

Minnesota Statutes, sections 353.33, subdivision 5a, and 353C.07, subdivision 2, are repealed.

Sec. 52. **EFFECTIVE DATE.**

Sections 1 to 51 are effective the day following final enactment. Section 20 applies retroactively to May 16, 1989, and applies to all refunds paid after the day following final enactment. Section 30 applies retroactively to December 31, 1990. Section 48 applies retroactively to October 1, 1990. Section 42 is effective for the first payroll period beginning after July 1, 1991. Section 50 is effective the day following final enactment.

Presented to the governor May 31, 1991

Signed by the governor June 4, 1991, 9:00 p.m.

CHAPTER 342—S.F.No. 1179

An act relating to public finance; providing conditions and requirements for the issuance of debt and for the financial obligations of authorities; requiring a debt capacity forecast; modifying provisions relating to budget preparation; validating the sale of certain school district bonds; exempting certain construction loans from the mortgage registry tax; amending Minnesota Statutes 1990, sections 16A.11, subdivisions 1, 3, and by adding subdivisions; 400.101; 429.061, subdivision 3; 447.49; 469.014; 469.155, subdivision 12; 473.811, subdivision 2; 475.58, subdivision 2; 475.60, subdivision 2; 475.66, subdivision 3; and 475.67, subdivision 3; proposing coding for new law in Minnesota Statutes, chapters 16A, 16B, 462C, and 469.

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

Section 1. **[16A.105] DEBT CAPACITY FORECAST.**

By January 14 of each odd-numbered year the governor shall submit to the legislature a debt capacity forecast. The debt capacity forecast must include statements of the indebtedness of the state for bonds, notes, and other forms of long-term indebtedness that are not accounted for in proprietary or fiduciary funds, including general obligation bonds, moral obligation bonds, revenue bonds, loans, grants payable, and capital leases. The forecast must show the actual amount of the debt service for at least the past two completed fiscal years, and the estimated amount for the current fiscal year and the next six fiscal years, the debt authorized and unissued, the condition of the sinking funds, and the borrowing capacity for the next six fiscal years.

Sec. 2. Minnesota Statutes 1990, section 16A.11, subdivision 1, is amended to read:

Subdivision 1. **WHEN.** The governor shall submit a ~~two-part~~ three-part budget to the legislature. Parts one and two, the budget message and detailed

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operating budget, must be submitted by the fourth Monday in January in each odd-numbered year. ~~It shall include Part three, the detailed~~ recommendations as to capital expenditure, ~~but they need not be submitted until April~~ June 15.

Sec. 3. Minnesota Statutes 1990, section 16A.11, subdivision 3, is amended to read:

Subd. 3. **PART TWO: DETAILED BUDGET.** Part two of the budget, the detailed budget estimates both of expenditures and revenues, ~~shall also include statements of the bonded indebtedness of the state, showing the actual amount of the debt service for at least the past two completed fiscal years, and the estimated amount for the current fiscal year and for the next two fiscal years, the debt authorized and unissued, the condition of the sinking funds, and the borrowing capacity. It shall also contain any statements on the financial plan which the governor believes desirable or which may be required by the legislature. The detailed estimates shall include the budget request of each agency arranged in tabular form so it may readily be compared with the governor's budget for each agency. They shall also include, as part of each agency's organization chart, a summary of the personnel employed by the agency, showing the complement approved by the legislature for the current biennium, additional complement positions authorized through the governor or the commissioner, positions transferred into or out of the agency, additional part-time and seasonal positions and the number of employees of all kinds employed by the agency on June 30 of the last complete fiscal year. The summary of the number of employees must list employees by employment status, including but not limited to full-time unlimited, part-time unlimited, full-time or part-time seasonal, intermittent, full-time or part-time temporary, full-time or part-time emergency, and other. The summary of personnel shall also be shown for each functional division of the agency, and for each fund and type of appropriation.~~

Any increase in complement with the exception of federal positions, approved by the commissioner of finance as temporary positions, shall be reflected in the governor's budget recommendations to the legislature as change request items. These positions are not permanent positions until the legislature has approved the change request items.

Sec. 4. Minnesota Statutes 1990, section 16A.11, is amended by adding a subdivision to read:

Subd. 3a. **PART THREE: DETAILED CAPITAL BUDGET.** The detailed capital budget must include recommendations for capital projects to be funded during the next six fiscal years. It must be submitted with projects rank ordered in two ways: in order of importance among all budget projects as determined by the governor, and in order of importance among that agency's requests as determined by the agency originating the request.

Sec. 5. Minnesota Statutes 1990, section 16A.11, is amended by adding a subdivision to read:

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Subd. 5. CAPITAL FACILITIES NOTE. The commissioner shall prepare a facilities note on each capital project, estimating program cost impacts and efficiencies stemming from the approval of that project.

Sec. 6. [16B.305] CAPITAL BUDGET REQUESTS.

Subdivision 1. ARCHITECTURAL AND COST STANDARDS. The commissioner shall discuss various architectural and cost standards with experts from the public and private sector and recommend the use of appropriate design and cost standards for all capital budget requests.

Subd. 2. REVIEW OF REQUESTS. The commissioner shall review agency requests for state buildings and help agencies prepare adequate plans for use in presenting their capital budget requests to the commissioner of finance, the governor, and the legislature. The commissioner shall consider locational questions in siting state buildings and include answers to locational questions in the commissioner's recommendations on a request.

Subd. 3. CONSULTATION REQUIRED. State agencies and other public bodies considering capitol area projects shall consult with the capitol area architectural and planning board before developing plans for capital improvements or capital budget proposals for submission to the legislature and governor. The board shall provide to the governor and legislature a statement as to the request's impact upon the capitol area and its compatibility with the comprehensive plan for the capitol area.

Sec. 7. Minnesota Statutes 1990, 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 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, 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. 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~~

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chapter 475. No election is required to authorize the issuance of bonds under this section.

Sec. 8. Minnesota Statutes 1990, section 429.061, subdivision 3, is amended to read:

Subd. 3. **TRANSMITTED TO AUDITOR, PREPAYMENT.** After the adoption of the assessment, the clerk shall transmit a certified duplicate of the assessment roll with each installment, including interest, set forth separately to the county auditor of the county to be extended on the proper tax lists of the county; but in lieu of such certification, the council may in its discretion direct the clerk to file all assessment rolls in the clerk's office and to certify annually to the county auditor, on or before ~~October 10~~ November 30 in each year, the total amount of installments of and interest on assessments on each parcel of land in the municipality which are to become due in the following year. If any installment and interest has not been so certified prior to the year when it is due, the clerk shall forthwith certify the same to the county auditor for collection in the then succeeding year; and if the municipality has issued improvement warrants to finance the improvement, it shall pay out of its general funds into the fund of the improvement interest on the then unpaid balance of the assessment for the year or years during which the collection of such installment is postponed. All assessments and interest thereon shall be collected and paid over in the same manner as other municipal taxes. The owner of any property so assessed may, at any time prior to certification of the assessment or the first installment thereof to the county auditor, pay the whole of the assessment on such property, with interest accrued to the date of payment, to the municipal treasurer, except that no interest shall be charged if the entire assessment is paid within 30 days from the adoption thereof; and, except as hereinafter provided, the owner may at any time prior to November 15 of any year, prepay to the treasurer of the municipality having levied said assessments, the whole assessment remaining due with interest accrued to December 31 of the year in which said prepayment is made. If the assessment roll is retained by the municipal clerk, the installment and interest in process of collection on the current tax list shall be paid to the county treasurer and the remaining principal balance of the assessment, if paid, shall be paid to the municipal treasurer. The council may by ordinance authorize the partial prepayment of assessments, in such manner as the ordinance may provide, prior to certification of the assessment or the first installment thereof to the county auditor.

Sec. 9. Minnesota Statutes 1990, section 447.49, is amended to read:

447.49 MISCELLANEOUS PROVISIONS.

Bonds issued under sections 447.45 to 447.50 must be issued and sold as provided in chapter 475. 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, and are not subject to interest rate limitations, as defined or referred to in sections 475.51 and 475.55. If the bonds do not pledge the credit of the county, city, or hospital district as provided in section

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447.48 and are payable from rental payments to be made under a lease agreement entered into pursuant to section 447.47, the county, city, or hospital district may invest or deposit, or authorize a trustee to invest or deposit, any proceeds of the bonds, rental payments, and income from the investment of them, in any manner and upon any terms and conditions agreed to by the lessee under the lease agreement, resolution, or indenture, notwithstanding chapter 118 or section 471.56 or 475.66, but subject to any statutory provisions that govern the deposit and investment of funds of a lessee which is itself a governmental subdivision or agency.

Sec. 10. [462C.14] HOUSING PROGRAM AND DEVELOPMENTAL FINANCIAL SERVICES.

Subdivision 1. AUTHORIZATION TO PROVIDE SERVICES. A city, as defined in section 462C.02, subdivision 6, may provide housing program and development financial services, including mortgage banking services, for housing financed or assisted under a housing program of the city. The services provided by the city may include all housing program and development financial services, including origination of loans or other indebtedness, administration and servicing of loans or other indebtedness, arranging for mortgage insurance from private or public sources, and other related services. For this purpose, the city may exercise any of the powers relating to housing or housing finance provided in this section and the powers of a city under chapter 462C, a housing and redevelopment authority under chapter 469, or the Minnesota housing finance agency under chapter 462A. Housing program and development financial services provided by the city are determined to be for the public purpose of ensuring an adequate supply of affordable, decent, safe, and sanitary housing. A city may form a corporation under chapter 302A or 317A controlled by the city and delegate to it the power to exercise the powers granted to the city by this section.

Subd. 2. BOUNDARY LIMITATIONS. A city may provide housing program and development financial services only within its corporate boundaries, except to the extent that a joint powers agreement or contract authorizes a city to provide the services within the boundaries of another city or within the jurisdiction of a state agency.

Subd. 3. JOINT ACTION. Two or more cities, or housing and redevelopment authorities or port authorities authorized to exercise the powers of a city under chapter 462C, or a joint powers board formed by them, may act jointly pursuant to section 471.59 and this section or may delegate the exercise of their powers under this section to a corporation controlled by them. A city as defined in section 462C.02, subdivision 6, or other political subdivision or state agency may contract with the city or a joint powers board or a corporation for housing program and development financial services for housing.

Subd. 4. OBLIGATIONS. The city may issue bonds or other obligations and apply their proceeds for any proper purpose of the city or a corporation formed by the city relating to housing program and development financial services. Bonds or other obligations issued for a specific program or development shall be issued only in accordance with sections 462C.01 to 462C.07 to the

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extent required by section 462C.08. Bonds or obligations issued for financial services purposes may be sold at public or private sale, without an election, on the terms and conditions the city shall determine. For that purpose, the city may exercise any of the powers that a housing and redevelopment authority may exercise under chapter 469, or the Minnesota housing finance agency may exercise under chapter 462A, in either case without limitation under the provisions of chapter 475. The city or corporation may purchase real or personal property used or useful for housing program or development financial services under an installment contract, or lease real or personal property with an option to purchase under a lease purchase agreement. The city may issue bonds or other obligations secured by obligations under an installment contract or lease, in the manner provided in this section for other bonds or obligations issued for financial services purposes.

Sec. 11. Minnesota Statutes 1990, section 469.014, is amended to read:

469.014 LIABLE IN CONTRACT OR TORT.

Subject to the provisions of chapter 466, an authority shall be liable in contract or in tort in the same manner as a private corporation. The commissioners of an authority shall not be personally liable as such on its contracts, or for torts not committed or directly authorized by them. The property or funds of an authority shall not be subject to attachment, or to levy and sale on execution, but, if an authority refuses to pay a judgment entered against it in any court of competent jurisdiction, the district court for the county in which the authority is situated may, by writ of mandamus, direct the treasurer of the authority to pay the judgment.

Sec. 12. [469.0521] LIABLE IN CONTRACT OR TORT.

Subject to the provisions of chapter 466, a port authority shall be liable in contract or in tort in the same manner as a private corporation. The commissioners of a port authority shall not be personally liable as such on its contracts, or for torts, not committed or directly authorized by them. The property or funds of a port authority shall not be subject to attachment, or to levy and sale on execution, but, if a port authority refuses to pay a judgment entered against it in any court of competent jurisdiction, the district court for the county in which the port authority is situated may, by writ of mandamus, direct the treasurer of the authority to pay the judgment from any unencumbered funds available for that purpose.

Sec. 13. [469.1081] LIABLE IN CONTRACT OR TORT.

Subject to the provisions of chapter 466, an authority shall be liable in contract or in tort in the same manner as a private corporation. The commissioners of an authority shall not be personally liable as such on its contracts, or for torts, not committed or directly authorized by them. The property or funds of an authority shall not be subject to attachment, or to levy and sale on execution, but, if an authority refuses to pay a judgment entered against it in any court of

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competent jurisdiction, the district court for the county in which the authority is situated may, by writ of mandamus, direct the treasurer of the authority to pay the judgment from any unencumbered funds available for that purpose.

Sec. 14. Minnesota Statutes 1990, section 469.155, subdivision 12, is amended to read:

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 sections 469.152 to 469.165, and interest on them. The municipality or redevelopment agency may issue revenue bonds to refund, in whole or in part, bonds previously issued by any other municipality or redevelopment agency on behalf of an organization described in section 501(c)(3) of the Internal Revenue Code of 1986, as amended through December 31, ~~1986~~ 1990, under authority of sections 469.152 to 469.155, and interest on them, but only with the consent of the original issuer of such bonds. The municipality or redevelopment agency may issue and sell warrants which give to their holders the right to purchase refunding bonds issuable under this subdivision prior to a stipulated date. The warrants are not required to be sold at public sale and all or any agreed portion of the proceeds of the warrants may be paid to the contracting party under the revenue agreement required by subdivision 5 or to its designee under the conditions the municipality or redevelopment agency shall agree upon. Warrants shall not be issued which obligate a municipality or redevelopment agency to issue refunding bonds that are or will be subject to federal tax law as defined in section 474A.02, subdivision 8. The warrants may provide a stipulated exercise price or a price that depends on the tax exempt status of interest on the refunding bonds at the time of issuance. The average interest rate on refunding bonds issued upon the exercise of the warrants to refund fixed rate bonds shall not exceed the average interest rate on fixed rate bonds to be refunded. The municipality may appoint a bank or trust company to serve as agent for the warrant holders and enter into agreements deemed necessary or incidental to the issuance of the warrants.

Sec. 15. Minnesota Statutes 1990, section 473.811, subdivision 2, is amended to read:

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 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

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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. 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. 16. Minnesota Statutes 1990, section 475.58, subdivision 2, is amended to read:

Subd. 2. **FUNDING, REFUNDING.** Any county, city, town, or school district whose outstanding gross debt, including all items referred to in section 475.51, subdivision 4, exceed in amount 1.62 percent of its market value may issue bonds under this subdivision for the purpose of funding or refunding such indebtedness or any part thereof. A list of the items of indebtedness to be funded or refunded shall be made by the recording officer and treasurer and filed in the office of the recording officer. The initial resolution of the governing body shall refer to this subdivision as authority for the issue, state the amount of bonds to be issued and refer to the list of indebtedness to be funded or refunded. This resolution shall be published once each week for two successive weeks in a legal newspaper published in the municipality or if there be no such newspaper, in a legal newspaper published in the county seat. Such bonds may be issued without the submission of the question of their issue to the electors unless within ten days after the second publication of the resolution a petition requesting such election signed by ten or more voters who are taxpayers of the municipality, shall be filed with the recording officer. In event such petition is filed, no bonds shall be issued hereunder unless authorized by a majority of the electors voting on the question.

Sec. 17. Minnesota Statutes 1990, 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 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

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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;

(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; and

(9) if the municipality has retained an independent financial advisor, obligations which the governing body determines shall be sold by private negotiation.

Sec. 18. Minnesota Statutes 1990, section 475.66, subdivision 3, is amended to read:

Subd. 3. Subject to the provisions of any resolutions or other instruments securing obligations payable from a debt service fund, any balance in the fund may be invested

(a) in governmental bonds, notes, bills, mortgages, and other securities, which are direct obligations or are guaranteed or insured issues of the United States, its agencies, its instrumentalities, or organizations created by an act of Congress, or in certificates of deposit secured by letters of credit issued by federal home loan banks,

(b) in shares of an investment company (1) registered under the Federal Investment Company Act of 1940, whose shares are registered under the Federal Securities Act of 1933, and (2) whose only investments are in (i) securities described in the preceding clause, (ii) general obligation tax-exempt securities rated A or better by a national bond rating service, and (iii) repurchase agreements or reverse repurchase agreements fully collateralized by those securities, if the repurchase agreements or reverse repurchase agreements are entered into only with those primary reporting dealers that report to the Federal Reserve Bank of New York and with the 100 largest United States commercial banks,

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(c) in any security which is (1) a general obligation of the state of Minnesota or any of its municipalities or ~~in a general obligations obligation~~ of another state and or local governments government with taxing powers which ~~are is~~ is rated A or better by a national bond rating service, or (2) a general obligation of the Minnesota housing finance agency, or (3) a general obligation of a housing finance agency of any state if it includes a moral obligation of the state, or (4) a general or revenue obligation of any agency or authority of the state of Minnesota other than a general obligation of the Minnesota housing finance agency, provided that investments under clauses (2) and (3) must be in obligations that are rated A or better by a national bond rating service and provided that investments under clause (4) must be in obligations that are rated AA or better by a national bond rating service,

(d) in bankers acceptances of United States banks eligible for purchase by the Federal Reserve System,

(e) in commercial paper issued by United States corporations or their Canadian subsidiaries that is of the highest quality and matures in 270 days or less, or

(f) in guaranteed investment contracts issued or guaranteed by United States commercial banks or domestic branches of foreign banks or United States insurance companies or their Canadian or United States subsidiaries; provided that the investment contracts rank on a parity with the senior unsecured debt obligations of the issuer or guarantor and, (1) in the case of long-term investment contracts, either (i) the long-term senior unsecured debt of the issuer or guarantor is rated, or obligations backed by letters of credit of the issuer or guarantor if forming the primary basis of a rating of such obligations would be rated, in the highest or next highest rating category of Standard & Poor's Corporation, Moody's Investors Service, Inc., or a similar nationally recognized rating agency, or (ii) if the issuer is a bank with headquarters in Minnesota, the long-term senior unsecured debt of the issuer is rated, or obligations backed by letters of credit of the issuer if forming the primary basis of a rating of such obligations would be rated in one of the three highest rating categories of Standard & Poor's Corporation, Moody's Investors Service, Inc., or similar nationally recognized rating agency, or (2) in the case of short-term investment contracts, the short-term unsecured debt of the issuer or guarantor is rated, or obligations backed by letters of credit of the issuer or guarantor if forming the primary basis or a rating of such obligations would be rated, in the highest two rating categories of Standard and Poor's Corporation, Moody's Investors Service, Inc., or similar nationally recognized rating agency.

The fund may also be used to purchase any obligation, whether general or special, of an issue which is payable from the fund, at such price, which may include a premium, as shall be agreed to by the holder, or may be used to redeem any obligation of such an issue prior to maturity in accordance with its terms. The securities representing any such investment may be sold or hypothecated by the municipality at any time, but the money so received remains a part of the fund until used for the purpose for which the fund was created.

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Sec. 19. Minnesota Statutes 1990, section 475.67, subdivision 3, is amended to read:

Subd. 3. (a) Any or all obligations and interest thereon may be refunded if and when and to the extent that for any reason the taxes or special assessments, revenues, or other funds appropriated for their payment are not sufficient to pay all principal and interest due or about to become due thereon.

(b) Any or all obligations of one or more issues regardless of their source of payment and interest thereon may be refunded before their due dates, if:

(1) consistent with covenants made with the holders thereof; ~~when;~~ and

(2) determined by the governing body to be necessary or desirable:

(i) for the reduction of debt service cost to the municipality; or

(ii) for the extension or adjustment of the maturities in relation to the resources available for their payments; or

(iii) for the issuance of obligations bearing a fixed rate of interest in the case of obligations bearing interest at a rate varying periodically; or

(iv) in the case of obligations payable solely from a special fund, for the more advantageous sale of additional obligations payable from the same fund or to relieve the municipality of restrictions imposed by covenants made with the holders of the obligations to be refunded; ~~provided.~~

(c) The amount of interest which may be refunded from the proceeds of the refunding obligations shall not exceed the amount of proceeds estimated to be required in excess of the principal amount of refunded obligations to retire the refunded obligations in accordance with subdivision 6; ~~but.~~ In no event shall the aggregate principal amount of the refunding obligations exceed by more than ten percent the aggregate principal amount of the obligations to be refunded.

(d) No general obligations, for which the full faith and credit of the issuer is pledged, shall be issued to refund special obligations previously issued for any purpose, payable solely from a special fund, unless ~~such~~ the issuance is authorized by ~~such~~ the election, hearing, petition, resolution, or other procedure ~~as that~~ that would have been required as a condition precedent to the original issuance of general obligations for the same purpose.

Sec. 20. VALIDATION OF INDEPENDENT SCHOOL DISTRICT NO. 625 BONDS.

Subdivision 1. VALIDATION. The sale of general obligation school bonds under the authority of Laws 1990, chapter 604, article 8, section 10, by independent school district No. 625 pursuant to resolution adopted by two-thirds majority vote of all the members of its board of directors on April 16, 1991, is validated.

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Subd. 2. EFFECTIVE DATE. This section is effective the day after the governing body of independent school district No. 625 complies with Minnesota Statutes, section 645.021, subdivision 3.

Sec. 21. ANOKA, WASHINGTON, AND DAKOTA COUNTIES; MORTGAGE TAX EXEMPTION.

Subdivision 1. AUTHORIZATION. Construction loans on publicly owned low-income or senior multifamily housing projects in Anoka, Washington, and Dakota counties shall not be subject to the tax imposed by Minnesota Statutes, section 287.04. If the construction loan is held by the same entity as the permanent financing on a publicly owned low-income or senior multifamily housing, the tax imposed by Minnesota Statutes, section 287.04, shall be imposed only once at the time of the permanent financing.

Subd. 2. EFFECTIVE DATE. This section is effective for Washington county upon approval by the Washington county board and compliance with Minnesota Statutes, section 645.021, subdivision 3. This section is effective for Dakota county upon approval by the Dakota county board and compliance with Minnesota Statutes, section 645.021, subdivision 3. This section is effective for Anoka county upon approval by the Anoka county board and compliance with Minnesota Statutes, section 645.021, subdivision 3.

Sec. 22. REPORT.

The commissioner of administration shall study and report to the legislature by January 15, 1992, on ways to make space and building decisions impact the operating budgets of the agencies that request capital projects, as a way to increase efficiency in the management of space.

Sec. 23. EFFECTIVE DATE.

Sections 7 to 10, and 12 to 19 are effective the day following final enactment.

Presented to the governor May 31, 1991

Signed by the governor June 4, 1991, 8:58 p.m.

CHAPTER 343—S.F.No. 621

An act relating to the environment; clarifying and correcting provisions relating to the legislative commission on Minnesota resources and the Minnesota environmental and natural resources trust fund; providing for transfer of funds relating to the midwest native plant center; amending Minnesota Statutes 1990, sections 116P.04, subdivision 5; 116P.05; 116P.06; 116P.07; 116P.08, subdivisions 3 and 4; 116P.09, subdivisions 2, 4, and 7.

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