

(14) All other services required by law for which no fee is provided, such fee as compares favorably with those herein provided, or such as may be fixed by rule or order of the court.

(15) In addition to any other filing fees under this chapter, a surcharge in the amount of \$75 must be assessed in accordance with section 259.52, subdivision 14, for each adoption petition filed in district court to fund the putative fathers' adoption registry under section 259.52.

The fees in clauses (3) and (4) need not be paid by a public authority or the party the public authority represents.

**Sec. 13. REPEALER.**

Minnesota Statutes 1996, section 259.51, is repealed.

**Sec. 14. EFFECTIVE DATE.**

Sections 9, subdivision 14; and 12, are effective July 1, 1997. Sections 1 to 8; 9, subdivisions 1 to 13; 10; 11; and 13, are effective for births occurring on or after January 1, 1998.

Presented to the governor May 27, 1997

Signed by the governor May 30, 1997, 1:10 p.m.

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**CHAPTER 219—S.F.No. 1754**

*An act relating to public finance; modifying provisions relating to the issuance of debt and the use and investment of public funds; amending Minnesota Statutes 1996, sections 118A.05, subdivision 4; 136A.32, subdivision 7; 373.40, subdivision 7; 414.067, subdivision 2; 429.021, subdivision 1; 447.45, subdivision 2; 469.0171; 471.981, by adding a subdivision; and 641.23; proposing coding for new law in Minnesota Statutes, chapters 465; and 475.*

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

Section 1. Minnesota Statutes 1996, section 118A.05, subdivision 4, is amended to read:

Subd. 4. **MINNESOTA JOINT POWERS INVESTMENT TRUST.** Government entities may enter into agreements or contracts for

(1) shares of a Minnesota joint powers investment trust whose investments are restricted to securities described in this subdivision, subdivision 2 and section 118A.04;

(2) units of a short-term investment fund established and administered pursuant to regulation 9 of the Office of the Comptroller of the Currency, in which investments are restricted to securities described in this section and section 118A.04;

(3) shares of an investment company which is registered under the Federal Investment Company Act of 1940 and which holds itself out as a money market fund meeting

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the conditions of rule 2a-7 of the Securities and Exchange Commission and is rated in one of the two highest rating categories for money market funds by at least one nationally recognized statistical rating organization; or

(4) shares of an investment company which is registered under the Federal Investment Company Act of 1940, and whose shares are registered under the Federal Securities Act of 1933, as long as the investment company's fund receives the highest credit rating and is rated in one of the two highest risk rating categories by at least one nationally recognized statistical rating organization and is invested in financial instruments with a final maturity no longer than 13 months.

Sec. 2. Minnesota Statutes 1996, section 136A.32, subdivision 7, is amended to read:

Subd. 7. The authority may invest any bond proceeds, sinking funds or reserves in any securities authorized for investment of funds of municipalities pursuant to section sections 118A.04 and 118A.05, including securities described in section 475.67, subdivision 8. In addition, such bond proceeds, sinking funds and reserves may be

(1) deposited in time deposits of any state or national bank subject to the limitations and requirements of chapter ~~118~~ 118A, or

(2) invested in repurchase agreements with, providing for the repurchase of securities described in the preceding sentence by, a bank qualified as a depository of money of the authority, a national or state bank in the United States that is a member of the federal reserve system and whose combined capital and surplus equals or exceeds \$10,000,000, or a reporting dealer to the federal reserve bank of New York. Power to make any such investment or deposit is subject to the provisions of any applicable covenant or restriction in a resolution or trust agreement of the authority.

Sec. 3. Minnesota Statutes 1996, section 373.40, subdivision 7, is amended to read:

Subd. 7. **REPEALER.** This section is repealed effective for bonds issued after July 1, 1998 2002, but continues to apply to bonds issued before that date.

Sec. 4. Minnesota Statutes 1996, section 414.067, subdivision 2, is amended to read:

Subd. 2. **ENTIRE TOWNSHIP OR MUNICIPALITY.** When an entire township is annexed by an existing municipality, or an entire township is incorporated into a new municipality, or a municipality is consolidated into a new municipality, all money, claims, or properties, including real estate owned, held, or possessed by the annexed, incorporated township or municipality, and any proceeds or taxes levied by such town or municipality, collected or uncollected, shall become and be the property of the new or annexing municipality with full power and authority to use and dispose of the same for public purposes as the council or new annexing municipality may deem best, subject to the rights of creditors. Any taxes levied to pay bonded indebtedness of a town or former municipality annexed to an existing municipality or incorporated or consolidated into a new municipality shall be borne only by that taxable property within the boundaries of the former town or municipality, provided, however, the units of government concerned may by resolution of their governing bodies agree that taxes levied to pay the indebtedness must be levied upon all taxable property within the boundaries of the new municipality shall assume the bonded indebtedness of the former units of government existing and outstanding at the time of annexation, incorporation or consolidation. Notwithstanding

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that the bonded indebtedness may be payable from taxes levied on only a portion of the taxable property in the new or surviving municipality, the full faith and credit of the new or surviving municipality must secure any outstanding bonded indebtedness to which the full faith and credit of the annexed or consolidated township or municipality was pledged. If any general funds of the new or surviving municipality are used to pay debt service on the bonded indebtedness, the general funds must be reimbursed, with or without interest, from taxes levied on taxable property in the former township or municipality.

Sec. 5. Minnesota Statutes 1996, section 429.021, subdivision 1, is amended to read:

Subdivision 1. **IMPROVEMENTS AUTHORIZED.** The council of a municipality shall have power to make the following improvements:

(1) To acquire, open, and widen any street, and to improve the same by constructing, reconstructing, and maintaining sidewalks, pavement, gutters, curbs, and vehicle parking strips of any material, or by grading, graveling, oiling, or otherwise improving the same, including the beautification thereof and including storm sewers or other street drainage and connections from sewer, water, or similar mains to curb lines.

(2) To acquire, develop, construct, reconstruct, extend, and maintain storm and sanitary sewers and systems, including outlets, holding areas and ponds, treatment plants, pumps, lift stations, service connections, and other appurtenances of a sewer system, within and without the corporate limits.

(3) To construct, reconstruct, extend, and maintain steam heating mains.

(4) To install, replace, extend, and maintain street lights and street lighting systems and special lighting systems.

(5) To acquire, improve, construct, reconstruct, extend, and maintain water works systems, including mains, valves, hydrants, service connections, wells, pumps, reservoirs, tanks, treatment plants, and other appurtenances of a water works system, within and without the corporate limits.

(6) To acquire, improve and equip parks, open space areas, playgrounds, and recreational facilities within or without the corporate limits.

(7) To plant trees on streets and provide for their trimming, care, and removal.

(8) To abate nuisances and to drain swamps, marshes, and ponds on public or private property and to fill the same.

(9) To construct, reconstruct, extend, and maintain dikes and other flood control works.

(10) To construct, reconstruct, extend, and maintain retaining walls and area walls.

(11) To acquire, construct, reconstruct, improve, alter, extend, operate, maintain, and promote a pedestrian skyway system. Such improvement may be made upon a petition pursuant to section 429.031, subdivision 3.

(12) To acquire, construct, reconstruct, extend, operate, maintain, and promote underground pedestrian concourses.

(13) To acquire, construct, improve, alter, extend, operate, maintain, and promote public malls, plazas or courtyards.

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(14) To construct, reconstruct, extend, and maintain district heating systems.

(15) To construct, reconstruct, alter, extend, operate, maintain, and promote fire protection systems in existing buildings, but only upon a petition pursuant to section 429.031, subdivision 3.

(16) To acquire, construct, reconstruct, improve, alter, extend, and maintain highway sound barriers.

(17) To improve, construct, reconstruct, extend, and maintain gas and electric distribution facilities owned by a municipal gas or electric utility.

Sec. 6. Minnesota Statutes 1996, section 447.45, subdivision 2, is amended to read:

**Subd. 2. POWERS OVER SPECIAL FACILITIES.** With respect to facilities for the care, treatment, and training of persons with mental retardation or related conditions, and facilities attached or related to a nursing home providing supportive services to elderly persons who are not yet in need of nursing home care, including congregate housing, adult day care and respite care services, a hospital district, county, or city may exercise the powers in sections 447.45 to 447.50 as if these facilities were hospital or nursing home facilities within the meaning of sections 447.45 to 447.50. "County or city" includes cities of the first class and counties containing them. "Related conditions" is defined in section 252.27, subdivision 1a.

Sec. 7. **[465.715] POLITICAL SUBDIVISIONS; CORPORATIONS.**

Subdivision 1. STATUTORY AUTHORIZATION REQUIRED. A county, home rule charter city, statutory city, town, school district, or other political subdivision may not create a corporation, whether for profit or not for profit, unless explicitly authorized to do so by law.

Subd. 2. PRE-DECEMBER 1, 1996, LEASE PURCHASE AGREEMENTS. The validity of any lease purchase agreement entered into prior to December 1, 1996, and subsequent refinancings are not affected by either the amount of consideration paid by a lessor for an interest in real property or, in the case of lessors organized by or on behalf of the city, county, town, or school district, any defect in or lack of authority to organize such entity. A nonprofit corporation organized by or on behalf of a city, county, town, or school district, for the purpose of a lease purchase agreement, may continue in existence until the end of any lease agreement in effect on December 1, 1996, but thereafter is dissolved. During its existence, the nonprofit corporation shall conduct only business that is necessary and directly related to the lease agreement. The nonprofit corporation is a public corporation for purposes of section 465.035 and is subject to all laws as if it were a part of the city, county, town, or school district.

Sec. 8. Minnesota Statutes 1996, section 469.0171, is amended to read:

469.0171 **HOUSING PLAN, PROGRAM, AND REVIEW.**

Prior to the issuance of bonds or obligations for a housing development project proposed by an authority under section 469.017, the authority shall:

(1) prepare a plan meeting the requirements of section 462C.03, subdivision 1, paragraphs (a) to (d);

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(2) obtain review of the plan in the manner provided in section 462C.04, subdivision 1; and

(3) prepare and submit for review a program as defined in section 462C.02, subdivision 3, in the manner provided in section 462C.04, subdivision 2, and section 462C.05, subdivision 5, for the making or purchasing of loans by cities.

The authority shall prepare and submit the report required under section 462C.04, subdivision 3.

Sec. 9. Minnesota Statutes 1996, section 471.981, is amended by adding a subdivision to read:

Subd. 4d. **POLITICAL SUBDIVISION BONDS FOR INSURANCE PROCUREMENT.** (a) Notwithstanding any limitations under section 475.52, or any other general or special law or charter to the contrary, a political subdivision may issue bonds or other obligations to purchase insurance coverage for employee health benefits, all or any part of the risks enumerated in subdivision 1, and any risk which the political subdivision may insure under section 176.181, subdivision 1. The obligations must be issued under chapter 475, except that no election is required. The obligations must mature in the years and amounts determined by the governing body, not exceeding the lesser of three years or the term of the insurance contract purchased with the proceeds of the obligations.

(b) In addition to the permitted uses described in paragraph (a), proceeds of obligations issued under this subdivision may be used to establish a debt service reserve for the obligations, to pay costs of issuing the obligations, or to refund obligations previously issued under this subdivision.

(c) An issuer of obligations authorized under this subdivision may designate a bank or trust company authorized to exercise trust powers in this state as trustee for the holders of obligations issued pursuant to this subdivision and may create funds and accounts necessary to secure payment of the obligations.

(d) Notwithstanding any law to the contrary, a levy to pay obligations issued under this subdivision is not a levy to pay bonded indebtedness or other debt levy that is exempt from levy limitations and the levy is subject to any otherwise applicable levy limits.

Sec. 10. **[475.80] PLEDGE ON ATTACHMENT, ANNEXATION, COMBINATION, CONSOLIDATION, OR INCORPORATION.**

When all or a part of a municipality is attached, annexed, combined, consolidated, or incorporated into another municipality, the full faith and credit of the surviving or new municipality must secure any general obligation bonds which the surviving or new municipality has assumed or which are payable from property taxes levied on all or any portion of its taxable property, notwithstanding that the bonds may be payable from taxes levied on taxable property in only a portion of the new or surviving municipality. If any general funds of the municipality are used to pay debt service on general obligation bonds payable from taxes levied on taxable property in only a portion of the new or surviving municipality, the general funds must be reimbursed, with or without interest, from taxes levied on the taxable property in that portion of the new or surviving municipality which was primarily responsible for the general obligation bonds.

Sec. 11. Minnesota Statutes 1996, section 641.23, is amended to read:

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**641.23 FUNDS, HOW PROVIDED.**

Before any contract is made for the erection of a county jail, sheriff's residence, or both, the county board shall either levy a sufficient tax to provide the necessary funds, or issue county bonds therefor in accordance with the provisions of chapter 475, provided that, unless the issuance of the bonds is approved by the majority of voters voting on the question of their issuance, the amount of all bonds issued for this purpose and interest on them which are due and payable in any year shall not exceed an amount equal to 0.09671 percent of market value of taxable property within the county, as last determined before the bonds are issued.

**Sec. 12. NORTHWEST COUNTY MULTICOUNTY HRA; BONDING AUTHORITY.**

**Subdivision 1. REFUNDING AUTHORITY.** (a) The northwest multicounty housing and redevelopment authority may issue bonds under Minnesota Statutes, section 469.034, subdivision 2, to refund obligations issued by the authority before December 31, 1994 or obligations refunding such bonds, for which revenues pledged by the authority have not been sufficient on a current basis to pay all principal and interest due on the obligations in the last preceding fiscal year.

(b) For purposes of this section, the amount in Minnesota Statutes, section 469.034, subdivision 2, paragraph (c), clause (2), is increased to \$6,000,000 and the general jurisdiction government is any of the cities listed in paragraph (c). The total amount of bonds issued and outstanding under this subdivision at any time may not exceed the total amount of the outstanding obligations as described in paragraph (a), plus reserves and transactional costs.

(c) This section applies only to permit pledges of general obligation authority by the following cities: Ada, Argyle, Clearbrook, Crookston, Erskine, Fertile, Fisher, Fosston, Greenbush, Newfolden, Park Rapids, Shelly, and Warren.

**Subd. 2. EFFECTIVE DATE.** This section is effective for the northwest multicounty housing and redevelopment authority upon compliance by the authority with Minnesota Statutes, section 645.021, subdivision 3, and is effective for each of the cities upon compliance by the city with Minnesota Statutes, section 645.021, subdivision 3.

**Sec. 13. EFFECTIVE DATE.**

This act is effective the day following final enactment.

Presented to the governor May 27, 1997

Signed by the governor May 30, 1997, 1:22 p.m.

**CHAPTER 220—S.F.No. 164**

*An act relating to agriculture; conforming certain food rules with federal regulations; eliminating a requirement concerning llamas; amending Minnesota Statutes 1996, sections 31.101;*

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