

(13) marriage and family therapy; and

(14) dietetics and nutrition practice.

The executive directors or executive secretaries serving the boards are hired by those boards and are in the unclassified civil service, except for part-time executive directors or executive secretaries, who are not required to be in the unclassified service. Boards not requiring full-time executive directors or executive secretaries may employ them on a part-time basis. To the extent practicable, the sharing of part-time executive directors or executive secretaries by boards being serviced by the same department is encouraged. Persons providing services to those boards not listed in this subdivision, except executive directors or executive secretaries of the boards and employees of the attorney general, are classified civil service employees of the department servicing the board. To the extent practicable, the commissioner shall ensure that staff services are shared by the boards being serviced by the department. If necessary, a board may hire part-time, temporary employees to administer and grade examinations.

#### Sec. 17. APPROPRIATION.

\$185,000 is appropriated from the special revenue fund to the dietetics and nutrition practice board for the purposes of sections 2 to 14, to be available until June 30, 1995.

#### Sec. 18. EFFECTIVE DATE.

Sections 3 and 4 and 15 to 17 are effective July 1, 1994. The remaining sections are effective 30 days after the effective date of rules adopted by the board of dietetics and nutrition practice under section 4.

Presented to the governor May 5, 1994

Signed by the governor May 9, 1994, 4:40 p.m.

### CHAPTER 614—H.F.No. 3193

*An act relating to public finance; providing conditions and requirements for the issuance of debt; allowing school districts to make and levy for certain contract or lease purchases; authorizing the use of revenue recapture by certain housing agencies; clarifying a property tax exemption; authorizing use of special assessments for on-site water contamination improvements; authorizing an increase in the membership of county housing and redevelopment authorities; amending Minnesota Statutes 1992, sections 270A.03, subdivision 2; 383.06, subdivision 2; 429.011, by adding a subdivision; 429.031, subdivision 3; 469.006, subdivision 1; 469.015, subdivision 4; 469.158; 469.184, by adding a subdivision; 471.56, subdivision 5; 471.562, subdivision 3, and by adding a subdivision; 475.53, subdivision 5; 475.54, subdivision 16; and 475.66, subdivision 1; Minnesota Statutes 1993 Supplement, sections*

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124.91, subdivision 3; 272.02, subdivision 1; and 469.033, subdivision 6; proposing coding for new law in Minnesota Statutes, chapter 469.

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

Section 1. Minnesota Statutes 1993 Supplement, section 124.91, subdivision 3, is amended to read:

Subd. 3. **POST-JUNE 1992 LEASE PURCHASE, INSTALLMENT BUYS.** (a) Upon application to, and approval by, the commissioner in accordance with the procedures and limits in subdivision 1, a district, as defined in this subdivision, may:

(1) purchase real or personal property under an installment contract or may lease real or personal property with an option to purchase under a lease purchase agreement, by which installment contract or lease purchase agreement title is kept by the seller or vendor or assigned to a third party as security for the purchase price, including interest, if any; and

(2) annually levy the amounts necessary to pay the district's obligations under the installment contract or lease purchase agreement.

(b)(1) The obligation created by the installment contract or the lease purchase agreement must not be included in the calculation of net debt for purposes of section 475.53, and does not constitute debt under other law.

(2) An election is not required in connection with the execution of the installment contract or the lease purchase agreement.

(c) The proceeds of the levy authorized by this subdivision must not be used to acquire a facility to be primarily used for athletic or school administration purposes.

(d) In this subdivision, "district" means:

(1) a school district required to have a comprehensive plan for the elimination of segregation whose plan has been determined by the commissioner to be in compliance with the state board of education rules relating to equality of educational opportunity and school desegregation; or

(2) a school district that participates in a joint program for interdistrict desegregation with a district defined in clause (1) if the facility acquired under this subdivision is to be primarily used for the joint program.

(e) Notwithstanding subdivision 1, the prohibition against a levy by a district to lease or rent a district-owned building to itself does not apply to levies otherwise authorized by this subdivision.

(f) Projects may be approved under this section by the commissioner in fiscal years 1993, 1994, and 1995 only.

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(g) For the purposes of this subdivision, any references in subdivision 1 to building or land shall be deemed to include personal property.

Sec. 2. Minnesota Statutes 1992, section 270A.03, subdivision 2, is amended to read:

Subd. 2. **CLAIMANT AGENCY.** "Claimant agency" means any state agency, as defined by section 14.02, subdivision 2, the regents of the University of Minnesota, any district court of the state, any county, any statutory or home rule charter city presenting a claim for a municipal hospital, a hospital district, any public agency responsible for child support enforcement, ~~and~~ any public agency responsible for the collection of court-ordered restitution, and any public agency established by general or special law that is responsible for the administration of a low-income housing program.

Sec. 3. Minnesota Statutes 1993 Supplement, section 272.02, subdivision 1, is amended to read:

Subdivision 1. All property described in this section to the extent herein limited shall be exempt from taxation:

- (1) all public burying grounds;
- (2) all public schoolhouses;
- (3) all public hospitals;
- (4) all academies, colleges, and universities, and all seminaries of learning;
- (5) all churches, church property, and houses of worship;
- (6) institutions of purely public charity except parcels of property containing structures and the structures described in section 273.13, subdivision 25, paragraph (c), clauses (1), (2), and (3), or paragraph (d), other than those that qualify for exemption under clause (25);
- (7) all public property exclusively used for any public purpose;
- (8) except for the taxable personal property enumerated below, all personal property and the property described in section 272.03, subdivision 1, paragraphs (c) and (d), shall be exempt.

The following personal property shall be taxable:

(a) personal property which is part of an electric generating, transmission, or distribution system or a pipeline system transporting or distributing water, gas, crude oil, or petroleum products or mains and pipes used in the distribution of steam or hot or chilled water for heating or cooling buildings and structures;

(b) railroad docks and wharves which are part of the operating property of a railroad company as defined in section 270.80;

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(c) personal property defined in section 272.03, subdivision 2, clause (3);

(d) leasehold or other personal property interests which are taxed pursuant to section 272.01, subdivision 2; 273.124, subdivision 7; or 273.19, subdivision 1; or any other law providing the property is taxable as if the lessee or user were the fee owner;

(e) manufactured homes and sectional structures, including storage sheds, decks, and similar removable improvements constructed on the site of a manufactured home, sectional structure, park trailer or travel trailer as provided in section 273.125, subdivision 8, paragraph (f); and

(f) flight property as defined in section 270.071.

(9) Personal property used primarily for the abatement and control of air, water, or land pollution to the extent that it is so used, and real property which is used primarily for abatement and control of air, water, or land pollution as part of an agricultural operation, as a part of a centralized treatment and recovery facility operating under a permit issued by the Minnesota pollution control agency pursuant to chapters 115 and 116 and Minnesota Rules, parts 7001.0500 to 7001.0730, and 7045.0020 to 7045.1260, as a wastewater treatment facility and for the treatment, recovery, and stabilization of metals, oils, chemicals, water, sludges, or inorganic materials from hazardous industrial wastes, or as part of an electric generation system. For purposes of this clause, personal property includes ponderous machinery and equipment used in a business or production activity that at common law is considered real property.

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

(10) Wetlands. For purposes of this subdivision, "wetlands" means: (i) land described in section 103G.005, subdivision 18; (ii) land which is mostly under water, produces little if any income, and has no use except for wildlife or water conservation purposes, provided it is preserved in its natural condition and drainage of it would be legal, feasible, and economically practical for the production of livestock, dairy animals, poultry, fruit, vegetables, forage and grains, except wild rice; or (iii) land in a wetland preservation area under sections 103F.612 to 103F.616. "Wetlands" under items (i) and (ii) include adjacent land which is not suitable for agricultural purposes due to the presence of the wet-

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lands, but do not include woody swamps containing shrubs or trees, wet meadows, meandered water, streams, rivers, and floodplains or river bottoms. Exemption of wetlands from taxation pursuant to this section shall not grant the public any additional or greater right of access to the wetlands or diminish any right of ownership to the wetlands.

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

(12) Property used in a continuous program to provide emergency shelter for victims of domestic abuse, provided the organization that owns and sponsors the shelter is exempt from federal income taxation pursuant to section 501(c)(3) of the Internal Revenue Code of 1986, as amended through December 31, 1986, notwithstanding the fact that the sponsoring organization receives funding under section 8 of the United States Housing Act of 1937, as amended.

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

(14) To the extent provided by section 295.44, real and personal property used or to be used primarily for the production of hydroelectric or hydromechanical power on a site owned by the state or a local governmental unit which is developed and operated pursuant to the provisions of section 103G.535.

(15) If approved by the governing body of the municipality in which the property is located, and if construction is commenced after June 30, 1983:

(a) a "direct satellite broadcasting facility" operated by a corporation licensed by the federal communications commission to provide direct satellite broadcasting services using direct broadcast satellites operating in the 12-ghz. band; and

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(b) a "fixed satellite regional or national program service facility" operated by a corporation licensed by the federal communications commission to provide fixed satellite-transmitted regularly scheduled broadcasting services using satellites operating in the 6-ghz. band.

An exemption provided by clause (15) shall apply for a period not to exceed five years. When the facility no longer qualifies for exemption, it shall be placed on the assessment rolls as provided in subdivision 4. Before approving a tax exemption pursuant to this paragraph, the governing body of the municipality shall provide an opportunity to the members of the county board of commissioners of the county in which the facility is proposed to be located and the members of the school board of the school district in which the facility is proposed to be located to meet with the governing body. The governing body shall present to the members of those boards its estimate of the fiscal impact of the proposed property tax exemption. The tax exemption shall not be approved by the governing body until the county board of commissioners has presented its written comment on the proposal to the governing body or 30 days have passed from the date of the transmittal by the governing body to the board of the information on the fiscal impact, whichever occurs first.

(16) Real and personal property owned and operated by a private, nonprofit corporation exempt from federal income taxation pursuant to United States Code, title 26, section 501(c)(3), primarily used in the generation and distribution of hot water for heating buildings and structures.

(17) Notwithstanding section 273.19, state lands that are leased from the department of natural resources under section 92.46.

(18) Electric power distribution lines and their attachments and appurtenances, that are used primarily for supplying electricity to farmers at retail.

(19) Transitional housing facilities. "Transitional housing facility" means a facility that meets the following requirements. (i) It provides temporary housing to individuals, couples, or families. (ii) It has the purpose of reuniting families and enabling parents or individuals to obtain self-sufficiency, advance their education, get job training, or become employed in jobs that provide a living wage. (iii) It provides support services such as child care, work readiness training, and career development counseling; and a self-sufficiency program with periodic monitoring of each resident's progress in completing the program's goals. (iv) It provides services to a resident of the facility for at least three months but no longer than three years, except residents enrolled in an educational or vocational institution or job training program. These residents may receive services during the time they are enrolled but in no event longer than four years. (v) It is owned and operated or under lease from a unit of government or governmental agency under a property disposition program and operated by one or more organizations exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code of 1986, as amended through December 31, 1987. This exemption applies notwithstanding the fact that the sponsoring organization receives

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financing by a direct federal loan or federally insured loan or a loan made by the Minnesota housing finance agency under the provisions of either Title II of the National Housing Act or the Minnesota housing finance agency law of 1971 or rules promulgated by the agency pursuant to it, and notwithstanding the fact that the sponsoring organization receives funding under Section 8 of the United States Housing Act of 1937, as amended.

(20) Real and personal property, including leasehold or other personal property interests, owned and operated by a corporation if more than 50 percent of the total voting power of the stock of the corporation is owned collectively by: (i) the board of regents of the University of Minnesota, (ii) the University of Minnesota Foundation, an organization exempt from federal income taxation under section 501(c)(3) of the Internal Revenue Code of 1986, as amended through December 31, 1990, and (iii) a corporation organized under chapter 317A, which by its articles of incorporation is prohibited from providing pecuniary gain to any person or entity other than the regents of the University of Minnesota; which property is used primarily to manage or provide goods, services, or facilities utilizing or relating to large-scale advanced scientific computing resources to the regents of the University of Minnesota and others.

(21) Wind energy conversion systems, as defined in section 216C.06, subdivision 12, installed after January 1, 1991, and used as an electric power source.

(22) Containment tanks, cache basins, and that portion of the structure needed for the containment facility used to confine agricultural chemicals as defined in section 18D.01, subdivision 3, as required by the commissioner of agriculture under chapter 18B or 18C.

(23) Photovoltaic devices, as defined in section 216C.06, subdivision 13, installed after January 1, 1992, and used to produce or store electric power.

(24) Real and personal property owned and operated by a private, nonprofit corporation exempt from federal income taxation pursuant to United States Code, title 26, section 501(c)(3), primarily used for an ice arena or ice rink, and used primarily for youth and high school programs.

(25) A structure that is situated on real property that is used for:

(i) housing for the elderly or for low- and moderate-income families as defined in Title II of the National Housing Act, as amended through December 31, 1990, and funded by a direct federal loan or federally insured loan made pursuant to Title II of the act; or

(ii) housing lower income families or elderly or handicapped persons, as defined in section 8 of the United States Housing Act of 1937, as amended; and which meets each of the following criteria:

(A) is owned by an entity which is operated as a nonprofit corporation organized under chapter 317A;

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(B) is owned by an entity which has not entered into a housing assistance payments contract under section 8 of the United States Housing Act of 1937, or, if the entity which owns the structure has entered into a housing assistance payments contract under section 8 of the United States Housing Act of 1937, the contract provides assistance for less than 90 percent of the dwelling units in the structure, excluding dwelling units intended for management or maintenance personnel;

(C) operates an on-site congregate dining program in which participation by residents is mandatory, and provides assisted living or similar social and physical support services for residents; and

(D) was not assessed and did not pay tax under chapter 273 prior to the 1991 levy, while meeting the other conditions of this clause.

An exemption under this clause remains in effect for taxes levied in each year or partial year of the term of its permanent financing.

(26) Real and personal property that is located in the Superior National Forest, and owned or leased and operated by a nonprofit organization that is exempt from federal income taxation under section 501(c)(3) of the Internal Revenue Code of 1986, as amended through December 31, 1992, and primarily used to provide recreational opportunities for disabled veterans and their families.

(27) Manure pits and appurtenances, which may include slatted floors and pipes, installed or operated in accordance with a permit, order, or certificate of compliance issued by the Minnesota pollution control agency. The exemption shall continue for as long as the permit, order, or certificate issued by the Minnesota pollution control agency remains in effect.

(28) Real property acquired by a home rule charter city, statutory city, county, town, or school district under a lease purchase agreement or an installment purchase contract during the term of the lease purchase agreement as long as and to the extent that the property is used by the city, county, town, or school district and devoted to a public use and to the extent it is not subleased to any private individual, entity, association, or corporation in connection with a business or enterprise operated for profit.

Sec. 4. Minnesota Statutes 1992, section 383.06, subdivision 2, is amended to read:

Subd. 2. **TAX ANTICIPATION CERTIFICATES.** The county board of any county may, by resolution, issue and sell as many certificates of indebtedness as may be needed in anticipation of the collection of taxes levied for any fund named in the tax levy for the purpose of raising money for such fund, but the certificates outstanding for any such separate funds shall not ~~at any time on~~ the date on which the certificates are issued exceed ~~50~~ 75 percent of the amount of taxes previously levied for such fund remaining uncollected. No certificate

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shall be issued to become due and payable later than 15 months after the deadline for the certification of the property tax levy under section 275.07, subdivision 1, and the certificates shall not be sold for less than par and accrued interest. The certificates of indebtedness may be issued at any time after the levy has been finally made and certified to the county auditor. ~~Each certificate shall state upon its face for which fund the proceeds thereof shall be used; the total amount of certificates so issued; and the whole amount embraced in the levy for that particular purpose.~~ They shall be numbered consecutively, be in denominations of \$100 or a multiple thereof, may have interest coupons attached, shall be otherwise of such form and terms, and may be made payable at such place, as will best aid in their negotiation, and the proceeds of the tax assessed and collected on account of the fund and the full faith and credit of the county shall be irrevocably pledged for the redemption and payment of the certificates so issued. Such certificates shall be payable primarily from the moneys derived from the levy for the years against which such certificates were issued, but shall constitute unlimited general obligations of the county. Money derived from the sale of such certificates shall be credited to the fund or funds the taxes for which are so anticipated.

Sec. 5. Minnesota Statutes 1992, section 429.011, is amended by adding a subdivision to read:

Subd. 16. "On-site water contaminant improvements" means pipes, wells, and other devices and equipment installed in or outside a building for the primary purpose of eliminating water contamination caused by lead or other toxic or health threatening substances in the water, whether the improvements so installed are publicly or privately owned.

Sec. 6. Minnesota Statutes 1992, section 429.031, subdivision 3, is amended to read:

Subd. 3. **PETITION BY ALL OWNERS.** Whenever all owners of real property abutting upon any street named as the location of any improvement shall petition the council to construct the improvement and to assess the entire cost against their property, the council may, without a public hearing, adopt a resolution determining such fact and ordering the improvement. The validity of the resolution shall not be questioned by any taxpayer or property owner or the municipality unless an action for that purpose is commenced within 30 days after adoption of the resolution as provided in section 429.036. Nothing herein prevents any property owner from questioning the amount or validity of the special assessment against the owner's property pursuant to section 429.081. In the case of a petition for the ~~installation of municipality to own and install~~ a fire protection ~~or system~~, a pedestrian skyway system, or on-site water contaminant improvements, the petition must contain or be accompanied by an undertaking satisfactory to the city by the petitioner that the petitioner will grant the municipality the necessary property interest in the building to permit the city to enter upon the property and the building to construct, maintain, and operate the fire protection ~~or system~~, pedestrian skyway system, or on-site water contaminant

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improvements. In the case of a petition for the installation of a privately owned fire protection or system, a privately owned pedestrian skyway system ~~which will be privately owned, or privately owned on-site water contaminant improvements~~, the petition shall also contain the plans and specifications for the improvement, the estimated cost of the improvement and a statement indicating whether the city or the owner will contract for the construction of the improvement. If the owner is contracting for the construction of the improvement, the city shall not approve the petition until it has reviewed and approved the plans, specifications, and cost estimates contained in the petition. The construction cost financed under section 429.091 shall not exceed the amount of the cost estimate contained in the petition. In the case of a petition for the installation of a fire protection ~~or system~~, a pedestrian skyway system, or on-site water contaminant improvements, the petitioner may request abandonment of the improvement at any time after it has been ordered pursuant to subdivision 1 and before contracts have been awarded for the construction of the improvement under section 429.041, subdivision 2. If such a request is received, the city council shall abandon the proceedings but in such case the petitioner shall reimburse the city for any and all expenses incurred by the city in connection with the improvement.

Sec. 7. Minnesota Statutes 1992, section 469.006, subdivision 1, is amended to read:

Subdivision 1. **COUNTY COMMISSIONERS.** When the governing body of a county adopts a resolution under section 469.004, the governing body shall appoint five persons or the number of commissioners for the governing body as commissioners of the county authority. The membership of the commission will reflect an areawide distribution on a representative basis. The commissioners who are first appointed shall be designated to serve for terms of one, two, three, four, and five years respectively, from the date of their appointment. Thereafter commissioners shall be appointed for a term of office of five years except that all vacancies shall be filled for the unexpired term. Persons may be appointed as commissioners if they reside within the boundaries or area, and are otherwise eligible for the appointments under sections 469.001 to 469.047.

Sec. 8. Minnesota Statutes 1992, section 469.015, subdivision 4, is amended to read:

Subd. 4. **EXCEPTIONS.** (a) An authority need not require competitive bidding 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;
  - (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) for which the contract provides for the construction of the project upon

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land that is either owned by the authority for redevelopment purposes or not owned by the authority at the time of the contract but the contract provides for the conveyance or lease to the authority of the project or improvements upon completion of construction;

(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; and

(3) in the case of any building in which at least 75 percent of the useable square footage constitutes a housing development project if:

(i) the project is financed with the proceeds of bonds issued under section 469.034 or from nongovernmental sources;

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

(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 for the following projects:

(1) a contract described in paragraph (a), clause (1);

(2) a construction change order for a housing project in which 30 percent of the construction has been completed;

(3) a construction contract for a single-family housing project in which the authority acts as the general construction contractor; or

(4) a services or materials contract for a housing project.

For purposes of this paragraph, "services or materials contract" does not include construction contracts.

Sec. 9. Minnesota Statutes 1993 Supplement, section 469.033, subdivision 6, is amended to read:

Subd. 6. **OPERATION AREA AS TAXING DISTRICT, SPECIAL TAX.** All of the territory included within the area of operation of any authority shall constitute a taxing district for the purpose of levying and collecting special bene-

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fit taxes as provided in this subdivision. All of the taxable property, both real and personal, within that taxing district shall be deemed to be benefited by projects to the extent of the special taxes levied under this subdivision. Subject to the consent by resolution of the governing body of the city in and for which it was created, an authority may levy ~~each year~~ a tax upon all taxable property within that taxing district. ~~The authority shall certify the tax to the auditor of the county in which the taxing district is located on or before five working days after December 20 in each year.~~ The tax shall be extended, spread, and included with and as a part of the general taxes for state, county, and municipal purposes by the county auditor, to be collected and enforced therewith, together with the penalty, interest, and costs. As the tax, including any penalties, interest, and costs, is collected by the county treasurer it shall be accumulated and kept in a separate fund to be known as the "housing and redevelopment project fund." The money in the fund shall be turned over to the authority at the same time and in the same manner that the tax collections for the city are turned over to the city, and shall be expended only for the purposes of sections 469.001 to 469.047. It shall be paid out upon vouchers signed by the chair of the authority or an authorized representative. The amount of the levy shall be an amount approved by the governing body of the city, but shall not exceed 0.0131 percent of taxable market value. The authority may levy an additional levy, not to exceed 0.0013 percent of taxable market value, to be used to defray costs of providing informational service and relocation assistance as set forth in section 469.012, subdivision 1. The authority shall each year formulate and file a budget in accordance with the budget procedure of the city in the same manner as required of executive departments of the city or, if no budgets are required to be filed, by August 1. The amount of the tax levy for the following year shall be based on that budget ~~and shall be approved by the governing body.~~

Sec. 10. Minnesota Statutes 1992, section 469.158, is amended to read:

**469.158 MANNER OF ISSUANCE OF BONDS; INTEREST RATE.**

Bonds authorized under sections 469.152 to 469.165 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 is not required, the provisions of sections 475.62 and 475.63 do not apply, and the bonds may mature at the time or times, in the amount or amounts, within 30 years from date of issue, and may be sold at a price equal to the percentage of the par value thereof, plus accrued interest, and bearing interest at the rate or rates 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. Bonds issued to refund bonds previously issued pursuant to sections 469.152 to 469.165 may be issued in amounts determined by the municipality or redevelopment agency notwithstanding the provisions of section 475.67, subdivision 3.

Sec. 11. Minnesota Statutes 1992, section 469.184, is amended by adding a subdivision to read:

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Subd. 12. SECONDARY MARKET. A city may sell, at private or public sale, at the price or prices determined by the city, a note, mortgage, lease, sub-lease, lease purchase, or other instrument or obligation evidencing or securing a loan made under this section.

Sec. 12. [469.192] ECONOMIC DEVELOPMENT LOANS.

A statutory city, a home rule charter city, an economic development authority, a housing and redevelopment authority, or a port authority may make a loan to a business, a for-profit or nonprofit organization, or an individual for any purpose that the entity is otherwise authorized to carry out under sections 116N.08, 469.001 to 469.068, 469.090 to 469.1081, 469.124 to 469.134, 469.152 to 469.165, or any special law.

Sec. 13. Minnesota Statutes 1992, 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 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; ~~and~~

(3) enter into interest rate swap agreements or interest rate cap agreements with respect to notional principal amounts that are not greater than one-half of the previous fiscal year's average investable cash, with counterparties whose equivalent obligations are rated A+ or better by a nationally recognized rating agency.

Sec. 14. Minnesota Statutes 1992, section 471.562, subdivision 3, is amended to read:

Subd. 3. MUNICIPALITY. "Municipality" means ~~any city, however organized~~ a statutory city, a home rule charter city, a housing and redevelopment authority created pursuant to, or exercising the powers of such an authority contained in, chapter ~~462~~ 469, ~~or~~ a port authority created pursuant to, or exercising the powers of such an authority contained in, chapter ~~458~~ 469, or an economic development authority created pursuant to or exercising the powers of such an authority contained in chapter 469.

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Sec. 15. Minnesota Statutes 1992, section 471.562, is amended by adding a subdivision to read:

Subd. 5. SECONDARY MARKET. A municipality may sell, at private or public sale, at the price or prices determined by the municipality, a note, mortgage, lease, sublease, lease purchase, or other instrument or obligation evidencing or securing a loan described in subdivision 2.

Sec. 16. Minnesota Statutes 1992, section 475.53, subdivision 5, is amended to read:

Subd. 5. CERTAIN INDEPENDENT SCHOOL DISTRICTS. No independent school district located wholly or partly within a city of the first class shall issue any obligations unless first authorized by a two-thirds vote of the governing body of such city. No such school district shall issue obligations running with a term of more than two years, whenever the aggregate of the outstanding obligations of the district equals or exceeds 0.7 percent of the market value of the taxable property within the school district.

Sec. 17. Minnesota Statutes 1992, section 475.54, subdivision 16, is amended to read:

Subd. 16. A municipality may enter into an agreement with a bank or dealer described in section 475.66, subdivision 1, for an exchange of interest rates pursuant to this subdivision if the agreement either is with or is guaranteed by a party whose equivalent obligations are rated A+ or better by a nationally recognized rating agency. A municipality with outstanding obligations bearing interest at a variable rate or a municipality which has determined to issue obligations it is authorized to issue may agree to pay sums equal to interest at a fixed rate or at a different variable rate determined pursuant to a formula set out in the agreement on an amount not exceeding the outstanding principal amount of the obligations at the time of payment, in exchange for an agreement by the bank or dealer counterparty to pay sums equal to interest on a like amount at a fixed rate or a variable rate determined pursuant to a formula set out in the agreement or to provide for an interest rate cap or floor. A municipality with outstanding obligations bearing interest at a fixed rate or rates may agree to pay sums equal to interest at a variable rate determined pursuant to a formula set out in the agreement on an amount not exceeding the outstanding principal amount of the obligations, in exchange for an agreement by the bank or dealer to pay sums equal to interest on a like amount at a fixed rate or rates set out in the agreement. The agreement to pay the bank or dealer counterparty is not an obligation of the municipality as defined in section 475.51, subdivision 3. For purposes of calculation of a debt service levy, determination of a rate of interest on a special assessment or other calculation based on the rate of interest on an obligation, a municipality which has entered into an interest rate swap agreement described in this subdivision may determine to treat the amount or rate of interest on the obligation as the net rate or amount of interest payable after giving effect to the swap agreement. Subject to any applicable bonds bond covenants,

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

any payments required to be made by the municipality under the swap agreement may be made from sums secured the municipality may pledge to the payment of amounts due or to become due under the swap agreement, including termination payments, sources of payment pledged or available to pay debt service on the obligations with respect to which the swap agreement was made or from any other available source of the municipality. A municipality may issue obligations under section 475.67 to provide for any payment, including a termination payment, due or to become due under a swap agreement.

Sec. 18. Minnesota Statutes 1992, section 475.66, subdivision 1, is amended to read:

Subdivision 1. All debt service funds shall be deposited and secured as provided in chapter 118, except for amounts invested as authorized in this section, and may be deposited in interest-bearing accounts, and such deposits may be evidenced by certificates of deposit with fixed maturities. Sufficient cash for payment of principal, interest, and redemption premiums when due with respect to the obligations for which any debt service fund is created shall be provided by crediting to the fund the collections of tax, special assessment, or other revenues appropriated for that purpose, and depositing all such receipts in a depository bank or banks duly qualified according to law or investing and reinvesting such receipts in securities authorized in this section. Time deposits shall be withdrawable and certificates of deposit and investments shall mature and shall bear interest payable at times and in amounts which, in the judgment of the governing body or its treasurer or other officer or committee to which it has delegated investment decisions, will provide cash at the times and in the amounts required for the purposes of the debt service fund, provided however, that the governing body may authorize the purchase of longer term investments subject to an agreement to repurchase such investments at times and prices sufficient to yield the amounts estimated to be so required, provided that the exclusion as investments of mortgage-backed securities that are defined as high risk under subdivision 5 does not apply to repurchase agreements if the margin requirement under the repurchase agreement is 101 percent. Repurchase agreements may be entered into with

- (1) a bank qualified as depository of money held in the debt service fund;
- (2) any national or state bank in the United States which is a member of the federal reserve system and whose combined capital and surplus equals or exceeds \$10,000,000;
- (3) a primary reporting dealer in United States government securities to the federal reserve bank of New York; or
- (4) a securities broker-dealer having its principal executive office in Minnesota, licensed pursuant to chapter 80A, or an affiliate of it, regulated by the securities and exchange commission and maintaining a combined capital and surplus of \$40,000,000 or more, exclusive of subordinated debt.

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Sec. 19. **EFFECTIVE DATE.**

Section 2 is effective for claims submitted by a claimant agency after June 30, 1994. Section 3 is effective for taxes levied in 1994, payable in 1995, and subsequent years. The remainder of this act is effective the day following final enactment.

Presented to the governor May 6, 1994

Signed by the governor May 10, 1994, 4:42 p.m.

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**CHAPTER 615—S.F.No. 1961**

*An act relating to driving while intoxicated; imposing increased penalties on persons who operate a snowmobile or motorboat while intoxicated and who have previously been convicted of driving a motor vehicle while intoxicated; requiring reports of accidents and deaths related to recreational motor vehicles and watercraft; modifying provisions relating to forfeited vehicles; imposing minimum mandatory sentences for habitual offenders; clarifying conditions under which juvenile's driver's license may be suspended for underage drinking violations; changing sentencing guidelines; extending maximum length for multiple gross misdemeanor sentences and combined gross misdemeanor and misdemeanor sentences; extending maximum length of a stayed gross misdemeanor DWI sentence and certain felony sentences; authorizing consecutive sentences for multiple crimes committed by repeat DWI offenders; authorizing certain cities to transfer responsibility for petty misdemeanor and misdemeanor offenses to the county attorney; clarifying prosecution authority for certain offenses; amending Minnesota Statutes 1992, sections 84.91, subdivisions 5 and 7; 84.911, by adding a subdivision; 86B.331, subdivisions 5 and 7; 86B.335, by adding a subdivision; 86B.341, subdivision 1; 168.042, subdivision 8; 169.121, subdivision 11; 169.791, subdivision 2; 171.12, subdivision 2; and 629.471, subdivision 2; Minnesota Statutes 1993 Supplement, sections 84.924, subdivision 3; 169.121, subdivisions 1c, 3, 3a, and 4; 169.1217, subdivision 9; 169.129; 171.24; 340A.503, subdivision 1; 487.25, subdivision 10; 609.035; 609.135, subdivision 2; and 609.15, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 169; repealing Minnesota Statutes 1992, sections 84.87, subdivision 2b; and 84.928, subdivision 3.*

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

Section 1. Minnesota Statutes 1992, section 84.91, subdivision 5, is amended to read:

Subd. 5. **PENALTIES.** (a) A person who violates any prohibition contained in subdivision 1, or an ordinance in conformity with it, is guilty of a misdemeanor.

(b) A person is guilty of a gross misdemeanor who violates any prohibition contained in subdivision 1;

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