which are the subject of reverse repurchase agreements under section 475.76 which expire at or before the due date of the futures contract; and

(2) enter into option agreements to buy or sell securities described in section 475.66, subdivision 3, clause (a) but only with respect to securities owned by it, including securities which are the subject of reverse repurchase agreements under section 475.76 which expire at or before the due date of the option agreement.

Sec. 12. [473.132] **SHORT-TERM INDEBTEDNESS.**

The council may issue certificates of indebtedness or capital notes to purchase equipment to be owned and used by the council and having an expected useful life of at least as long as the terms of the certificates or notes. The certificates or notes shall be payable in not more than five years and shall be issued on such terms and in such manner as the council may determine, and for this purpose the council may secure payment of the certificates or notes by resolution or by trust indenture entered into by the council with a corporate trustee within or outside the state, and by a mortgage in the equipment financed. The total principal amount of the notes or certificates issued in a fiscal year should not exceed one-half of one percent of the tax capacity of the metropolitan area for that year. The full faith and credit of the council shall be pledged to the payment of the certificates or notes, and a tax levy shall be made for the payment of the principal and interest on the certificates or notes, in accordance with section 475.61, as in the case of bonds issued by a municipality. The tax levy authorized by this section must be deducted from the amount of taxes the council is otherwise authorized to levy under section 473.249.

Sec. 13. Minnesota Statutes 1988, section 473.541, is amended by adding a subdivision to read:

Subd. 4. REVENUE BONDS. (a) The council may, by resolution, autho-

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rize the issuance of revenue bonds for any purpose for which general obligation bonds may be issued under subdivision 3. The bonds shall be sold, issued, and secured in the manner provided in chapter 475 for bonds payable solely from revenues, except as otherwise provided in this subdivision, and the council shall have the same powers and duties as a municipality and its governing body in issuing bonds under that chapter. The bonds shall be payable from and secured by a pledge of all or any part of revenues receivable under section 473.517, shall not, and shall state they do not, represent or constitute a general obligation or debt of the council, and shall not be included in the net debt of any city, county, or other subdivision of the state for the purpose of any net debt limitation. The proceeds of the bonds may be used to pay credit enhancement fees.

(b) The bonds may be secured by a bond resolution, or a trust indenture entered into by the council with a corporate trustee within or outside the state, which shall define the revenues and bond proceeds pledged for the payment and security of the bonds. The pledge shall be a valid charge on the revenues received under section 473.517. No mortgage of or security interest in any tangible real or personal property shall be granted to the bondholders or the trustee, but they shall have a valid security interest in the revenues and bond proceeds received by the council and pledged to the payment of the bonds as against the claims of all persons in tort, contract, or otherwise, irrespective of whether such parties have notice thereof and without possession or filing as provided in the uniform commercial code or any other law, subject, however, to the rights of the holders of any general obligation bonds issued under subdivision 3. In the bond resolution or trust indenture, the council may make such covenants as it determines to be reasonable for the protection of the bondholders, including a covenant to issue general obligation bonds to refund the revenue bonds if and to the extent required to pay principal and interest on the bonds and to certify a deficiency tax levy as provided in section 473.521, subdivision 4.

(c) Neither the council, nor any council member, officer, employee, or agent of the council, nor any person executing the bonds shall be liable personally on the bonds by reason of their issuance. The bonds shall not be payable from nor a charge upon any funds other than the revenues and bond proceeds pledged to the payment thereof, nor shall the council be subject to any liability thereon or have the power to obligate itself to pay or to pay the bonds from funds other than the revenues and bond proceeds pledged, and no holder or holders of bonds shall ever have the right to compel any exercise of the taxing power of the council (except any deficiency tax levy the council covenants to certify under section 473.521, subdivision 4) or any other public body, to the payment of principal of or interest on the bonds, nor to enforce payment thereof against any property of the council or other public body other than that expressly pledged for the payment thereof.

Sec. 14. Minnesota Statutes 1988, section 473.811, subdivision 2, is amended to read:

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Subd. 2. **COUNTY FINANCING OF FACILITIES.** Each metropolitan county may by resolution authorize the issuance of bonds to provide funds for the acquisition or betterment of solid waste facilities, closure, postclosure and contingency costs, related transmission facilities, or property or property rights for the facilities, ~~for improvements of a capital nature to respond responses~~, as defined in section 115B.02, to releases from closed solid waste facilities, or for refunding any outstanding bonds issued for any such purpose. The proceeds of bonds issued under this section for closure, postclosure, and contingency costs and noncapital responses to releases may be used only for solid waste facilities in existence on May 15, 1989. The county may pledge to the payment of the bonds and the interest thereon, its full faith, credit and taxing powers, or the proceeds of any designated tax levies, or the gross or net revenues or charges to be derived from any facility operated by or for the county, or any combination thereof. Taxes levied for the payment of the bonds and interest shall not reduce the amounts of other taxes which the county is authorized by law to levy. The proceeds of the bonds may be used in part to establish a reserve as further security for the payment of the principal and interest of the bonds when due. ~~Revenue~~ Bonds issued pursuant to this section may be sold at public or private sale upon such conditions as the county board shall determine, but any bonds issued after May 22, 1991, to which the full faith and credit and taxing powers of the county are pledged shall be sold in accordance with the provisions of chapter 475. No election shall be required to authorize the issuance of the bonds. Except as otherwise provided, the bonds shall be issued and sold in accordance with the provisions of chapter 475.

Sec. 15. Minnesota Statutes 1988, section 475.51, is amended by adding a subdivision to read:

Subd. 13. OTHER GOVERNMENTAL UNIT. "Other governmental unit" means any public corporation, authority, governmental unit, or other political subdivision of the state of Minnesota that is not a municipality.

Sec. 16. Minnesota Statutes 1988, section 475.51, is amended by adding a subdivision to read:

Subd. 14. BOND REINVESTMENT PROGRAM. "Bond reinvestment program" means a program under which a municipality, either directly or through an agent employed for the purpose, offers and sells its obligations to the holders of other obligations of the municipality. These offers and sales are directed at the reinvestment in new obligations of funds derived from maturing principal and interest and may also include offers and sales of additional newly issued obligations in addition to the reinvestment of principal and interest paid or to be paid on outstanding obligations and provision for the temporary investment of funds received for the purchase of new obligations in tax-exempt securities pending the issuance of the new obligations.

Sec. 17. Minnesota Statutes 1988, section 475.54, subdivision 4, is amended to read:

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Subd. 4. **REDEMPTION.** Any obligation may be issued reserving the right of redemption and payment thereof prior to maturity, at par and accrued interest or at such premium and at such time or times as shall be determined by the governing body. Notice of the call of any prepayable obligation shall be published in a daily or weekly periodical published in a Minnesota city of the first class, or its metropolitan area, which circulates throughout the state and furnishes financial news as a part of its service; provided that published notice of the call need not be given if the obligation is in registered form and notice has been mailed to the registered holder of the obligation. When any such obligation has been validly called for redemption in accordance with its terms, and the principal thereof and all interest thereon to the date of redemption have been paid or deposited with the paying agent, interest thereon shall cease; provided that no obligation issued subsequent to July 1, 1967, shall be deemed validly called for redemption unless the notice herein required has been published or so mailed prior to the date fixed for its redemption. If actual notice of the call has been given through a different means of communication, the holder of an obligation may waive published or mailed notice.

Sec. 18. Minnesota Statutes 1988, section 475.54, is amended by adding a subdivision to read:

Subd. 6a. FOREIGN CURRENCY OBLIGATIONS. Any obligation issued as part of a series in a principal amount of \$25,000,000 or more may be payable in currency other than currency of the United States if at the time of issue of the obligation the municipality enters into an agreement with a bank or dealer described in section 475.66, subdivision 1, that provides for payments to the municipality in the foreign currency at the times and in the amounts necessary to pay principal and interest on the obligations when due and payable in the foreign currency and corresponding payments by the municipality in United States currency of a determinate amount or amounts and at the times the agreement specifies. For purposes of chapter 475, the outstanding amount of the municipality's obligations payable in a foreign currency is the principal component of all remaining payments to be made by the municipality in United States currency under the agreement and the amount or rate of interest on the obligations is the interest component of the payments.

Sec. 19. Minnesota Statutes 1988, section 475.55, subdivision 6, is amended to read:

Subd. 6. **REGISTRATION DATA PRIVATE.** All information contained in any register maintained by a municipality or by a corporate registrar with respect to the ownership of municipal obligations is nonpublic data as defined in section 13.02, subdivision 9, or private data on individuals as defined in section 13.02, subdivision 12. The information is not public and is accessible only to the individual or entity that is the subject of it, except if disclosure:

(1) is necessary for the performance of the duties of the municipality or the registrar;

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(2) is requested by an authorized representative of the state commissioner of revenue or attorney general or of the commissioner of internal revenue of the United States for the purpose of determining the applicability of a tax;

(3) is required under section 13.03, subdivision 4; or

(4) is requested at any time by the corporate trust department of a bank or trust company acting as a tender agent pursuant to documents executed at the time of issuance of the obligations to purchase obligations described in section 475.54, subdivision 5a, or obligations to which a tender option has been attached in connection with the performance of such person's duties as tender agent, or purchaser of the obligations.

A municipality or its agent may use the information in a register for purposes of offering obligations under a bond reinvestment program.

Sec. 20. Minnesota Statutes 1988, section 475.55, is amended by adding a subdivision to read:

Subd. 8. BOND REINVESTMENT PROGRAMS. In connection with a bond reinvestment program the governing body may by resolution delegate to any appropriate officer of the municipality authority to establish from time to time the interest rate or rates, subject to limitations imposed by law, on such obligations and other terms of obligations issued under a bond reinvestment program. Obligations issued under a bond reinvestment program may be in any denomination as determined by the governing body or an officer acting pursuant to delegation from the governing body.

Sec. 21. Minnesota Statutes 1988, section 475.60, subdivision 1, is amended to read:

Subdivision 1. **ADVERTISEMENT.** All obligations shall be negotiated and sold by the governing body, except when authority therefor is delegated by the governing body or by the charter of the municipality to a board, department, or officers of the municipality. Except as provided in section 475.56, obligations shall be sold at not less than par value plus accrued interest to date of delivery. Except as provided in subdivision 2 all obligations shall be sold at public sale after notice given at least ten days in advance by publication in a legal newspaper having general circulation in the municipality and ten days in advance by publication in a daily or weekly periodical, published in a Minnesota city of the first class, or its metropolitan area, which circulates throughout the state and furnishes financial news as a part of its service.

Sec. 22. Minnesota Statutes 1988, section 475.60, subdivision 2, is amended to read:

Subd. 2. **REQUIREMENTS WAIVED.** The requirements as to public sale shall not apply to:

(1) obligations issued under the provisions of a home rule charter or of a

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law specifically authorizing a different method of sale, or authorizing them to be issued in such manner or on such terms and conditions as the governing body may determine;

(2) obligations sold by an issuer in an amount not exceeding the total sum of \$1,200,000 in any 12-month period;

(3) obligations issued by a governing body other than a school board in anticipation of the collection of taxes or other revenues appropriated for expenditure in a single year, if sold in accordance with the most favorable of two or more proposals solicited privately;

(4) obligations sold to any board, department, or agency of the United States of America or of the state of Minnesota, in accordance with rules or regulations promulgated by such board, department, or agency;

(5) obligations issued to fund pension and retirement fund liabilities under section 475.52, subdivision 6, obligations issued with tender options under section 475.54, subdivision 5a, crossover refunding obligations referred to in section 475.67, subdivision 13, and any issue of obligations comprised in whole or in part of obligations bearing interest at a rate or rates which vary periodically referred to in section 475.56; ~~and~~

(6) obligations to be issued for a purpose, in a manner, and upon terms and conditions authorized by law, if the governing body of the municipality, on the advice of bond counsel or special tax counsel, determines that interest on the obligations cannot be represented to be excluded from gross income for purposes of federal income taxation;

(7) obligations issued in the form of an installment purchase contract, lease purchase agreement, or other similar agreement; and

(8) obligations sold under a bond reinvestment program.

Sec. 23. Minnesota Statutes 1988, section 475.60, subdivision 3, is amended to read:

Subd. 3. **PUBLISHED NOTICE.** Published notice, where required, shall specify the maximum principal amount of the obligations, the place of receipt and consideration of bids and such other details as to the obligations and terms of sale as the governing body deems suitable. The published notice shall either specify the date and time for receipt of bids or provide that the bids will be received at a date and time not less than ten nor more than 60 days after the date of publication. If the published notice does not state the specific date or amount for the sale, it shall specify the manner in which notice of the date or amount of the sale will be given to prospective bidders. Notification of prospective bidders shall be given by electronic data transmission or other form of communication common to the municipal bond trade at least four days (omitting Saturdays, Sundays, and legal holidays) before the date for receipt of bids.

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If within five days after the date of publication a prospective bidder requests in writing to be notified by mail, the municipality shall do so. Failure to give the notice as described in the preceding sentence to a bidder shall not affect the validity of the sale or of the obligations. The governing body may employ an agent to receive and open the bids at any place within or outside the corporate limits of the municipality, in the presence of an officer of the municipality or the officer's designee, but the obligations shall not be sold except by action of the governing body or authorized officers of the municipality after communication of the bids to them. Additional notice may be given for such time and in such manner as the governing body deems suitable. At the time and place so fixed, the bids shall be opened and the offer complying with the terms of sale and deemed most favorable shall be accepted, but the governing body may reject any and all such offers, in which event, or if no offers have been received, it may award the obligations to any person who within 30 days thereafter presents an offer complying with the terms of sale and deemed more favorable than any received previously, or upon like notice the governing body may invite other bids upon the same or different terms and conditions, except that if the original published notice does not state the specific date or amount for the sale and if the material terms and conditions of the sale remain the same, except for the date and amount, notice of the date or amount may be given in the manner provided above.

Sec. 24. Minnesota Statutes 1988, section 475.79, is amended to read:

475.79 POWERS AVAILABLE TO OTHER POLITICAL SUBDIVISIONS.

Any powers granted to a municipality under this chapter, other than the power to issue general obligation bonds and levy taxes, may be exercised by any other ~~public corporation, authority, governmental unit, or other political subdivision of the state of Minnesota that is not a municipality.~~ This grant of authority does not limit the powers granted to an entity under any other law.

Sec. 25. **APPLICATION.**

Sections 12, 13, and 15 apply in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 26. **EFFECTIVE DATE.**

Sections 1 to 25 are effective the day following final enactment.

Presented to the governor May 30, 1989

Signed by the governor June 2, 1989, 12:18 p.m.

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