

## Municipalities

## CHAPTER 471

RIGHTS, POWERS, DUTIES; SEVERAL POLITICAL  
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NOTE: For special laws relating to specific political subdivisions, see Table 1, Vol. 4.

- 471.01 [ Repealed, 1976 c 44 s 70 ]
- 471.02 [ Repealed, 1976 c 44 s 70 ]
- 471.03 [ Repealed, 1976 c 44 s 70 ]
- 471.04 [ Repealed, 1976 c 44 s 70 ]
- 471.05 [ Repealed, 1976 c 44 s 70 ]
- 471.06 [ Repealed, 1976 c 44 s 70 ]
- 471.07 [ Repealed, 1976 c 44 s 70 ]
- 471.08 [ Repealed, 1976 c 44 s 70 ]
- 471.09 [ Repealed, 1976 c 44 s 70 ]
- 471.10 [ Repealed, 1976 c 44 s 70 ]
- 471.11 [ Repealed, 1976 c 44 s 70 ]
- 471.12 [ Repealed, 1976 c 44 s 70 ]
- 471.13 [ Repealed, 1976 c 44 s 70 ]
- 471.14 [ Repealed, 1976 c 44 s 70 ]

#### 471.15 RECREATIONAL FACILITIES.

Any city or any town, county, school district, or any board thereof, or any incorporated post of the American Legion or any other incorporated veterans' organization, may expend not to exceed \$800 in any one year, for the purchase of awards and trophies and may operate a program of public recreation and playgrounds; acquire, equip, and maintain land, buildings, or other recreational facilities, including an outdoor or indoor swimming pool; and expend funds for the operation of such program pursuant to the provisions of sections 471.15 to 471.19. Any such city, town, county or school district may issue bonds pursuant to chapter 475 for the purpose of carrying out the powers granted by this section.

**History:** 1937 c 233 s 1; 1945 c 396 s 1; 1957 c 117 s 1; 1957 c 372 s 1; 1973 c 123 art 5 s 7 (1933-9a)

#### 471.16 MAY ACT INDEPENDENTLY OR COOPERATIVELY.

Subdivision 1. Any city, however organized, or any town, county, school district, or any board thereof, or any incorporated post of the American Legion or any other incorporated veterans' organization, may operate such a program independently, or they may cooperate among themselves or with any nonprofit organization in its conduct and in any manner in which they may mutually agree; or they may delegate the operation of the program to a recreation board created by one or more of them, and appropriate money voted for this purpose to such board which may in turn support or cooperate with a nonprofit organization. In the case of school districts after May 15, 1978, the right to enter into such agreements with any other corporation, board or body hereinbefore designated where bonds are issued by the other party and revenue pledged for bonds issued pursuant to section 471.191, shall be authorized only upon obtaining the approval of a majority of the electors voting on the question at a regular or special school election.

Subd. 2. Notwithstanding the provisions of section 471.15, any county may levy a tax to provide funds for the establishment or operation of recreational facilities or programs for senior citizens either by such county or by any municipality, governmental subdivision, school district or other organization or entity referred to in subdivision 1.

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**History:** 1937 c 233 s 2; 1945 c 396 s 2; 1957 c 17 s 1; 1957 c 499; 1967 c 496 s 1; 1971 c 808 s 1; 1973 c 123 art 5 s 7; 1973 c 583 s 33; 1978 c 764 s 125 (1933-9b)

**471.17 LOCATION OF ACTIVITIES.**

Any corporation, board, or body hereinbefore designated given charge of the recreation program is authorized to conduct its activities on:

- (1) property under its custody and management;
- (2) other public property under the custody of any other public corporation, body, or board, with the consent of such corporations, bodies, or boards;
- (3) private property, with the consent of its owners; and
- (4) shall have authority to accept gifts and bequests for the benefit of the recreational service and employ directors and instructors of recreational work.

**History:** 1937 c 233 s 3 (1933-9c)

**471.18 STATE BOARD OF EDUCATION TO ESTABLISH QUALIFICATIONS.**

In all cases where school funds or property are utilized, the state board of education shall:

- (1) Establish minimum qualifications of local recreational directors and instructors;
- (2) Prepare or cause to be prepared, published, and distributed adequate and appropriate manuals and other materials as it may deem necessary or suitable to carry out the provisions of sections 471.15 to 471.19.

**History:** 1937 c 233 s 4 (1933-9d)

**471.19 RECREATION PROGRAM TO BE FOR EDUCATION PURPOSES.**

The facilities of any school district, operating a recreation program pursuant to the provisions of sections 471.15 to 471.19 shall be used primarily for the purpose of conducting the regular school curriculum and related activities and the use of school facilities for recreational purposes authorized by those sections shall be secondary.

**History:** 1937 c 233 s 5 (1933-9e)

**471.191 ACQUISITION OF FACILITIES.**

Subdivision 1. Any city operating a program of public recreation and playgrounds pursuant to sections 471.15 to 471.19 may acquire or lease, equip, and maintain land, buildings, and other recreational facilities, including, but without limitation, outdoor or indoor swimming pools, skating rinks and arenas, athletic fields, golf courses, marinas, concert halls, and facilities for other kinds of athletic or cultural participation, contests, and exhibitions, together with related automobile parking facilities as defined in section 459.14, and may expend funds for the operation of such program and borrow and expend funds for capital costs thereof pursuant to the provisions of this section. Any facilities to be operated by a nonprofit corporation, as contemplated in section 471.16, may be leased to the corporation upon such rentals and for such term, not exceeding 30 years, and subject to such other provisions as may be agreed; including but not limited to provisions (a) permitting the lessee, subject to whatever conditions are stated, to provide for the construction and equipment of the facilities by any means available to it and in the manner determined by it, without advertisement for bids as required for other municipal facilities, and (b) granting the lessee the option to renew the lease upon such conditions and rentals, or to purchase the facilities at such price, as may be agreed; provided that (c) any such lease shall require the lessee to pay net rentals sufficient to pay the principal, interest,

redemption premiums, and other expenses when due with respect to all bonds issued for the acquisition or betterment of the facilities, less such amount of taxes and special assessments, if any, as may become payable in any year of the term of the lease, on the land, building, or other facilities leased, and (d) no option shall be granted to purchase the facilities at any time at a price less than the amount required to pay all principal and interest to become due on such bonds to the earliest date or dates on which they may be paid and redeemed, and all redemption premiums and other expenses of such payment and redemption.

Subd. 2. Any such city may issue bonds pursuant to chapter 475, for the acquisition and betterment of land, buildings, and facilities for the purpose of carrying out the powers granted by this section. Such bonds, unless authorized as general obligations of the issuer pursuant to approval of the electors or pursuant to another law or charter provision permitting such issuance without an election, shall be payable solely from the income of land, buildings, and facilities used or useful for the operation of the program, but may be secured by a pledge to the bondholders, or to a trustee, of all income and revenues of whatsoever nature derived from any such land, buildings, and facilities, as a first charge on the gross revenues thereof to the extent necessary to pay the bonds and interest thereon when due and to accumulate and maintain an additional reserve for that purpose in an amount equal to the total amount of such payments to become due in any fiscal year. In this event the governing body of the issuer may by resolution or trust indenture define the land, buildings, or facilities, the revenues of which are pledged, and establish covenants and agreements to be made by the issuer for the security of the bonds, including a covenant that the issuer will establish, maintain, revise when necessary, and collect charges for all services, products, use, and occupancy of the land, buildings, and facilities, in the amounts and at the times required to produce the revenues pledged, and also sufficient, with any other funds appropriated by the governing body from time to time, to provide adequately for the operation and maintenance of the land, buildings, and facilities. From and after the issuance of any bonds for which revenues are so pledged, the governing body of the issuer shall provide in its budget each year for any anticipated deficiency in the revenues available for such operation and maintenance. For this purpose any issuer other than a city of the first class may levy a tax of not more than two-thirds of one mill on the assessed valuation of all taxable property within its corporate limits, in excess of taxes which may otherwise be levied within legal and charter limitations, provided such excess levy is approved by a majority of its electors voting on such question at a regular or special election. The authority to levy additional taxes granted herein shall not apply to cities or towns in which the assessed valuation consists in part of iron ore or lands containing taconite or semi-taconite.

Subd. 3. Any such city may acquire land, buildings, and facilities for the purpose of carrying out the powers granted by this section under a lease agreement for a term not exceeding 30 years, vesting title in the lessee upon the payment of all amounts due and the performance of all covenants thereunder, provided that the rentals under any such lease agreement shall be payable solely from the revenues of the leased property. The terms and conditions of the lease agreement shall be established by resolution of the governing body of the lessee, and may include a pledge to the lessor of all income and revenues of whatsoever nature derived from the leased property, as a first charge on the gross revenues thereof to the extent necessary to pay the rentals when due, and a covenant that the lessee will establish, maintain, revise when necessary, and collect charges for all service, products, use, and occupancy of the leased property in the amounts and at the times required to produce the revenues pledged, and also sufficient, with any other funds appropriated by the governing body from time to time, to

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provide adequately for the operation and maintenance of the property. From and after the execution of any such lease agreement, the governing body of the lessee shall provide for any deficiencies in the revenues available for operation and maintenance, to the same extent and in the same manner as provided in subdivision 2. If such lease agreement is entered into with a nonprofit corporation as owner and lessor, organized and existing under chapter 317 for the sole purpose of providing and leasing such land, buildings, and facilities for public use and of conveying the same to the lessee when all sums borrowed therefor have been repaid, such corporation shall be deemed to be a public corporation, agency, and instrumentality of the city, and obligations incurred by it for this purpose, together with the interest on such obligations, shall be exempt from taxation to the same extent as obligations of the city. Any mortgage or trust indenture executed by such corporation for the security of its obligations may provide for the segregation and payment of rentals and revenues of land, buildings, and facilities directly by the lessee to the mortgagee or trustee, whether or not such mortgagee or trustee is in possession under foreclosure proceedings or otherwise, and the mortgage or trust indenture may be enforced by foreclosure and sale and by any other remedy at law or in equity which is available in the event of default in payment of amounts due and performance of covenants under any mortgage of real or personal property; provided that no such mortgage or trust indenture shall impair the continued right of the lessee to the use and enjoyment of the land, buildings, and facilities so long as the lessee is not in default in the payment of rentals due and in the performance of covenants under the lease agreement.

Subd. 4. Any and all properties acquired and used, whether under lease or otherwise, by a city for the purposes authorized and contemplated in this section shall be deemed and are declared to be public property exclusively used for a public purpose and as such exempt from taxation, so long as and to the extent that such property is devoted to said purposes and is not subleased to any private individual, association, or corporation in connection with a business conducted for profit, for a term of three or more years. An agreement whereby a city, as owner or lessee, employs a private individual, association, or corporation to operate facilities for use of the public, for the purposes herein contemplated and subject to regulation by the public owner or lessee, is not a sublease for the purpose of this subdivision.

Subd. 5. All obligations issued by any city pursuant to this section are issued for the acquisition or betterment of revenue producing public conveniences and are payable wholly from the income thereof, within the meaning of all provisions of chapter 475. The rentals payable under a lease and the securities issued by the lessor pursuant to subdivision 3 are not obligations within the meaning of chapter 475.

**History:** 1967 c 725 s 1; 1973 c 123 art 5 s 7; 1973 c 321 s 1; 1973 c 773 s 1

**471.1911 VALIDATION OF SCHOOL DISTRICT AGREEMENTS.**

Agreements entered into by school districts pursuant to the provisions of 471.15 to 471.191 or Laws 1967, Chapter 33, prior to May 15, 1978, without a referendum, are not void and are hereby validated.

**History:** 1978 c 764 s 126

**471.192 [ Repealed, 1973 c 445 s 3 ]****471.1921 CITIES AND TOWNS; PLAYGROUNDS AND RECREATION; TAX LEVY.**

Whenever any city or town in which the assessed valuation consists in part of iron ore or lands containing taconite or semi-taconite operates a program of

public recreation and playgrounds or other recreational facilities and expends funds for the operation of the program pursuant to sections 471.15 to 471.19, in addition to funds otherwise provided therefor, the governing body of the city or town may levy a tax in excess of any charter or statutory limitation, except the limitation imposed in sections 275.50 to 275.59, for the support of this program of public recreation and playgrounds as follows:

(a) In cities the council or governing body may levy a tax of not exceeding two-ninths of a mill and not exceeding \$3 per capita and not exceeding \$15,000.

(b) In towns the governing body may levy a tax of not exceeding two-ninths of a mill and not exceeding \$10,000.

**History:** 1973 c 773 s 1; 1974 c 339 s 1

#### **471.193 MUNICIPAL HERITAGE PRESERVATION.**

Subdivision 1. The legislature finds that the preservation of buildings, lands, areas, or districts which possess historical or architectural significance will promote the educational, cultural, and general welfare of the public and that the acquisition and management of property in such manner as will preserve buildings or areas of historical or architectural value in order to promote the cultural, educational, and economic well-being of the people of the state serves a public purpose.

Subd. 2. In addition to any powers provided by law or charter, the council of any city may provide by ordinance for the appointment of a heritage preservation commission for the purpose of preserving buildings, lands, areas, or districts within the municipality which are determined by the commission to possess particular cultural or educational value.

Subd. 3. The powers and duties of any commission established pursuant to this section shall be such as are delegated or assigned by the ordinance establishing the commission and for the purposes of this section may include the sale or lease of air rights, the granting of use variations to a zoning ordinance, and any power possessed by the municipality subject to modification from time to time by the council. The commission may request the council to use its power of eminent domain to maintain or preserve buildings, lands, areas or districts which have been determined by the commission to be of historical or architectural value. No power shall be exercised by a commission which is contrary to state law or denied a municipality by its charter or by law. Powers of a commission shall be exercised only in the manner prescribed by ordinance and no action of a commission shall contravene any provision of a municipal zoning or planning ordinance unless expressly authorized by ordinance.

Subd. 4. If a commission is established by the city of St. Paul, it shall for the purpose of this section exclude any jurisdiction over the capitol area as defined in section 15.50, subdivision 2.

Subd. 5. Every commission shall include, if available, a member of a county historical society of a county in which the municipality is located. Every program proposed by the commission shall be forwarded to the Minnesota historical society which shall review and shall comment on the proposal within 60 days.

**History:** 1971 c 128 s 1; 1973 c 123 art 5 s 7

#### **471.195 UNCLAIMED PROPERTY; DISPOSAL.**

(1) Any city may by ordinance provide for the custody and disposal of property lawfully coming into its possession in the course of municipal operations and remaining unclaimed by the owner. Such ordinance may provide for the sale of such property to the highest bidder at public auction or sale following reasonable published notice after the property has been in the possession of the

municipality for a period of at least 60 days. Consistent with other applicable statutory or charter provision, the ordinance shall designate the fund into which the proceeds of any such sale shall be placed, subject to the right of the former owner to payment of the sale price from the fund upon application and satisfactory proof of ownership within six months of the sale or such longer period as provided by ordinance.

(2) This section does not limit the power of any municipality under any other statutory or charter authority.

**History:** 1957 c 382 s 1,2; 1967 c 295 s 2; 1971 c 923 s 1; 1973 c 123 art 5 s

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**471.196** Subdivision 1. [ Repealed, 1971 c 734 s 12; 1976 c 2 s 162 ]

Subd. 2. [ Repealed, 1971 c 734 s 12 ]

**471.20** [ Repealed, 1953 c 420 s 1 ]

**471.21** [ Repealed, 1953 c 420 s 1 ]

**471.22** [ Repealed, 1953 c 420 s 1 ]

**471.23** [ Repealed, 1953 c 420 s 1 ]

#### **471.24 STATUTORY CITIES AND TOWNS MAY JOIN IN MAINTAINING CEMETERIES.**

Where a statutory city or town owns and maintains an established cemetery or burial ground, either within or without the municipal limits, the statutory city or town may, by mutual agreement with contiguous statutory cities and towns, each having an assessed valuation of not less than \$500,000, join together in the maintenance of such public cemetery or burial ground for the use of the inhabitants of each of such municipalities; and each such municipality is hereby authorized, by action of its council or governing body, to levy a tax or make an appropriation for the support and maintenance of such cemetery or burial ground; provided, the amount thus levied or appropriated by each municipality shall not exceed a total of \$5,000 in any one year.

**History:** 1931 c 262 s 1; 1945 c 213 s 1; 1957 c 75 s 1; 1963 c 609 s 1; 1969 c 506 s 1; 1973 c 123 art 5 s 7; 1980 c 356 s 1 (1933-64)

**471.25** [ Repealed, 1980 c 356 s 2 ]

**471.26** [ Repealed, 1965 c 670 s 14 ]

**471.27** [ Repealed, 1965 c 670 s 14 ]

**471.28** [ Repealed, 1965 c 670 s 14 ]

**471.29** [ Repealed, 1965 c 670 s 14 ]

**471.30** [ Repealed, 1965 c 670 s 14 ]

**471.31** [ Repealed, 1965 c 670 s 14 ]

**471.32** [ Repealed, 1965 c 670 s 14 ]

**471.323** [ Repealed, 1965 c 670 s 14 ]

**471.33** [ Repealed, 1965 c 670 s 14 ]

**471.34** [ Repealed, 1959 c 261 s 4 ]

#### **471.345 UNIFORM MUNICIPAL CONTRACTING LAW.**

Subdivision 1. **Municipality defined.** For purposes of this section, "municipality" means a county, town, city, school district or other municipal corporation or political subdivision of the state authorized by law to enter into contracts.

Subd. 2. **Contract defined.** A "contract" means an agreement entered into by a municipality for the sale or purchase of supplies, materials, equipment or

the rental thereof, or the construction, alteration, repair or maintenance of real or personal property.

Subd. 3. **Contracts over \$10,000.** If the amount of the contract is estimated to exceed \$10,000, sealed bids shall be solicited by public notice in the manner and subject to the requirements of the law governing contracts by the particular municipality or class thereof provided that with regard to repairs and maintenance of ditches, bids shall not be required if the estimated amount of the contract does not exceed the amount specified in section 106.471, subdivision 2.

Subd. 4. **Contracts from \$5,000 to \$10,000.** If the amount of the contract is estimated to exceed \$5,000 but not to exceed \$10,000, the contract may be made either upon sealed bids or by direct negotiation, by obtaining two or more quotations for the purchase or sale when possible, and without advertising for bids or otherwise complying with the requirements of competitive bidding. All quotations obtained shall be kept on file for a period of at least one year after receipt thereof.

Subd. 5. **Contracts less than \$5,000.** If the amount of the contract is estimated to be \$5,000 or less, the contract may be made either upon quotation or in the open market, in the discretion of the governing body; but, so far as practicable, shall be based on at least two quotations which shall be kept on file for a period of at least one year after receipt thereof.

Subd. 6. **Applicability of other laws.** The purpose of this section is to establish for all municipalities, uniform dollar limitations upon contracts which shall or may be entered into on the basis of competitive bids, quotations or purchase or sale in the open market. To the extent inconsistent with this purpose, all laws governing contracts by a particular municipality or class thereof are superseded. In all other respects such laws shall continue applicable.

Subd. 7. **Minimum labor standards.** Nothing in this section shall be construed to prohibit any municipality from adopting rules, regulations, or ordinances which establish the prevailing wage rate as defined in section 177.42, as a minimum standard for wages and which establish the hours and working conditions prevailing for the largest number of workmen engaged in the same class of labor within the area as a minimum standard for a contractor's employees which must be agreed to by any contractor before he may be awarded any contract for the furnishing of any labor, material, supplies, or service.

Subd. 8. **Procurement from socially or economically disadvantaged persons.** For purposes of this subdivision, the following terms shall have the meanings herein ascribed to them:

(a) "socially and economically disadvantaged person" means a person who has been deprived of the opportunity to develop and maintain a competitive position in the economy because of social or economic disadvantage. This disadvantage may arise from cultural, social or economic circumstances or background, physical location if the person resides or is employed in an area declared as a labor surplus area by the United States department of commerce, physical handicap, or other similar cause.

(b) "business entity" means an entity organized for profit, including an individual, partnership, corporation, joint venture, association, or cooperative.

Nothing in this section shall be construed to prohibit any municipality from adopting a resolution, rule, regulation or ordinance which on an annual basis designates and sets aside for awarding to business entities controlled by socially or economically disadvantaged persons a percentage of the value of its anticipated total procurement of goods and services, including construction, and which uses either a negotiated price or bid contract procedure in the awarding of a procurement contract under a set-aside program as allowed in this subdivision, provided that any award based on a negotiated price shall not exceed by more



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than five percent the municipality's estimated price for the goods and services if they were purchased on the open market and not under the set-aside program.

**History:** 1969 c 934 s 1; 1973 c 123 art 5 s 7; 1973 c 226 s 1,2; 1974 c 510 s 1; 1977 c 182 s 1-3; 1980 c 462 s 4

**471.35 SPECIFICATIONS OF SUPPLIES OR EQUIPMENT.**

When any county, city, town, or school district calls for bids for the purchase of supplies or equipment, specifications shall not be so prepared as to exclude all but one type or kind but shall include competitive supplies and equipment.

**History:** 1937 c 416 s 2; 1959 c 261 s 1; 1973 c 123 art 5 s 7; 1975 c 157 s 1 (1933-77)

**471.36 NONCOMPETITIVE SUPPLIES AND EQUIPMENT.**

The provisions of sections 471.35 to 471.37 shall not apply to noncompetitive types and kinds of supplies and equipment.

**History:** 1937 c 416 s 3; 1959 c 261 s 2 (1933-78)

**471.37 VIOLATIONS.**

The violation of any of the provisions of sections 471.35 to 471.36 shall be a gross misdemeanor.

**History:** 1937 c 416 s 4; 1959 c 261 s 3 (1933-79)

**471.371 CONTRACTS FOR CONSTRUCTION OF TREATMENT WORKS.**

Subdivision 1. **Policy.** The United States Environmental Protection Agency is in the process of promulgating rules and regulations under the Federal Water Pollution Control Act which authorize the award of grants for treatment works to be constructed under a contract providing for single source responsibility for the design and construction of the facilities. The legislature determines that such contracts should help prevent pollution, thereby protecting the public health and the environment, should encourage more effective use of existing technology and the development of new technology for waste treatment, should better assure that treatment works will be designed and built to meet applicable treatment standards, and should reduce the time interval between the initial application for a grant and the commencement of operation of the facilities.

Subd. 2. **Authorization of design and construct contracts.** Notwithstanding the provisions of any law or charter to the contrary, any municipality authorized by law to enter into a contract for the design and/or construction of treatment works facilities may advertise for sealed bids for the design and construction thereof under a single contract. Prior to such advertisement the municipality shall prepare contract documents which shall serve as a basis for the comparison of bids and any contract to be entered into. These documents shall be prepared by a professional engineer in sufficient detail for the bidder to describe the probable cost, scope of work, equipment and materials of construction, and the documents shall include performance standards for the construction and supervisory operation of the facilities which must be met for specified conditions and time periods, prior to final acceptance of the facilities by the municipality and by the Minnesota pollution control agency. The contract documents shall require the bidder to furnish estimates of the annual operation and maintenance costs of the facility, conceptual plans and specifications and any other information deemed relevant for contract award.

In awarding the contract, the municipality shall take into consideration the performance guarantee, completion date, construction cost, capacity of the facility, estimated annual operation and maintenance cost, and other relevant factors.

The provisions of any law which require the Minnesota pollution control agency to approve all plans and specifications on a municipal or regional waste treatment facility prior to calling for construction bids shall not be applicable to contracts authorized by this section. However, after bids have been received and evaluated by the governing body and the best bid determined, a municipality shall not award a contract until the award is approved by the Minnesota pollution control agency. Nothing in this section shall prohibit the Minnesota pollution control agency from giving consideration to any or all bids prior to the determination by the governing body of the best bid, provided that the Minnesota pollution control agency or the municipality request that such consideration be given.

Upon award of the contract the municipality shall require the bidder to furnish detailed plans and specifications and shall provide for termination of the contract and may provide for penalties if such plans and specifications are insufficient to permit the municipality to satisfy the requirements of any federal or state grant.

Subd. 3. **Limitations.** The provisions of subdivision 2 shall not in any way limit the application and effect of laws governing the practice of architecture, professional engineering, or land surveying in this state, including sections 326.02 to 326.16, and 541.051.

Subd. 4. **Definitions.** As used in this section, "municipality" has the meaning given to it in section 471.345; "contract" includes not only construction work but also all necessary design services, including process and mechanical equipment, provisions for the start-up of the new facility, performance guarantee, and the other necessary and related items to make an operable plant; and "treatment works" has the meaning given to it in Section 212, Title II, of the Federal Water Pollution Control Act Amendments of 1972.

Subd. 5. **Bid security and insurance.** Each design construct bid submitted shall include a bid bond, labor and materials bond and shall conform with appropriate executive orders related to requirements for the construction of wastewater treatment facilities under the construction grant program of the Federal Water Pollution Control Act and insurance as specified to provide for uniform and equitable bid review procedures.

Subd. 6. **Bid bonds.** A bid bond shall not be less than ten percent of bid price for all services including cost for start-up and an operational period guarantee. Bids of the three best bidders shall be retained by the municipality until the award has been approved in accordance with the provisions of this section.

**History:** 1974 c 503 s 1,2

#### 471.38 CLAIMS.

Subdivision 1. **Itemization; declaration.** Except as provided in subdivision 2, where an account, claim or demand against any county, county welfare board, county board of education for unorganized territory, school district, town or home rule charter city of the second, third or fourth class, or any park district, for any property or services can be itemized in the ordinary course of business, the board or officer authorized by law to audit and allow claims shall not audit or allow the claim until the person claiming payment, or his agent, reduces it to writing, in items and signs a declaration to the effect that such account, claim, or demand is just and correct and that no part of it has been paid. The board or officer may in its discretion allow a claim prepared by the clerk or secretary of such board or officer prior to such declaration by the claimant if the declaration is made on the check or order-check by which the claim is paid, as provided in section 471.391, subdivision 2.

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Subd. 2. **Application.** The provisions of this section do not apply to any claim or demand for an annual salary or fees of jurors or witnesses, fixed by law, nor to the salary or wages of any employee whose salary or wages have been fixed on an hourly, daily, weekly or monthly basis, by the governing board of the municipality, and which is now authorized by law to be paid on a payroll basis.

Subd. 3. **Electronic funds transfer.** Electronic funds transfer is the process of value exchange via mechanical means without the use of checks, drafts or similar negotiable instruments. A school district may make an electronic funds transfer for a claim for a payment from an imprest payroll bank account or investment of excess money and for payment of bond principal, bond interest and a fiscal agent service charge from the debt redemption fund. This authorization extends only to a school district which has enacted all of the following policy controls:

(a) The school board shall annually delegate the authority to make electronic funds transfers to a designated business administrator;

(b) The dispersing bank shall keep on file a certified copy of the delegation of authority;

(c) The initiator of the electronic transfer shall be identified;

(d) The initiator shall document the request and obtain an approval from the designated business administrator before initiating the transfer;

(e) A written confirmation of the transaction shall be made no later than one business day after the transaction and shall be used in lieu of a check, order check or warrant required to support the transaction;

(f) A list of all transactions made by electronic funds transfer shall be submitted to the school board at its next regular meeting after the transaction.

**History:** *RL s 438; 1949 c 416 s 1; 1951 c 350 s 1; 1953 c 50 s 1; 1955 c 312 s 1; 1959 c 56 s 1; 1961 c 5 s 1; 1976 c 44 s 68; 1979 c 334 art 6 s 25 (766)*

**471.39** [ Repealed, 1949 c 416 s 3 ]

**471.391 DECLARATION FORM.**

Subdivision 1. The declaration provided for in section 471.38 is sufficient if in the following form: "I declare under the penalties of law that this account, claim or demand is just and correct and that no part of it has been paid.

.....  
Signature of Claimant"

Subd. 2. The check or order-check by which the claim is paid may have printed on its reverse side, above the space for endorsement thereof by the payee, the following statement: "The undersigned payee, in endorsing this check (or order-check) declares that the same is received in payment of a just and correct claim against the county (county board of education for unorganized territory, school district, town or city), and that no part of it has heretofore been paid." When endorsed by the payee named in the check or order-check, such statement shall operate and shall be deemed sufficient as the required declaration of the claim.

**History:** *1949 c 416 s 2; 1951 c 350 s 2; 1959 c 56 s 2*

**471.392 PENALTY.**

Any person who wilfully and falsely makes the declaration provided for in sections 471.38 and 471.391 is guilty of a felony.

**History:** *1951 c 350 s 3*

**471.40 AUDITING CLAIMS.**

When any account, claim, or demand against any municipality shall have been verified in the manner prescribed in this chapter, the board or officer to whom it shall be presented may receive and consider it, and allow or disallow the same, in whole or in part, as shall appear just or lawful, saving to the claimant the right of appeal.

**History:** *RL s 440 (768)*

**471.41 AUDITING ACCOUNTS NOT ITEMIZED A GROSS MISDEMEANOR.**

Every member of such board who shall audit and allow any claim required to be itemized, without the same having been first duly itemized and verified, shall be guilty of a gross misdemeanor.

**History:** *RL s 441 (769)*

**471.415 DUPLICATE WARRANTS OR ORDERS.**

Subdivision 1. **Issuance.** When any order or warrant of any county, city, town, or school district in the state shall become lost or destroyed, a duplicate thereof may be issued by the officers authorized by law to issue such orders or warrants under the regulations and restrictions hereinafter prescribed. Such duplicate shall correspond in number, date, and amount with the original order or warrant and shall have endorsed on its face by the officers issuing the same the word "duplicate," together with the date of its issuance.

Subd. 2. **Affidavit filed before warrant issues.** A duplicate for a lost or destroyed order or warrant shall not issue until there shall have been filed with the proper officer an affidavit of the owner thereof setting forth the ownership of the order or warrant, the description thereof, and the manner of its loss or destruction, and until there shall have been executed and filed with the same officer an indemnifying bond, with sureties to be approved by such officer, in a sum equal to the amount of such order or warrant, conditioned that the parties thereto shall pay all damages which the county, city, town, or school district may sustain if compelled to pay such loss or destroyed order or warrant. The governing body of any county, city, town, or school district may in its discretion dispense with the requirement of an indemnifying bond.

Subd. 3. **Record to be kept.** Any officer issuing duplicates under this section shall keep a record showing the number, dates, and amounts of such mutilated, lost, or destroyed orders or warrants, together with the date of issuance of the duplicates therefor, and the names of the persons to whom issued.

**History:** *1915 c 36 s 1-4; 1961 c 60 s 1; 1961 c 325 s 1; 1973 c 123 art 5 s 7 (1058, 1059, 1060, 1061)*

**471.42** [ Repealed, 1963 c 798 s 16 ]

**471.43** [ Repealed, 1963 c 798 s 16 ]

**471.44 MUNICIPALITIES TO FURNISH COUNSEL TO DEFEND PUBLIC OFFICIALS.**

On and after the passage of Laws 1937, Chapter 442, every city, town, or county of this state employing sheriffs, police officers, or peace officers shall be required to furnish legal counsel to defend any sheriff, deputy sheriff, police officer, or peace officer employed by any such governmental subdivision in all actions brought against such officer to recover damages for alleged false arrest or alleged injury to person, property or character, when such alleged false arrest or alleged injury to person, property or character was the result of an arrest made by such officer in good faith and in the performance of his official duties

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and pay the reasonable costs and expenses of defending such suit, including witness fees and reasonable counsel fees, notwithstanding any contrary provisions in the laws of this state or in the charter of any such governmental subdivision.

**History:** 1937 c 442 s 1; 1947 c 390 s 1; 1973 c 123 art 5 s 7 (1933-81)

**471.45 COSTS AND DISBURSEMENTS TO BE ASSIGNED TO MUNICIPALITIES.**

If, at the termination of such suit, judgment is rendered in favor of the defendant and against the plaintiff, such judgment for costs and disbursements shall be assigned to such governmental subdivision by such officer, and all moneys collected thereon shall be paid to such governmental subdivision. If judgment be rendered in such action against such officer, such governmental subdivision so employing such officer is hereby authorized to appropriate moneys from any funds available to pay such judgment, if, in the discretion of the governing body of such governmental subdivision, it seems fitting and proper to do so.

**History:** 1937 c 442 s 2 (1933-82)

**471.46 VACANCIES; PERSONS INELIGIBLE TO APPOINTMENT.**

No county, city, town or school district officer shall be appointed to fill a vacancy in any elective office if he has the power, either alone or as a member of a board, to make the appointment; and his ineligibility shall not be affected by his resignation before such appointment is made. This section shall not prevent the appointment of a member of a city council to the office of mayor or clerk, but in that case he shall not vote in the appointment.

**History:** 1939 c 249; 1943 c 346 s 1; 1959 c 422 s 1; 1973 c 123 art 5 s 7 (254-49)

**471.464 RAMPS AT CROSSWALKS.**

Subdivision 1. Every city shall install ramps at crosswalks, in both business and residential areas, when making new installations of sidewalks and curbs or gutters, or improving or replacing existing sidewalks and curbs or gutters, so as to make the transition from street to sidewalk easily negotiable for handicapped persons in wheelchairs and for other persons who may have difficulty in making the required step up or down from curb level to street level.

Subd. 2. All such ramps shall be constructed or installed in accordance with design specifications therefor prepared by the department of transportation. The department of transportation shall make available to such municipalities design standards for such ramps.

**History:** 1973 c 50 s 1; 1973 c 123 art 5 s 7; 1976 c 166 s 7

**471.465 PHYSICALLY HANDICAPPED, BUILDING REGULATIONS; DEFINITIONS.**

Subdivision 1. For the purposes of sections 471.465 to 471.469, the terms defined in this section have the meanings given them.

Subd. 2. "Buildings and facilities" means any and all buildings and facilities and the grounds appurtenant thereto within any city, township or other governmental subdivision of the state other than all farm dwellings and buildings and single and two family dwellings. However, on the date on which rules promulgated by the commissioner of administration regarding building requirements for handicapped persons shall become effective, "buildings and facilities" shall mean only those structures which must provide facilities for the handicapped pursuant to said rules.

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Subd. 3. "Physically handicapped" means and includes sight disabilities, hearing disabilities, disabilities of incoordination, disabilities of aging, and any other disability that significantly reduces mobility, flexibility, coordination, or perceptiveness.

Subd. 4. "Remodeling" means deliberate reconstruction of an existing building or facility in whole or in part in order to bring it up to date to conform with present uses of the structure and to conform with rules and regulations on the upgrading of health and safety aspects of structures.

Subd. 5. "Local authority" means the local authority having jurisdiction over local building construction.

**History:** 1971 c 466 s 1; Ex1971 c 48 s 36; 1974 c 360 s 1

**471.466 ADMINISTRATION AND ENFORCEMENT.**

The duty and power to administer and enforce sections 471.465 to 471.469 is conferred upon and vested in the commissioner of administration and the local authority.

**History:** 1971 c 466 s 2; 1974 c 360 s 2

**471.467 BUILDING REQUIREMENTS; CONFORMITY.**

Subdivision 1. On the date on which rules promulgated by the commissioner of administration regarding building requirements for handicapped persons shall become effective, said rules shall exclusively govern the provision of facilities. However, until such date, the rules governing the provision of facilities for the handicapped to be applied to all buildings and facilities shall be those promulgated by the Minnesota state fire marshal entitled, "Rules and Regulations Relating to Public Buildings: Providing Accessibility and Usability Features for Physically Handicapped Persons Pursuant to Minnesota Statutes, Section 73.57 et seq., as Amended, October 16, 1969, as Amended."

Subd. 2. Nothing in sections 471.465 to 471.469 shall be construed to require the remodeling of buildings solely to provide accessibility and usability to the physically handicapped when remodeling would not otherwise be undertaken.

Subd. 3. When any building or facility covered by sections 471.465 to 471.469 undergoes remodeling either in whole or in part, that portion of the building or facility remodeled shall conform to the requirements of sections 471.465 to 471.469.

**History:** 1971 c 466 s 3; 1974 c 360 s 3

**471.468 BUILDING PLANS; APPROVAL; EXCEPTIONS.**

On site construction or remodeling shall not hereafter be commenced of any building or facility until the plans and specifications of the building or facility have been reviewed and approved by the local authority. The provisions of sections 471.465 to 471.469 are applicable only to contracts awarded subsequent to May 22, 1971.

**History:** 1971 c 466 s 4; 1974 c 360 s 4

**471.469 ELEVATORS IN APARTMENT BUILDINGS.**

Nothing herein shall be construed to require elevators in apartment buildings.

**History:** 1971 c 466 s 5

**471.47** [ Repealed, 1974 c 406 s 48 ]

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**471.475 MUNICIPALITIES MAY LEASE HOSPITALS.**

The governing body of any city or town, the valuation of which consists of more than 25 percent iron ore may lease, upon such terms as it deems to be in its best interests, whether for a direct monetary consideration or otherwise, any community or municipal hospital, or any lands, or buildings in connection therewith belonging to said city or town to any incorporated non-profit hospital association. However, such hospital must be made and kept available to all inhabitants of such city or town on equal terms. Any such city or town may lease, sell, assign or donate to such hospital association upon such terms as it determines to be in its best interests, whether for monetary consideration or otherwise, any hospital supplies or equipment for use in such hospital, and may reimburse such association for any expenditures made for such hospital supplies out of the general or permanent improvement fund of the city or town or out of any special hospital fund which may be created, or out of moneys obtained as gifts for hospital purposes from individuals, corporations, foundations, or groups of any sort.

**History:** 1957 c 116 s 1; 1973 c 123 art 5 s 7

**471.476 AMBULANCE SERVICES.**

Subdivision 1. Any county, except Hennepin county, city, however organized, town or hospital district, either singly or jointly in accordance with an agreement made pursuant to section 471.59, may provide general ambulance services. In providing such service the political subdivision may purchase, rent or lease ambulances and related equipment and supplies; may contract for such service with any person, firm, corporation or other political subdivision upon such terms and conditions as may be agreed upon and may employ and train personnel for such service. Ambulance service authorized by this section may be provided both inside and outside the boundaries of the political subdivision and may be furnished to non-residents as well as residents.

Subd. 2. Any such political subdivision providing a general ambulance service pursuant to this section may levy an annual tax over and above any statutory or charter limitation and may also impose reasonable charges for ambulance services in order to finance the cost of such service. Any governing body may appropriate money as necessary from funds received for the purposes of Laws 1969, Chapter 333, or from any surplus in general revenue funds of the political subdivision.

Subd. 3. Any city, however organized, may issue bonds for the acquisition of ambulances and related equipment notwithstanding the provisions of any other statute or charter.

Subd. 4. Any organized town may in the manner hereinafter provided provide general ambulance service for a portion or portions of the territory within the town outside the boundaries of any incorporated municipality, and may levy the tax authorized by this section on the portion or portions so served. To establish such service, the town board shall adopt a resolution describing with particularity the territory to be served and shall transmit a certified copy of the resolution to the county auditor. The territory described in the resolution shall be compact and contiguous in nature. The town board may thereafter annually levy such tax on the territory described as may be necessary to provide the ambulance service. Upon the certification of such tax by the town board to the county auditor, the auditor shall thereupon spread the tax upon the property described in the resolution and the same shall be collected and distributed as other taxes for use by the town board for ambulance service within the territory described in the resolution.

**History:** 1969 c 333 s 1,2; 1971 c 20 s 1; 1973 c 123 art 5 s 7; 1978 c 743 s

471.48 [ Repealed, 1976 c 44 s 70 ]

**471.49 DEFINITIONS.**

Subdivision 1. **Words, terms, and phrases.** Unless the language or context clearly indicates that a different meaning is intended, the following words, terms, and phrases, for the purposes of this chapter, shall be given the meanings hereinafter subjoined to them.

Subd. 2. **Agreement.** "Agreement" means "contract" and includes renewals and alterations of a contract.

Subd. 3. **Political subdivision.** "Political subdivision" means any agency or unit of this state which now is, or hereafter shall be, authorized to levy taxes or empowered to cause taxes to be levied.

Subd. 4. **Services.** "Services" means such public and municipal functions as are performed for property in and persons residing within a political subdivision.

Subd. 5. **United States.** "United States" means the United States of America.

Subd. 6. **County board.** "County board" means the county board of any county in this state.

Subd. 7. **Project.** "Project" means any resettlement project or rural rehabilitation project for resettlement purposes of the United States located within a political subdivision and includes the persons inhabiting such a project.

Subd. 8. **Governing body.** "Governing body" means the council, board, body, or persons in which the powers of a subdivision as a body corporate, or otherwise, are vested.

Subd. 9. **Fund.** "Fund" means, unless otherwise expressed, the "government project fund" to be established pursuant to section 471.54.

**History:** 1941 c 480 s 1

**471.50 COUNTY BOARD MAY MAKE AGREEMENTS IN REGARD TO TAXES.**

The county board of any county in this state is hereby authorized and empowered to make requests of the United States for and on behalf of the county and the political subdivisions whose jurisdictional limits are within or coextensive with the limits of the county, for the payment of such sums in lieu of taxes as the United States may agree to pay, and to enter into agreements with the United States, in the name of the county, for the performance of services by the county and such political subdivisions for the benefit of the project and for the payment by the United States to the county, in one or more instalments, of such sums in lieu of taxes; provided, that at least ten days' notice, in writing, of the meeting of the county board at which such proposed agreement will be considered and acted upon shall be given by the county auditor to the clerk of each political subdivision affected.

**History:** 1941 c 480 s 2

**471.51 AGREEMENTS MUST STATE TIME FOR WHICH PAYMENTS ARE TO BE MADE.**

Every such agreement shall state the year or years for which the payments are to be made in lieu of the taxes that would have been levied upon the premises concerned for such year or years if the same has been subject to taxation. All payments made by the United States under any such agreement shall be received by the county treasurer and shall be distributed in the same manner and in the same proportions as such taxes for each year or years would have been distributed.



**History:** 1941 c 480 s 3

#### **471.52 APPORTIONMENT OF PAYMENTS.**

Each agreement entered into pursuant to section 471.50 shall contain the names of the political subdivisions with respect to which it is consummated, and a statement of the proportionate share of the payment by the United States to which each subdivision shall be entitled.

**History:** 1941 c 480 s 4

#### **471.53 WHO MAY MAKE REQUESTS.**

If the United States declines to deal with a county board with respect to any political subdivision whose jurisdictional limits are within or coextensive with the limits of the county, or in the event the jurisdictional limits of a political subdivision lie in more than one county, that subdivision is hereby authorized to make request of the United States for payment of such sums in lieu of taxes as the United States may agree to pay, and is hereby empowered to enter into agreements with the United States for the performance by the subdivision of services for the benefit of a project and for the payment by the United States to the subdivision, in one or more instalments of such sums in lieu of taxes. The amount of such payment may be based upon the cost of performing such services during the period of the agreement, after taking into consideration the benefits to be derived by the subdivision from the project, but shall not be in excess of the taxes which would result to the political subdivision during such period if the real property of the project within the political subdivision were taxable. When any payment is received by a subdivision under an agreement entered into pursuant to this section, the governing body of such subdivision shall issue a receipt for such payment.

**History:** 1941 c 480 s 5

#### **471.54 USE OF MONEYS.**

All money received by a political subdivision hereunder shall be used in like manner as the proceeds of taxes upon the premises concerned.

**History:** 1941 c 480 s 6

#### **471.55 CONSTRUCTION OF SECTIONS 471.49 TO 471.55.**

No provision of sections 471.49 to 471.55 shall be construed to relieve any political subdivision of this state, in the absence of an agreement for payment of sums in lieu of taxes by the United States as provided therein, of the duty of furnishing, for the benefit of a project, all services which the subdivision usually furnishes for property in and persons residing within the subdivision without a payment of sums in lieu of taxes.

**History:** 1941 c 480 s 7

#### **471.56 MUNICIPAL FUNDS.**

Subdivision 1. Any municipal funds, not presently needed for other purposes, may be deposited or invested in the manner and subject to the conditions provided in section 475.66 for the deposit and investment of debt service funds. The term "municipal funds" as used herein shall include all general, special, permanent, trust, and other funds, regardless of source or purpose, held or administered by any county or city, or by any officer or agency thereof, in the state of Minnesota.

Subd. 2. Investments of municipal funds shall be made by the officer or agency controlling their disposition.

Subd. 3. Such county, city, or official or agency thereof, may at any time sell obligations purchased pursuant to this section, and the money received from such sale, and the interest and profits or loss on such investment shall be credited or charged, as the case may be, to the fund from which the investment was made. Neither such official nor agency, nor any other official responsible for the custody of such funds shall be personally liable for any loss sustained from the deposit or investment of funds in accordance with the provisions of section 475.66.

Subd. 4. This section is supplemental to any other statutory or charter provisions relating to the investment or administration of municipal funds and supersedes such provisions only to the extent that said provisions restrict or prohibit investments now authorized by the provisions of this section.

**History:** 1943 c 193 s 1,2; 1943 c 532 s 1; 1971 c 21 s 1; 1973 c 123 art 5 s 7; 1976 c 324 s 16,17

**471.561** [ Repealed, 1976 c 324 s.27 ]

#### **471.57 PUBLIC WORKS RESERVE FUND.**

Subdivision 1. **Tax levy.** The council of any city, however organized, may establish by ordinance a public works reserve fund and may annually levy taxes within existing limits for the support of such fund. It may, by the ordinance establishing the fund, designate a specific capital improvement or a type of capital improvement for which the fund is to be used. The proceeds of taxes levied for its support shall be paid into the public works reserve fund. There may be paid into such fund any other revenue not required by statute or charter to be paid into some other fund or used for purposes other than those provided in this section for the use of the public works reserve fund.

Subd. 2. **Purposes.** Except as provided in subdivision 3, the public works reserve fund shall be used only for the specific capital improvement or type of capital improvement designated by the ordinance establishing the fund. If not so designated, it shall be used only for capital improvements of a type for which the municipality establishing the fund is authorized to issue bonds. The term "capital improvement" does not include the construction or acquisition of any steam heat, telephone, gas or electric plant or system. No expenditures shall be made from the public works reserve fund before the first fiscal year following cessation of hostilities in the present war as declared by proper federal authority.

Subd. 3. **May use fund for other purposes upon vote.** The council of any municipality which has established a public works reserve fund by an ordinance designating the specific improvement or type of capital improvement for which the fund may be used may submit to the voters of the municipality at any regular or special election the question of using the fund for some other purpose. If a majority of the votes cast on the question are in favor of such diversion from the original purpose of the fund, it may be used for any purpose so approved by the voters.

**History:** 1943 c 437; 1973 c 123 art 5 s 7

#### **471.571 PERMANENT IMPROVEMENT FUND, CERTAIN CITIES.**

Subdivision 1. **Application.** This section applies to each city in which the assessed valuation of real and personal property consists in part of iron ore or lands containing taconite or semi-taconite and in which the total assessed valuation of real and personal property exceeds \$200,000.

Subd. 2. **Creation of fund, tax levy.** The governing body of such city may create a permanent improvement and replacement fund to be maintained by an annual tax levy. The governing body may levy a tax in excess of any charter or

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statutory limitation for the support of such permanent improvement and replacement fund, but not exceeding the following:

(a) In cities having a population of not more than 500 inhabitants, the lesser of \$20 per capita or three and one-third mills;

(b) In cities having a population of more than 500 and less than 2500, the greater of \$12.50 per capita or \$10,000 but not exceeding three and one-third mills;

(c) In cities having a population of more than 2500 inhabitants, the greater of \$10 per capita or \$31,500 but not exceeding three and one-third mills.

Subd. 3. **Expenditure from fund, limitation.** No expenditure for any one project in excess of 60 percent of one year's levy or \$25,000, whichever is greater, may be made from such permanent improvement or replacement fund in any year without first obtaining the approval of a majority of the voters voting at a general or special municipal election at which the question of making such expenditure has been submitted. In submitting any proposal to the voters for approval, the amount proposed to be spent and the purpose thereof shall be stated in the proposal submitted. The proceeds of such levies may be pledged for the payment of any bonds issued pursuant to law for any purposes authorized hereby and annual payments upon such bonds or interest may be made without additional authorization.

Subd. 4. **Additional to charter fund.** When any such city shall be created by charter provision or otherwise any permanent improvement or replacement fund, the funds from the collection of taxes provided for in subdivision 2 shall be in addition to and in excess of any amount or limitations on the tax levies provided in any of its charter provisions.

Subd. 5. **Use of fund.** Any such city may use such fund for any permanent improvement authorized by law and for the betterment, including reconstruction, extension, major improvement or rehabilitation, or remodeling, of any public building or municipal facility, but not including ordinary current repairs thereto. Nothing herein shall restrict any powers which any city may have under existing law. In the event the moneys in said fund exceed the amounts necessary for any of the purposes for which such fund may be used, and the council shall adopt a resolution to that effect, the excess may be used for other authorized municipal purposes.

**History:** 1955 c 638 s 1-5; 1957 c 614 s 1-4; 1965 c 145 s 1; 1973 c 123 art 5 s 7; 1973 c 773 s 1

#### 471.58 RANGE ASSOCIATION OF MUNICIPALITIES AND SCHOOLS; MEMBERSHIP.

For the purpose of providing an area-wide approach to problems which demand coordinated and cooperative actions and which are common to those areas of northeast Minnesota affected by operations involved in mining iron ore and taconite and producing concentrate therefrom, and for the purpose of promoting the general welfare and economic development of the cities, towns and school districts within the iron ranges area of northeast Minnesota, any city, town or school district in which the assessed valuation consists in part of iron ore, or lands containing taconite or semi-taconite, may pay annual dues in the range association of municipalities and schools; provided, that in cities, towns or school districts having a population of 3,000 inhabitants, such dues shall not exceed the sum of \$500 per year and in cities, towns or school districts having a population of less than 3,000 inhabitants, such dues shall not exceed the sum of \$250. The association may sue, be sued, intervene and act in a civil action in which the outcome of the action will have an effect upon the interest of any of its members.

**History:** 1943 c 517 s 1; 1965 c 309 s 1; 1973 c 123 art 5 s 7; 1978 c 575 s 1; 1979 c 124 s 1

#### 471.59 JOINT EXERCISE OF POWERS.

Subdivision 1. **Agreement.** Two or more governmental units, by agreement entered into through action of their governing bodies, may jointly or cooperatively exercise any power common to the contracting parties or any similar powers, including those which are the same except for the territorial limits within which they may be exercised. The agreement may provide for the exercise of such powers by one or more of the participating governmental units on behalf of the other participating units. The term "governmental unit" as used in this section includes every city, county, town, school district, other political subdivision of this or any adjoining state, and any agency of the state of Minnesota or the United States, and includes any instrumentality of a governmental unit. For the purpose of this section, an instrumentality of a governmental unit means an instrumentality having independent policy making and appropriating authority.

Subd. 2. **Agreement to state purpose.** Such agreement shall state the purpose of the agreement or the power to be exercised and it shall provide for the method by which the purpose sought shall be accomplished or the manner in which the power shall be exercised. When the agreement provides for use of a joint board, the board shall be representative of the parties to the agreement. Irrespective of the number, composition, terms, or qualifications of its members, such board is deemed to comply with statutory or charter provisions for a board for the exercise by any one of the parties of the power which is the subject of the agreement.

Subd. 3. **Disbursement of funds.** The parties to such agreement may provide for disbursements from public funds to carry out the purposes of the agreement. Funds may be paid to and disbursed by such agency as may be agreed upon, but the method of disbursement shall agree as far as practicable with the method provided by law for the disbursement of funds by the parties to the agreement. Contracts let and purchases made under the agreement shall conform to the requirements applicable to contracts and purchases of any one of the parties, as specified in the agreement. Strict accountability of all funds and report of all receipts and disbursements shall be provided for.

Subd. 4. **Termination of agreement.** Such agreement may be continued for a definite term or until rescinded or terminated in accordance with its terms.

Subd. 5. **Shall provide for distribution of property.** Such agreement shall provide for the disposition of any property acquired as the result of such joint or cooperative exercise of powers, and the return of any surplus moneys in proportion to contributions of the several contracting parties after the purpose of the agreement has been completed.

Subd. 6. **Residence requirement.** Residence requirements for holding office in any governmental unit shall not apply to any officer appointed to carry out any such agreement.

Subd. 7. **Not to affect other acts.** This section does not dispense with procedural requirements of any other act providing for the joint or cooperative exercise of any governmental power.

Subd. 8. **Services performed by county, commonality of powers.** Notwithstanding the provisions of subdivision 1 requiring commonality of powers between parties to any agreement the board of county commissioners of any county may by resolution enter into agreements with any other governmental unit as defined in subdivision 1 to perform on behalf of that unit any service or function which that unit would be authorized to provide for itself.

Subd. 9. **Exercise of power.** For the purposes of the development, coordination, presentation and evaluation of training programs for local government officials, governmental units may exercise their powers under this section in conjunction with organizations representing governmental units and local government officials.

**History:** 1943 c 557; 1949 c 448 s 1-3; 1961 c 662 s 1,2; 1965 c 744 s 1-3; 1973 c 123 art 5 s 7; 1973 c 541 s 1; 1975 c 134 s 1,2; 1980 c 532 s 2

#### **471.591 EXTENSION OF MUNICIPAL SERVICES.**

Subdivision 1. In the beginning stage of the planning process, and before preparation of any detailed technical plans for the extension of municipal services into an unincorporated area, a city shall meet at least once with the town board of the affected area and the county planning commission, in joint session, to review the plans and consider the comments of the town board and the county planning commission. The city may thereafter proceed to undertake the proposed extension in accordance with applicable law. Any duly organized sewer district or sanitary district created pursuant to special law or pursuant to chapters 115 or 116A, sections 473.501 to 473.549, or section 378.31, is not affected by this section.

Subd. 2. For the purposes of this section, "municipal service" means sewer, water, electrical, or other utility service.

**History:** 1974 c 530 s 1,2; 1980 c 509 s 170

#### **471.60 [ Renumbered 435.19 ]**

#### **471.61 GROUP INSURANCE, PROTECTION FOR OFFICERS, EMPLOYEES, RETIRED OFFICERS AND EMPLOYEES.**

Subdivision 1. **Officers, employees.** Any county, municipal corporation, town, school district, county extension committee, other political subdivision or other body corporate and politic of this state, other than the state or any department thereof, through its governing body, and any two or more subdivisions acting jointly through their governing bodies, may insure or protect its or their officers and employees, and their dependents, or any class or classes thereof, under a policy or policies, or contract or contracts of group insurance or benefits covering life, health, and accident, in the case of employees, and medical and surgical benefits, and hospitalization insurance or benefits, for both employees and dependents, or dependents of an employee whose death was due to causes arising out of and in the course of employment, or any one or more of such forms of insurance or protection. Any such governmental unit, including county extension committees and those paying their employees, may pay all or any part of the premiums or charges on such insurance or protection. Any such payment shall be deemed to be additional compensation paid to such officers or employees but for purposes of determining contributions or benefits under any public pension or retirement system it shall not be deemed to be additional compensation. Any one or more of such governmental units may determine that a person is an officer or employee if such officer or employee receives a portion of his income from such governmental subdivisions without regard to the manner of his election or appointment. The appropriate officer of such governmental unit, or those disbursing county extension funds, shall deduct from the salary or wages of each officer and employee who elects to become insured or so protected, on the officer's or employee's written order, all or part of the officer's or employee's share of such premiums or charges and remit the same to the insurer or company issuing such policy or contract.

Any governmental unit which pays all or any part of such premiums or charges is authorized to levy and collect a tax, if necessary, in the next annual

tax levy for the purpose of providing the necessary funds for the payment of such premiums or charges, and except for school districts such sums so levied and appropriated shall not, in the event such sum exceeds the maximum sum allowed by any law or the charter of a municipal corporation, be considered part of the cost of government of such governmental unit as defined in any tax levy or per capita expenditure limitation; provided at least 50 percent of the cost of benefits on dependents shall be contributed by the employee or be paid by levies within existing per capita tax limitations.

The word "dependents" as used herein shall mean spouse and minor unmarried children under the age of 18 years actually dependent upon the employee.

Subd. 1a. **Dependents.** Notwithstanding the provisions of Minnesota Statutes 1969, Section 471.61, as amended by Laws 1971, Chapter 451, Section 1, the word "dependents" as used therein shall mean spouse and minor unmarried children under the age of 18 years and dependent students under the age of 25 years actually dependent upon the employee.

Subd. 1b. [ Repealed, 1980 c 528 s 5 ]

Subd. 2. [ Repealed, 1953 c 696 s 4 ]

Subd. 2a. **Retired officers, employees.** Any county, municipal corporation, town, school district, county extension committee, other political subdivision or other body corporate and politic of this state, other than the state or any department thereof, through its governing body, and any two or more subdivisions acting jointly through their governing bodies, may insure or protect its or their retired officers and retired employees entitled to benefits under any public employees retirement act and their dependents, or any class or classes thereof, under a policy or policies, or contract or contracts of group insurance or benefits covering life, health, and accident, medical and surgical benefits, or hospitalization insurance or benefits, for retired officers and retired employees and their dependents, or any one or more of such forms of insurance or protection. Any such governmental unit, including county extension committees, may pay all or any part of the premiums or charges on such insurance or protection. Any one or more of such governmental units may determine that a person is a retired officer or a retired employee if such officer or employee, when employed, received a portion of his income from such governmental subdivisions without regard to the manner of his election or appointment. The appropriate officer of such governmental unit, or those disbursing county extension funds, shall collect from each such retired officer and retired employee who elects to become insured or so protected, on such officer's or employee's written order, all or part of the retired officer's or retired employee's share of such premiums or charges and remit the same to the insurer or company issuing such policy or contract.

Any governmental unit which pays all or any part of such premiums or charges is authorized to levy and collect a tax, if necessary, in the next annual tax levy for the purpose of providing the necessary funds for the payment of such premiums or charges, and except for school districts such sums so levied and appropriated shall not, in the event such sum exceeds the maximum sum allowed by any law or the charter of a municipal corporation, be considered part of the cost of government of such governmental unit as defined in any tax levy or per capita expenditure limitation; provided at least 50 percent of the cost of benefits on dependents shall be contributed by the retired officer or retired employee or be paid by levies within existing per capita tax limitations.

The word "dependents" as used herein shall mean spouse and minor unmarried children under the age of 18 years actually dependent upon the retired officer or retired employee.

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Subd. 3. **Payroll deductions.** A like payroll deduction and remittance shall be made upon the written order of any such officer or employee who are, or become, subscribers under a contract with a nonprofit hospital service plan corporation as defined by law.

Subd. 4. [ Repealed, 1965 c 780 s 9 ]

**History:** 1943 c 615 s 1-4; 1955 c 193 s 1,2; 1957 c 321 s 1; 1959 c 611 s 1; Ex1959 c 76 s 1; 1965 c 296 s 1,2; 1971 c 451 s 1; Ex1971 c 31 art 20 s 13,14; Ex1971 c 48 s 16; 1973 c 385 s 1; 1973 c 725 s 68-70; 1978 c 764 s 127; 1979 c 334 art 6 s 26

#### 471.615 INDIVIDUAL ANNUITY CONTRACTS, PURCHASE FOR PUBLIC OFFICER OR EMPLOYEES.

At the request of an officer or employee and as part of his compensation arrangement, the governing body of any city, town, county, school district, public corporation, public authority, special district or other political subdivision, or the commissioner of administration of the state of Minnesota may negotiate and purchase an individual annuity contract from a company licensed to do business in the state of Minnesota for an officer or employee for retirement or other purposes and may make payroll allocations in accordance with such arrangement for the purpose of paying the entire premium due or to become due under such contract. The allocation shall be made in a manner which will qualify the annuity premiums, or a portion thereof, for the benefit afforded under Section 403(b) of the current Federal Internal Revenue Code or any equivalent provisions of subsequent federal income tax law. The officer or employee shall own such contract and his rights thereunder shall be nonforfeitable except for failure to pay premiums. This section shall be applied in a non-discriminatory manner to officers and employees of the political subdivisions herein named.

**History:** 1971 c 266 s 1; 1973 c 123 art 5 s 7

#### 471.616 GROUP INSURANCE; GOVERNMENTAL UNITS.

Subdivision 1. **Bidding required.** No governmental subdivision, political subdivision, or any other body corporate and politic authorized by law to purchase group insurance for its employees and providing or intending to provide such group insurance protections and benefits for 25 or more of its employees shall enter into a contract for or renew any such group insurance policy or contract without calling for bids and awarding the contract to the lowest responsible bidder by way of competitive bidding procedures similar to those for the provision of services and supplies under Minnesota Statutes 1971, Section 16.07, Subdivisions 1, 2, 4 and 5. Any political subdivision may provide in the bid specifications that self insured health benefit plans will not be considered. Lowest responsible bidder means the insurer, service plan corporation, or self insurance plan, if allowed by the bid specifications which offers the lowest cost, is authorized to do business in this state, and is deemed by the governmental unit to be capable of satisfactorily performing the administration of the policy or contract in accordance with the bid specifications. "Cost" shall mean in the case of an insurer, the premium rate; in the case of service plan corporation, the charge for expenses and risk taking; and in the case of self insurance plans, the sum of the cost of paid claims, including provision for estimated incurred but unpaid claims at the end of the term, administrative costs, and premium for excess coverage. The cost of changing plans may also be considered in determining the lowest cost. The aggregate value of benefits provided by a contract entered into after July 1, 1973 shall not be less than those provided by the preexisting contract (a) unless a majority of the employees covered under the group insurance plan and voting on the question agree to a reduction in the benefits, if the employees are

not represented by an exclusive representative pursuant to section 179.67, or (b) unless the public employer and the exclusive representative of the employees of an appropriate bargaining unit, certified pursuant to section 179.67, agree to a reduction in the benefits. (c) The aggregate value of benefits of any former employee who has retired shall not, in any event, be reduced pursuant to clause (a) or (b), unless he has individually agreed to the reduction.

No such contract need be submitted to bid more frequently than once every 48 months, unless for any reason whatsoever, a 50 percent or greater change in the premium under the policy contract is provided, required or indicated.

When an insurer proposes an increase in rates, it shall accompany its proposal with an aggregate claims record for the appropriate period that explains the proposed increase. When a contract is resubmitted for bids the aggregate claims record shall accompany the specifications for the contract.

**Subd. 2. Insurance provisions; disclosure.** Every governmental subdivision, political subdivision, or other body corporate and politic contracting for and providing group insurance protection and benefits as provided in subdivision 1, shall file with the clerk or other comparable officer of the subdivision or other body within five months of the annual anniversary date of the contract, the particulars and details of such insurance plan or program in the same general manner and form as that required by the federal government for the disclosure and filing of group insurance information by employers not otherwise exempt.

**History:** 1973 c 338 s 1; 1976 c 155 s 2; 1977 c 343 s 1; 1978 c 595 s 1; 1980 c 528 s 2

#### **471.617 SELF INSURANCE OF EMPLOYEE HEALTH BENEFITS.**

**Subdivision 1.** A statutory or home rule charter city or county or school district, or instrumentality thereof which has more than 100 employees, may by ordinance or resolution self insure for any employee health benefits except long term disability and life benefits. Any self insurance plan shall provide all benefits which are required by law to be provided by group health insurance policies. Self insurance plans shall be certified as provided by section 62E.05. Employee wage deductions for the purpose of funding a self insured health benefit plan shall be subject to the licensing provisions of section 60A.23, subdivision 7.

**Subd. 2.** Any two or more statutory or home rule charter cities or counties or school districts or instrumentalities thereof which together have more than 100 employees may jointly self insure for any employee health benefits except long term disability and life benefits, subject to the same requirements as an individual self insurer under subdivision 1. The commissioner of insurance is authorized to promulgate administrative rules, providing standards or guidelines for the operation and administration of self insurance pools.

**Subd. 3.** Any self insurance plan covering fewer than 1,000 employees shall include excess or stop-loss coverage, provided by a licensed insurance company or service plan corporation. This excess or stop-loss coverage shall cover all eligible claims incurred during the term of the policy or contract, regardless of the time of payment of the claims, or the self insurance plan shall provide for reserving of an appropriate amount of funds to cover the estimated cost of claims incurred, but unpaid, during the term of the policy or contract. These funds shall be in addition to funds reserved to cover the claims paid during the term of the policy or contract. The excess or stop-loss coverage shall be provided at levels in excess of self insured retention which is appropriate, taking into account the number of covered persons in the group.

**Subd. 4.** No statutory or home rule charter city or county or school district or instrumentality thereof, shall adopt a self insured health benefit plan for any



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employees represented by an exclusive representative certified pursuant to section 179.67 without prior notification and consultation on ten days written notice to the exclusive representative.

Subd. 5. No political subdivision or its employee or agent shall disclose any information about individual claims or total claims of an individual without the consent of the individual, except that the information may be disclosed to officers, employees, or agents of the political subdivision to the extent necessary to enable them to perform their duties in administering the health benefit program. This provision shall not prevent the disclosure of aggregate claims for the group without identification of any individual.

A parent or legal guardian of a minor is authorized to act on behalf of the minor in the disclosure of a record.

Subd. 6. Any statutory or home rule charter city or county or school district, or instrumentality thereof having a self insured health benefit plan on August 1, 1980 may continue to operate that plan notwithstanding that the plan does not meet the minimum employee group size requirement of subdivision 1.

**History:** 1980 c 528 s 3

#### 471.62 STATUTES, RULES, OR REGULATIONS MAY BE ADOPTED BY REFERENCE.

Any city or town, however organized, may incorporate in an ordinance by reference any statute of Minnesota, any administrative rule or regulation of any department of the state of Minnesota affecting the municipality, or any code. Any such municipality situated wholly or partly within 20 miles of the limits of a city of the first class may similarly adopt by reference any ordinance of such first class city or of any contiguous first class city regulating the construction, alteration, improvement, repair, or maintenance of buildings or the installation of equipment therein. All requirements of statutes and charters for the publication or posting of ordinances shall be satisfied in such case if the ordinance incorporating the statute, regulation, ordinance or code is published or posted in the required manner and if, prior to such posting or publication, at least one copy of the ordinance or code is marked as the official copy and filed for use and examination by the public in the office of the municipal clerk or recorder. Provisions of the statute, rule, regulation, ordinance or code thus incorporated in such ordinance by reference shall be as much a part of the ordinance as if they had been set out in full therein. The clerk or recorder of the municipality shall furnish a copy of any such ordinance thus incorporated by reference at cost to any person upon request. This section does not authorize any municipality to adopt ordinances on any subject on which it does not have power by statute or charter to legislate. The term "code" as used herein means any compilation of regulations or standards or part thereof prepared by any governmental agency, including regional and county planning agencies or any trade or professional association for general distribution in printed form as a standard or model on the subject of building construction, plumbing, electric wiring, inflammable liquids, sanitary provisions, planning, zoning, subdivision, housing, public health, safety, or welfare.

**History:** 1945 c 200 s 1; 1957 c 220 s 1; 1967 c 489 s 1; 1969 c 850 s 5; 1971 c 25 s 82; 1973 c 123 art 5 s 7

#### 471.63 PROMOTION OF SAFETY AND PRESERVATION OF HUMAN LIFE.

Subdivision 1. **Authorization.** In each county in this state not containing a city of the first class, and in any county having an excess of 5,000 square miles and a population in excess of 150,000 containing a city of the first class, the

county board or the governing body of any municipality is hereby authorized and empowered to appropriate to set aside or to make a special levy to be included in its general revenue fund for the purpose of defraying the cost of necessary supplies, postage, materials, awards, expenses of safety workers, administration expenses, and incidentals in the promotion of general safety and the preservation of human life in this state.

Subd. 2. **Limit of appropriation.** The total amount so appropriated by the governing body of any municipality not including a county shall not exceed the sum of \$1,000 annually.

Subd. 3. **Funds, payment to local safety council.** Funds so appropriated or allocated may be paid to any local safety council which is a recognized affiliate of the Minnesota Safety Council.

Subd. 4. **General fund of safety council; payment therefrom.** Such funds so appropriated shall be deposited in a state or national bank same as other public funds in the manner provided by law by the treasurer of the said local safety council and credited to a fund to be established and known as the general fund of the said safety council. Any moneys expended from such fund shall be on verified claims allowed by the safety council, to which such moneys are allocated, in meeting assembled and all checks signed by the chairman and countersigned by the treasurer or secretary of such safety council.

Subd. 5. **Funds audited; annual report.** Such funds and records shall be subject to audit the same as any other public funds, and the treasurer of the safety council shall, on the first Monday in January of each year, submit a statement in detail of receipts, expenditures, and balances for the preceding year to the county, or municipality making such appropriation.

Subd. 6. **Bond of treasurer.** The treasurer of the safety council shall be required to give a corporate surety bond in favor of the county, or municipality making such appropriation in the amount so appropriated to the safety council by such governing body. The premium for such bond when approved shall be charged against the general fund of the safety council. The bond shall be approved by the legal advisor of the governing body as to form, legality, and surety.

Subd. 7. **Appropriation resolution filed with county auditor.** A certified copy of the resolution appropriating such funds by any municipal governing body shall be filed with the county auditor in which county such appropriation is made, within 30 days after such appropriation. The county auditor shall keep a record of the total appropriations so made.

**History:** 1945 c 6 s 1-7; 1949 c 486 s 2; 1969 c 150 s 1; 1973 c 583 s 34

#### **471.64 ACQUISITION OF PROPERTY FROM UNITED STATES AND STATE AGENCIES.**

Subdivision 1. Any county, city, town, school district, or other political subdivision of the state may enter into any contract with the United States of America or with any agency thereof, any state agency, or with any other political subdivision of the state for the purchase, lease, or other acquisition of equipment, supplies, materials, or other property, including real property, without regard to statutory or charter provisions. The acquisition of such property from the federal government shall be in accordance with the rules and regulations which may be prescribed by the United States of America or any agency thereof.

Subd. 2. The governing body of any political subdivision of the state may designate by appropriate resolution or order any officer or employee of its own to enter a bid or bids in its behalf at any sale of equipment, supplies, material or other property, including real property, owned by the United States of America

or with any agency thereof, any state agency, or with any other political subdivision of the state and may authorize him to make any down payment, or payment in full, required in connection with such bidding.

**History:** 1945 c 167 s 1,2; 1955 c 637 s 1; 1957 c 148 s 1; 1974 c 260 s 8

#### **471.65 GRANT, ADVANCE, OR LOAN FROM FEDERAL OR STATE GOVERNMENT.**

Subdivision 1. **Acceptance.** Notwithstanding inconsistent provisions of any other statute or home rule charter, any county, city, town, school district or other political subdivision of the state, however organized, may accept from the government of the United States or the state of Minnesota grants, loans, or advances of money for the planning of public works projects, and may make agreements to repay any such loans or advances for planning purposes without submitting the proposal to a vote of the people. Funds received by any political subdivision under this subdivision shall not be used for the planning of public housing projects, or housing authority projects.

Subd. 2. **Charter limitation on expenditures not to apply.** Expenditures of grants, advances or loans of money received by any city from the government of the United States or the state of Minnesota for the planning of public works projects by such municipality shall not be considered as part of the cost of government within the meaning of any statutory or charter limitation on expenditures.

**History:** 1945 c 316 s 1,2; 1973 c 123 art 5 s 7

#### **471.655 ECONOMIC OPPORTUNITY PROGRAM, POWERS OF MUNICIPALITIES.**

With respect to programs funded in whole or in part under the Economic Opportunity Act of 1964, Public Law 88-452, as amended, any city, county, town, or other municipality, any school district, any special purpose district, or any other public body of this state shall have power to:

(1) Plan, prepare for, and apply for any grant for which it may be eligible under the act, and to receive and expend the same in accordance with its terms;

(2) Cooperate with any other unit of government or private agency, in connection with any grant received by such other unit or agency under the act, and to receive and expend funds under any subcontract with such other unit or agency in accordance with its terms;

(3) Expend such public moneys and gifts as may be or become available to it, to the extent necessary to provide matching funds or services in connection with such grant or subcontract.

**History:** 1967 c 374 s 1

#### **471.66 VACATIONS.**

Hereafter the governing body of each city and town in the state of Minnesota, however organized, may by resolution or ordinance provide for the granting of vacations, with or without pay, to all its regularly employed employees or officers, upon such terms and under such conditions as said governing body may determine, and subject to such requirements as to length of service with such municipality as said governing body may require.

Nothing in the foregoing provisions shall be construed as retroactive in its purpose or intent so as to give the governing body of any such city or town the right to grant vacations based on service of its employees or officers rendered prior to the enactment of such ordinance or resolution.

**History:** 1945 c 504 s 1,2; 1973 c 123 art 5 s 7

#### 471.665 MILEAGE ALLOWANCES.

Subdivision 1. The maximum amount which shall be paid by any county, home rule charter or statutory city, town, or school district, to any officer or employee as compensation or reimbursement for the use by the officer or employee of his own automobile in the performance of his duties shall be set by the town board or other governing body of the unit in an amount to be determined by the governing body.

Subd. 2. Except as provided in subdivision 3, the governing body of the city of St. Paul may determine to pay, and in counties having more than 550,000 inhabitants, the county board may determine that the county shall pay a base allowance of \$1.50 per day for each day the employee or officer's automobile is officially used. This base allowance shall not be paid for more than 20 days in each month. The minimum base allowance shall be \$20 per month for each employee or officer required to have his own automobile available for official public business and using that automobile for such business periodically throughout the month. If a base allowance is paid it shall be in addition to a mileage allowance which shall not exceed seven and one-half cents a mile for the first 500 miles in any one month and five cents a mile thereafter.

Subd. 3. In lieu of the mileage allowance provided in subdivision 1, the governing body or town board of any city, county, town, or school district may pay any officer or employee thereof as compensation or reimbursement for the use by the officer or employee of his own automobile in the performance of his official duties a monthly or periodic allowance; but no allowance in lieu of mileage shall be paid to the members of the governing body or town board except as otherwise provided by special law or home rule charter.

**History:** 1931 c 331 s 1,2; 1933 c 13 s 1; 1935 c 225 s 1; 1949 c 681 s 1; 1951 c 641 s 1; 1953 c 159 s 1; 1955 c 796 s 1; 1957 c 904 s 1; 1965 c 510 s 1; 1967 c 851 s 1; Ex1971 c 3 s 76 subds 1,4; Ex1971 c 48 s 22; 1973 c 123 art 5 s 7; 1973 c 661 s 1,2; 1975 c 431 s 20; 1978 c 743 s 10; 1979 c 329 s 2; 1980 c 607 art 19 s 11,12 (254-47,254-48)

#### 471.67 AGREEMENT BETWEEN COMMISSIONER OF NATURAL RESOURCES AND MUNICIPALITY.

Subdivision 1. **Terms and conditions.** The commissioner of natural resources and any city, however organized, by its governing body or duly authorized park board or park commission, may make an agreement under such terms and conditions as they deem advisable for the management, maintenance and improvement by such municipality of any lands lying wholly within its boundaries which were acquired by the state for park purposes by gift, purchase or condemnation not inconsistent with the terms and conditions or restrictions under which such lands were acquired.

Subd. 2. **Municipality to maintain.** Such municipality may appropriate and expend moneys from its general revenue or other fund available for the purposes authorized by this section.

**History:** 1947 c 555 s 1,2; 1969 c 1129 art 10 s 2; 1973 c 123 art 5 s 7

#### 471.68 DISTRIBUTION OF PUBLICATIONS BY ANY COUNTY OR CITY.

Subdivision 1. **Annual or biennial reports.** When any county or city, or any department, agency, or official thereof issues for public distribution an annual or biennial report, copies thereof shall upon request be delivered immediately as follows:

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One copy to each public library serving such local area of government for which said report is made; provided that in counties containing no county library, such report shall be delivered to the public library serving the most populous city in the county;

One copy to the Minnesota Historical Society;

One copy to the general library of the University of Minnesota.

Additional copies may be delivered upon request.

Subd. 2. **Appearing in newspaper.** The publications enumerated in subdivision 1 shall not include publications appearing in newspapers.

**History:** 1949 c 438 s 1,2; 1973 c 123 art 5 s 7

**471.69 LIMITATION OF TAX LEVIES; STATEMENT.**

No school district, county, statutory city, or town shall contract any debt or issue any warrant or order in any calendar year in anticipation of the collection of taxes levied or to be levied for that year in excess of the average amount actually received in tax collections on the levy for the three previous calendar years plus ten percent thereof, and an average of other income excluding gifts received by the school district for the past three years. This section shall not apply to any school district, county, statutory city, or town, wherein the mineral valuation, as assessed, exceeds 25 percent of the assessed valuation of real property in such taxing district. This section shall not apply to any school district in a city of the first class which constitutes one single school district.

As soon as practicable after the beginning of each calendar year, the clerk or other recording officer of any municipality described in this section shall present to the governing body of his municipality a statement of tax collections and other income excluding gifts credited to each fund of his municipality during each of the three previous fiscal years and the yearly average thereof. The auditor of the county shall be required to furnish information as appears in the records in his office to the clerk upon request.

**History:** 1931 c 159 s 1,2; 1937 c 180 s 1; 1949 c 457 s 1; 1973 c 123 art 5 s 7; 1976 c 44 s 69 (1938-21, 1938-22)

**471.695 CITIES FINANCIAL STATEMENTS, REPORTS AND AUDITS; DEFINITIONS.**

For the purposes of sections 471.695 to 471.699, "city" means a statutory city or home rule charter city.

**History:** 1978 c 787 s 1

**471.696 FISCAL YEAR; DESIGNATION.**

Beginning in 1979 the fiscal year of a city and all of its funds shall be the calendar year. The state auditor may upon request of a city and a showing of inability to conform, extend the deadline for compliance with this section for one year.

**History:** 1978 c 787 s 2

**471.697 FINANCIAL REPORTING; AUDITS; CITIES OF MORE THAN 2,500 POPULATION.**

Subdivision 1. In any city with a population of more than 2,500 according to the latest federal census, the city clerk or chief financial officer shall:

(a) Prepare a financial report covering the city's operations including operations of municipal hospitals and nursing homes, liquor stores, and public utility commissions during the preceding fiscal year after the close of the fiscal year and publish the report or a summary of the report, in a form as prescribed by

the state auditor, in a newspaper in the city or, if there be none, post copies in three of the most public places in the city. The report shall contain financial statements and disclosures which present the city's financial position and the results of city operations in conformity with generally accepted accounting principles. The report shall include such information and be in such form as may be prescribed by the state auditor;

(b) File the financial report in his office for public inspection and present it to the city council after the close of the fiscal year. One copy of the financial report shall be furnished to the state auditor after the close of the fiscal year; and

(c) Submit to the state auditor audited financial statements which have been attested to by a certified public accountant, public accountant, or the state auditor within 180 days after the close of the fiscal year, except that the state auditor may upon request of a city and a showing of inability to conform, extend the deadline. The state auditor may accept this report in lieu of the report required in clause (b) above.

A municipal hospital or nursing home established before June 6, 1979 whose fiscal year is not a calendar year on August 1, 1980 is not subject to this subdivision but shall submit to the state auditor a detailed statement of its financial affairs audited by a certified public accountant, a public accountant or the state auditor no later than 120 days after the close of its fiscal year. It may also submit a summary financial report for the calendar year.

Subd. 2. The state auditor shall continue to audit cities of the first class pursuant to section 6.49.

**History:** 1978 c 787 s 3; 1979 c 330 s 4; 1980 c 487 s 18; 1980 c 502 s 1

#### **471.698 FINANCIAL REPORTING; CITIES OF LESS THAN 2,500 POPULATION.**

Subdivision 1. In any city with a population of less than 2,500 according to the latest federal census, the city clerk or chief financial officer shall:

(a) Prepare a detailed statement of the financial affairs of the city including operations of municipal hospitals and nursing homes, liquor stores, and public utility commissions in the style and form prescribed by the state auditor, for the preceding fiscal year showing all money received, with the sources, and respective amounts thereof; all disbursements for which orders have been drawn upon the treasurer; the amount of outstanding and unpaid orders; all accounts payable; all indebtedness; contingent liabilities; all accounts receivable; the amount of money remaining in the treasury; and all items necessary to show accurately the revenues and expenditures and financial position of the city;

(b) File the statement in his office for the public inspection and present it to the city council within 45 days after the close of the fiscal year;

(c) (1) Publish the statement within 60 days after the close of the fiscal year in a newspaper published in the city; or

(2) If there is no newspaper in the city, the clerk shall, at the direction of the city council, publish the statement in the official newspaper published elsewhere or post copies in three of the most public places in the city; or

(3) If city council proceedings are published monthly or quarterly, showing to whom and for what purpose orders are drawn upon the treasurer, the annual statement to be published as required by this section may be summarized in such form as the state auditor may prescribe; and

(d) Submit within 90 days after the close of the fiscal year a copy of the statement to the state auditor in such summary form as the state auditor may prescribe.

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A municipal hospital or nursing home established before June 6, 1979 whose fiscal year is not a calendar year on August 1, 1980 is not subject to this subdivision but shall submit to the state auditor a detailed statement of its financial affairs audited by a certified public accountant, a public accountant or the state auditor no later than 120 days after the close of its fiscal year. It may also submit a summary financial report for the calendar year.

Subd. 2. Any city described in subdivision 1 may comply with the provisions of section 471.697, in which case the provisions of subdivision 1 shall not apply to the city.

**History:** 1978 c 787 s 4; 1979 c 330 s 5; 1980 c 487 s 19; 1980 c 502 s 2

**471.699 ENFORCEMENT OF REPORTING REQUIREMENTS.**

Failure of a city to timely file a statement or report under section 471.697 or 471.698 shall, in addition to any other penalties provided by law, authorize the state auditor to send full time personnel to the city or to contract with private persons, firms or corporations pursuant to section 6.58, in order to complete and file the financial statement or report. The expenses related to the completion and filing of the financial statement or report shall be charged to the city. Upon failure by the city to pay the charge within 30 days of billing, the state auditor shall so certify to the commissioner of finance who shall forward the amount certified to the state auditor's revolving fund and deduct the amount from any state funds due to the city under any shared taxes or aids. The state auditor's annual report on cities shall include a listing of all cities failing to file a statement or report.

**History:** 1978 c 787 s 5

**471.70 REPORTING OF OBLIGATIONS BY CITIES, TOWNS, SCHOOL DISTRICTS, AND BODIES CORPORATE AND POLITIC.**

For the purposes of this section "municipality" means a city, however organized; a school district, however organized; a town; or any other body corporate and politic created under Minnesota law.

An "obligation" as used in this section means an obligation as defined in chapter 475.

On or before February first each year, it shall be the duty of the principal accounting officer of each municipality to report to the auditor of each county in which such municipality is situate, the total amount of outstanding obligations, and the purpose for which issued as of December thirty-first of the preceding year. Such report shall be kept by the auditor of each county in a suitable record. On March first each year, it shall be the duty of the auditor of each county to make report to the state auditor of such obligations as reported to him by the principal accounting officer of the municipality, together with the amount and character of all outstanding obligations issued by the county of which he is the auditor.

**History:** 1927 c 163 s 1,2; 1945 c 187 s 1; 1967 c 48 s 1; 1973 c 123 art 5 s 7; 1973 c 492 s 7 (1938-14, 1938-15)

**471.705 MEETINGS OF GOVERNING BODIES; OPEN TO PUBLIC.**

Subdivision 1. Except as otherwise expressly provided by statute, all meetings, including executive sessions, of any state agency, board, commission or department when required or permitted by law to transact public business in a meeting, and the governing body of any school district however organized, unorganized territory, county, city, town, or other public body, and of any committee, subcommittee, board, department or commission thereof, shall be open to the public, except meetings of the board of pardons and the corrections board.

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The votes of the members of such state agency, board, commission or department or of such governing body, committee, subcommittee, board, department or commission on any action taken in a meeting herein required to be open to the public shall be recorded in a journal kept for that purpose, which journal shall be open to the public during all normal business hours where such records are kept. The vote of each member shall be recorded on each appropriation of money, except for payments of judgments, claims and amounts fixed by statute. This section shall not apply to any state agency, board, or commission when exercising quasi-judicial functions involving disciplinary proceedings.

Subd. 2. Any person who violates subdivision 1 shall be subject to personal liability in the form of a civil penalty in an amount not to exceed \$100 for a single occurrence. An action to enforce this penalty may be brought by any person in any court of competent jurisdiction where the administrative office of the governing body is located. Upon a third violation by the same person connected with the same governing body, such person shall forfeit any further right to serve on such governing body or in any other capacity with such public body for a period of time equal to the term of office such person was then serving. The court determining the merits of any action in connection with any alleged third violation shall receive competent, relevant evidence in connection therewith and, upon finding as to the occurrence of a separate third violation, unrelated to the previous violations issue its order declaring the position vacant and notify the appointing authority or clerk of the governing body. As soon as practicable thereafter the appointing authority or the governing body shall fill the position as in the case of any other vacancy.

Subd. 3. This section may be cited as the "Minnesota Open Meeting Law".

**History:** 1957 c 773 s 1; 1967 c 462 s 1; 1973 c 123 art 5 s 7; 1973 c 654 s 15; 1973 c 680 s 1,3; 1975 c 271 s 6

**471.71 DEFINITIONS.**

Subdivision 1. **Terms.** For the purposes of sections 471.71 to 471.83 the terms defined in this section shall have the meanings ascribed to them unless the context otherwise requires.

Subd. 2. **Municipality.** "Municipality" includes cities, towns, and school districts.

Subd. 3. **City, town, school district.** "City," "town," or "school district," include only those of the class made subject to sections 471.71 to 471.83 by sections 471.72 and 471.73.

Subd. 4. **Unfunded indebtedness.** "Unfunded indebtedness" includes all general obligations and indebtedness except bonds and except indebtedness which is payable from special assessments against benefited property.

Subd. 5. **Year.** "Year" means calendar year, except that it means "fiscal year" in the case of any school district or city as to which both of the following conditions exist:

(1) In the case of a city, the charter or law under which it is organized provides for a fiscal year differing from the calendar year; in the case of a school district, the books of account are kept on the basis of a fiscal year differing from the calendar year;

(2) The governing body of such city or school district shall have adopted a resolution determining that its operation under sections 471.71 to 471.83 shall be on the basis of such fiscal year and giving the date of the beginning of that year.

**History:** 1943 c 526 s 1 subd (a); 1951 c 63 s 1; 1973 c 123 art 5 s 7



**471.72 APPLICATION; PURPOSE.**

Sections 471.71 to 471.83 apply to all cities, statutory cities, towns, and school districts in which more than 50 percent of the assessed valuation of taxable real and personal property, excluding money and credits, consists of unmined iron ore. Their purpose is to secure sound fiscal policies in, and remedy the financial condition of, municipalities, a large proportion of the property of which consists of a diminishing natural resource in which the state has a substantial interest.

**History:** 1943 c 526 s 1 subd (c); 1951 c 63 s 2; 1973 c 123 art 5 s 7

**471.73 ACCEPTANCE OF PROVISIONS.**

In the case of any city within the class specified in 471.72 having an assessed valuation, as defined in section 471.72, in excess of \$9,000,000; and in the case of any statutory city within such class having an assessed valuation, as defined in section 471.72, of less than \$1,100,000; and in the case of any statutory city within such class which is governed by Laws 1933, Chapter 211, or Laws 1937, Chapter 356; and in the case of any statutory city within such class which is governed by Laws 1929, Chapter 208, and has an assessed valuation of less than \$20,000,000; and in the case of any school district within such class having an assessed valuation, as defined in section 471.72, of more than \$13,000,000; and in the case of all towns within said class; sections 471.71 to 471.83 apply only if the governing body of the city or statutory city, the board of the school district, or the town board of the town shall have adopted a resolution determining to issue bonds under the provisions of sections 471.71 to 471.83 or to go upon a cash basis in accordance with the provisions thereof.

**History:** 1943 c 526 s 1 subd (b); 1951 c 63 s 3; 1973 c 123 art 5 s 7

**471.74 BONDS TO RETIRE UNFUNDED INDEBTEDNESS.**

Subdivision 1. If any such municipality, prior to January 1, 1943, (or, in the case of municipalities referred to in section 471.73, prior to January 1 of the year preceding the adoption of the resolution referred to in section 471.73) has incurred by proper authority a valid unfunded indebtedness in excess of its cash on hand not specifically set aside for the retirement of bonds and interest thereon, it may, for the purpose only of paying and discharging such indebtedness and interest thereon, issue its bonds in the manner now provided by law, except that such bonds may be issued by vote of the governing body without a vote of the electors. The purchasers of such bonds shall not be charged with notice of the invalidity of any indebtedness, and bonds issued under sections 471.71 to 471.83, in the total amount of such indebtedness as determined by resolution of the governing body, in the hands of any purchaser, shall be valid obligations of the municipality notwithstanding any claim of invalidity of any indebtedness funded thereby. If any money received from taxes payable, or local income received, in 1943 (or, in the case of municipalities referred to in section 471.73, in the year of the adoption of the resolution referred to in section 471.73) have been used prior to the issuance of bonds authorized by sections 471.71 to 471.83 for the retirement of indebtedness which could have been funded under sections 471.71 to 471.83, the bonds issued under such sections may include the amount of such payments for the purpose of reimbursing the funds from which such moneys were paid.

Subd. 2. The governing body of any municipality issuing bonds under sections 471.71 to 471.83 shall, at the time of the issuance thereof, by resolution, provide for a levy of taxes for the payment thereof, such levy to be in accordance with the provisions of chapter 475. Levies for the payment of these bonds shall be within the limitations upon tax levies for the payment of funding bonds in the particular municipality issuing the bonds. Such levies shall be subject to

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the provisions of sections 275.10, 275.11, 275.125, 275.31, and 275.35, to the extent that these sections are applicable to the municipality issuing such bonds. In all cases the levies for these bonds shall be spread by the county auditor in full and the levy of the municipality for other purposes shall be reduced, if necessary, so that the total amount levied for the municipality does not exceed said limitations.

Subd. 3. Such bonds may be issued and sold to the state of Minnesota pursuant to existing laws at the time of the issuance thereof, except as herein modified, or to private purchasers, or to both.

**History:** 1943 c 526 s 2; 1951 c 63 s 4; 1973 c 35 s 77

**471.741** [ Repealed, 1975 c 162 s 42 ]

**471.75 ORDERS, SUFFICIENT FUNDS; CERTIFICATES OF INDEBTEDNESS.**

Subdivision 1. From and after January 1, 1944 (or in the case of municipalities referred to in section 471.73, from and after January 1 of the year following the adoption of the resolution referred to in section 471.73) no municipality subject to sections 471.71 to 471.83 shall draw or issue any order or warrant on any fund (except as authorized by subdivision 6) until there is sufficient money in the fund to pay the same, together with all warrants and orders previously issued against the fund.

Subd. 2. Whenever, from and after the date provided by subdivision 1, the expenses and obligations incurred chargeable to any particular fund of a municipality subject to sections 471.71 to 471.83 in any year are sufficient to absorb such available cash as may remain in the fund from prior years or may have been received from other sources, plus (in the case of school districts) such amounts as have been certified by the State Department of Education as due for state aids of any kind, or income tax distributions for said district for such year, plus the percentage of the entire amount of the tax levy for such fund payable in that year indicated in subdivision 3, neither the governing body nor any officer, board, or employee of such taxing district shall have power, and no power shall exist, to create any additional indebtedness (save as the remainder of such tax levy is collected or available money is received from other sources) which shall be a charge against that particular fund or shall be in any manner a valid claim against such municipality; but such additional indebtedness attempted to be created shall be a personal claim against the officer or member of the governing body voting for or attempting to create the same. Whenever the county auditor shall have certified to the municipality the portion of the remainder of the tax levy which has been collected by the county treasurer, such portion shall be deemed to have been collected within the meaning of this section.

Subd. 3. The percentage of the entire amount of the tax levy which may be expended or against which obligations may be incurred under subdivision 2 shall be 95 percent in the case of any municipality in which the average tax delinquency in the three preceding years shall not exceed 5 percent, and shall be 90 percent in the case of any municipality in which the average tax delinquency in the three preceding years shall exceed five but shall not exceed 10 percent, and shall be 85 percent in the case of any municipality in which the average tax delinquency in the three preceding years shall exceed 10 percent. Taxes involved in litigation as to the amount thereof shall not be considered delinquent within the meaning of this section.

Subd. 4. At any time after the first day of the year following the making of an annual tax levy, the governing body of any municipality may, for the purpose of meeting the obligations of the current year, by resolution, with or without advertisement for bids, issue and sell as many certificates of indebtedness as may

be needed in anticipation of the collection of taxes so levied for any fund named in the tax levy, for the purpose of raising money for such fund. All certificates of indebtedness issued under the provisions of sections 471.71 to 471.83 shall be negotiable and shall be payable to the order of the payee and shall have a definite due date, but may be made payable on or before such date. No certificate shall be issued to become due and payable later than the last day of the year of issuance. Such certificates shall not be sold for less than par and accrued interest and shall not bear a greater rate of interest than six percent per annum, which interest shall be payable at maturity or at such earlier times as the governing body may determine. Each certificate shall state upon its face for which funds the proceeds of the certificate shall be used, the total amount of the certificates so issued against such fund, and the total amount embraced in said tax levy for that fund. They shall be numbered consecutively and be in denominations of \$25 or any multiple thereof and shall otherwise be in such form and be made payable at such place as will best aid in their negotiation.

Subd. 5. The total amount of certificates of indebtedness issued against any fund for any year, with interest thereon to maturity, shall not exceed in any municipality that percent of the tax levy for the fund for such year which is prescribed by subdivisions 2 and 3 as the maximum percentage of the tax levy against which obligations may be incurred in the municipality, and the aggregate of outstanding certificates against any fund at no time shall exceed the uncollected portion of such percentage of the tax levy for the fund, and prior to the beginning of the seventh month of the year shall not exceed 50 percent of the uncollected portion of such percentage of the levy. Any such municipality may renew any outstanding certificates of indebtedness from any prior year or issue new certificates, notwithstanding the fact that prior certificates may be unpaid, whenever inability to pay such outstanding prior certificates is due solely to failure to collect sufficient moneys upon the tax levy against which they were issued to discharge such certificates; in the event such certificates are renewed, the municipality may pay accrued interest thereon at the time of renewal. Except as authorized in this subdivision, no certificate for any year shall be issued until all certificates for prior years have been paid, nor shall any certificate be extended.

Subd. 6. If any such municipality is unable to sell certificates of indebtedness in the manner prescribed hereby, it may issue such certificates, within the limitations herein provided, to the treasurer of the municipality, or his order, and deposit the same with him. Certificates so issued shall be held by the treasurer until they may be sold and shall bear interest at not to exceed six percent per annum. The municipality may thereupon, as long as such certificates are on deposit with the treasurer, issue warrants on funds against which such certificates were issued, the principal amount of such warrants not to exceed the total principal amount of the certificates so held by the treasurer. Such warrants shall bear interest at the rate specified by the governing body but not to exceed six percent per annum from and after the day they are presented to the treasurer and stamped "Not paid for want of funds, but protected by certificates of indebtedness now held by me." Such certificates may be sold by the governing body of the municipality for not less than par and accrued interest, and the proceeds of such sale shall be used to take up such warrants in the order of which they were presented to the treasurer, registered by him, and stamped as aforesaid. Interest upon such warrants shall stop upon the date they are called by the treasurer for payment. Such certificates of indebtedness so held by the treasurer shall be paid at the same time and the same manner as if they had been issued to a purchaser thereof. All warrants attempted to be issued and all obligations of indebtedness attempted to be incurred under authority of this subdivision in excess of the principal amount of the certificates of indebtedness so held by such treasurer shall be void.

Subd. 7. The proceeds of the taxes assessed as aforesaid on account of said fund and the faith and credit of the municipality shall be irrevocably pledged for the redemption of the certificates issued hereunder in the order of issuance against each respective fund.

Subd. 8. From and after the date specified in subdivision 1, any such municipality shall be deemed for all purposes to be on a cash basis. All taxes shall be levied as now provided by law, but shall be considered as tax revenues for the year in which such taxes are payable. Any balance remaining in any fund at the end of any such year may be used in later years in addition to the taxes levied for such year or years.

Subd. 9. During the first month of each year the governing body of each municipality subject to this section, on the basis of the tax levy made, with allowance for probable delinquencies, if any, and on the basis of probable receipts from other sources, shall determine the moneys which will be available for each fund and department during each quarter of the ensuing year, and, by resolution, shall fix the maximum amount of money which shall be expended by each department and from each fund in each quarter of said year. When it appears that money budgeted for any fund is not needed therefor, the governing body, by resolution, may transfer the excess to any other fund unless such transfer is prohibited by any law governing such municipality. If under the law the governing body has no control over the expenditures of a particular department or board, such resolution shall, as to such department or board, set forth the amount of tax moneys or other funds, if any, which will be made available for such department or board by action of the governing body.

**History:** 1943 c 526 s 3; 1951 c 63 s 5

#### **471.76 EXPENDITURES, OBLIGATIONS; CLERK'S STATEMENT.**

The clerk or recording officer of each municipality subject to sections 471.71 to 471.83 shall prepare and present to the governing body, at its first meeting in each month, a statement showing expenditures made and estimated obligations or indebtedness incurred for the preceding month and for the preceding portion of the year; the amount allotted by the resolution referred to in section 471.75, for such month and quarter and the preceding quarters of the year; the amount allotted by such resolution and the probable expenditures for the remaining quarters of the year. If at any time it appears from such statement or from other evidence that the municipality is incurring obligations at a rate or upon a scale which would make it probable, if such rate or scale of expenditures be continued, that the total attempted expenditures for that year would exceed the available revenues, after allowance for probable tax delinquencies, the district court, in an action by any taxpayer, may enjoin expenditures during the remainder of the year in excess of probable available revenues.

**History:** 1943 c 526 s 4; 1951 c 63 s 6

#### **471.77 INDEBTEDNESS CONTRACTED IN EXCESS OF REVENUE.**

Whenever any department, board, or commission of such municipality has power under the law to expend money, such department, board, or commission shall not contract any indebtedness or incur any obligations which, when added to other indebtedness, obligations, or liabilities, previously incurred during the year, would be in excess of the sum that may be allotted to the department, board, or commission for that year by the governing body of the municipality, plus available actual receipts from such other sources as are under its control.

**History:** 1943 c 526 s 5; 1951 c 63 s 7

**471.78 INDEBTEDNESS IN EXCESS OF REVENUE, CONTRACTS VOID.**

Each contract attempted to be entered into or indebtedness or pecuniary liability attempted to be incurred in violation of the provisions of sections 471.71 to 471.83 shall be null and void in regard to any obligation thereby sought to be imposed upon the municipality or any department thereof, and no claim therefor shall be allowed by the governing body or any officer, board, or commission; nor shall the clerk or any other officer issue or execute, nor shall the treasurer or other disbursing officer thereof pay, any check, warrant, or certificate of indebtedness issued on account thereof. Each member of the governing body, board, or commission, and each other officer of the municipality participating in or authorizing any violation of sections 471.71 to 471.83 shall be individually liable to the municipality for any damage that is caused thereby, and shall be liable to any person furnishing any labor, services, or materials on any contract entered into or obligations assumed in violation thereof. Each member of the governing body or of a board or commission who is present at any meeting thereof when any action is taken with reference to paying money or incurring indebtedness or entering into any contract in violation of the provisions of this section shall be deemed to have participated in and to have authorized the same unless he shall have caused his dissent therefrom to be entered upon the minutes of the meeting.

**History:** 1943 c 526 s 6; 1951 c 63 s 8

**471.79 ENFORCEMENT.**

The district court may, at the suit of any taxpayer, enforce the performance by any governing body, board, commission, officer, or agent of any municipality of any action which he is directed to perform by sections 471.71 to 471.83, to the full extent necessary to carry out the purpose thereof.

**History:** 1943 c 526 s 7; 1951 c 63 s 9

**471.80 APPLICATION.**

Sections 471.71 to 471.83 shall supersede inconsistent home rule charter provisions, but shall not supersede or repeal home rule charter provisions not inconsistent therewith which impose other and additional restrictions on the incurring of obligations or expenditures of moneys.

**History:** 1943 c 526 s 8; 1951 c 63 s 10

**471.81 CONSTRUCTION.**

Nothing in sections 471.71 to 471.83 shall be construed as restricting the power of a municipality to issue bonds for any purpose when authorized by any other law.

**History:** 1943 c 526 s 9; 1951 c 63 s 11

**471.82 REPEALER, EXCEPTIONS.**

Laws 1929, Chapter 303; Laws 1931, Chapter 342; Laws 1933, Chapters 210, 275, and 415; and Laws 1935, Chapter 261, are hereby repealed, except that the provisions thereof regulating the making and allocating of levies for the payment of bonds issued thereunder and interest thereon, and any other provisions relating to tax levies, shall remain in force.

**History:** 1943 c 526 s 10; 1951 c 63 s 12

**471.83 SEVERABLE, EFFECT.**

The provisions of sections 471.71 to 471.83 are severable, and the unconstitutionality of any provision or the unconstitutionality of these sections as applied to any municipality shall not invalidate other provisions or prevent the applica-

tion of these sections to other municipalities; provided, that if for any reason these sections be held to be inapplicable to any municipality which is now governed by any of the laws specifically repealed by section 471.82, such law shall not be repealed as to such municipality.

**History:** 1943 c 526 s 11; 1951 c 63 s 13

#### **471.84 CEMETERIES; APPROPRIATION BY CERTAIN SUBDIVISIONS.**

The governing body of any city of the fourth class or statutory city or town may, in its discretion, appropriate a sum not to exceed \$2,500 per annum to any public or privately owned cemetery located within or without its boundaries if the cemetery is used for the burial of the dead of any city of the fourth class or statutory city or town without restriction.

**History:** 1951 c 121 s 1; 1953 c 281 s 1; 1957 c 452 s 1; 1973 c 123 art 5 s 7

#### **471.85 PROPERTY TRANSFER; PUBLIC CORPORATIONS.**

Any county, city, town, or school district may transfer its personal property for a nominal or without consideration to another public corporation for public use when duly authorized by its governing body.

**History:** 1951 c 176 s 1; 1973 c 123 art 5 s 7

#### **471.86 FIREFIGHTERS, PROTECTION; MOTOR VEHICLES, OPERATION, LOSS FROM.**

Subdivision 1. **Legal counsel, employment.** Every city, township, or other governmental subdivision of the state shall furnish legal counsel for any firefighter employed by it upon his written request in all actions brought against such firefighter to recover damages for injury to person or property, or for wrongful death, when such action arose out of the operation of a motor vehicle by such firefighter in the performance of his official duties, and pay the expenses of defending such suit, including witness and reasonable counsel fees, notwithstanding any contrary provision in the law or in the charter of any such governmental subdivision.

Subd. 2. **Judgment, payment authorized.** If judgment is rendered in favor of the firefighter, costs and disbursements included therein shall be assigned to such governmental subdivision by him, and all money collected thereon shall be paid to it. If judgment is rendered against the firefighter, such governmental subdivision shall appropriate money from any funds available to pay such judgment, or shall levy funds for the payment thereof pursuant to law.

Subd. 3. **Application.** The obligation of this section shall not apply in any case where such firefighter is fully indemnified against claims for such damages and for such expenses by contract with another, and this section shall not be construed to waive any existing immunity accorded by law to municipalities or governmental subdivisions on claims for damages sustained as the result of the negligence of its officers, agents or servants in the exercise or performance of governmental or public functions.

**History:** 1951 c 183 s 1-3; 1957 c 199 s 1; 1973 c 123 art 5 s 7; 1977 c 429 s 63

#### **471.87 PUBLIC OFFICERS, INTEREST IN CONTRACT; PENALTY.**

Except as authorized in section 471.88, a public officer who is authorized to take part in any manner in making any sale, lease, or contract in his official capacity shall not voluntarily have a personal financial interest in that sale, lease, or contract or personally benefit financially therefrom. Every public officer who violates this provision is guilty of a gross misdemeanor.

**History:** 1951 c 379 s 1; 1955 c 41 s 1

**471.88 MS 1957** [ Repealed, 1961 c 651 s 2 ]

**471.88 EXCEPTIONS.**

Subdivision 1. The governing body of any port authority, seaway port authority, town, school district, hospital district, county, or city, by unanimous vote, may contract for goods or services with an interested officer of the governmental unit in any of the following cases.

Subd. 2. In the designation of a bank or savings association in which the officer is interested as an authorized depository for public funds and as a source of borrowing, no restriction shall apply to the deposit or borrowing of any funds or the designation of a depository by such authority or governmental unit in any bank or savings association in which a member of an authority or officer of a governmental unit shall have an interest if such deposited funds are protected in accordance with chapter 118; provided, however, that any member or officer having such an interest shall disclose that he is a director or employee of the bank or savings association, which disclosure shall be entered upon the minutes of the authority or governmental unit, such disclosure shall be made when such bank or savings association is first designated as a depository or as a source of borrowing, or when such member or officer is elected whichever is later, and such disclosure shall serve as notice of such interest and need not be made with each successive transaction;

Subd. 3. The designation of an official newspaper, or publication of official matters therein, in which the officer is interested when it is the only newspaper complying with statutory or charter requirements relating to the designation or publication;

Subd. 4. A contract with a cooperative association of which the officer is a shareholder or stockholder but not an officer or manager;

Subd. 5. A contract for which competitive bids are not required by law and where the amount does not exceed \$5,000.

Subd. 6. A contract with a volunteer fire department for the payment of compensation to its members or for the payment of retirement benefits to these members;

Subd. 7. A contract with a municipal band for the payment of compensation to its members;

Subd. 8. Contracts for goods or services when the consideration does not exceed \$5,000 in any year and the contracting governmental unit has a population of less than 5,000;

Subd. 9. When a port authority commissioner is engaged in or employed by a firm engaged in the business of importing or exporting or general trade, it shall be lawful for the authority to do business with the commissioner or his employer provided that in the fixing of any rates affecting shippers or users of the terminal facility, said commissioner shall not vote thereon.

Subd. 10. When a seaway port authority commissioner is engaged in or employed by a firm engaged in the business of importing or exporting or general trade, it shall be lawful for the authority to do business with the commissioner or his employer provided that in the fixing of any rates affecting shippers or users of the terminal facility, said commissioner shall not take part in the determination of, except to testify, nor vote thereon.

Subd. 11. When a commissioner of any public housing or port authority is employed by a bank engaged in making loans or performing trust services involving real or personal property affected by any plan or such housing or port authority, no restriction shall apply to any such loans made or trust services per-

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formed by said bank if the commissioner shall disclose the nature of such loans or trust services of which he has personal knowledge, which disclosure shall be entered upon the minutes of such authority.

**History:** 1961 c 651 s 1; 1965 c 806 s 1-4; 1969 c 26 s 1; 1973 c 123 art 5 s 7; 1977 c 55 s 1-3; 1978 c 651 s 1; 1979 c 20 s 1

**471.881 EXCEPTIONS; APPLICATION.**

The exceptions provided in section 471.88 shall apply notwithstanding the provisions of any other statute or city charter.

**History:** 1967 c 18 s 1

**471.89 CONTRACT, WHEN VOID.**

Subdivision 1. **Procedure followed.** A contract made pursuant to section 471.88, subdivision 5, is void unless the procedure prescribed by subdivisions 2 and 3 is followed.

Subd. 2. **Resolution by governing body.** Except in an emergency making such procedure impracticable, the governing body of the governmental unit shall authorize the contract in advance of its performance by adopting a resolution setting out the essential facts and determining that the contract price is as low as or lower than the price at which the commodity or services could be obtained elsewhere. In case of an emergency when the contract cannot be authorized in advance, payment of the claims shall be authorized by a like resolution in which the facts of the emergency are also stated.

Subd. 3. **Claims, affidavits filed.** Before such a claim is paid, the interested officer shall file with the clerk of the governing body an affidavit stating:

- (a) The name of the officer and the office held by him;
- (b) An itemization of the commodity or services furnished;
- (c) The contract price;
- (d) The reasonable value;
- (e) The interest of the officer in the contract; and
- (f) That to the best of his knowledge and belief the contract price is as low as, or lower than, the price at which the commodity or services could be obtained from other sources.

**History:** 1951 c 379 s 3; 1965 c 45 s 64-66; 1967 c 125 s 1,2; 1978 c 651 s 2,3

**471.90 STATUTORY CITIES, HOSPITAL; TRANSFER TO COUNTY.**

Subdivision 1. **Authorization.** When duly authorized by unanimous vote of its governing body any statutory city owning real estate and a hospital building situated thereon and equipment jointly with the county in which said statutory city is located, may, for a nominal consideration or without consideration, transfer its title and interest in the real estate, hospital building, and equipment to said county.

Subd. 2. **County may accept.** Said county, when authorized by a majority vote of its governing body, may accept such grant and conveyance.

Subd. 3. **Statutory city obligations not assumed by county.** Such county does not assume and shall not be liable for any part of the obligations incurred by said statutory city in the joint enterprise of the statutory city and county in the construction or operation of said hospital.

**History:** 1951 c 497 s 1-3; 1973 c 123 art 5 s 7



**471.91 AIR TRAVEL ACCOUNTS.**

The governing body of any city of the first class or any county containing a city of the first class is authorized to enter into a contract with any airline company regularly engaged in carrying passengers on schedule flights in interstate commerce for the establishment of an air travel account for any such city or county, subject to such terms and conditions as may be necessary and proper to facilitate air travel by the officers and employees of the city or county, and to deposit with the airline company a sum not exceeding \$500 to the credit of such account.

**History:** 1951 c 630 s 1

**471.92 DANGEROUS EXCAVATIONS; MAINTENANCE, ABANDONMENT.**

Subdivision 1. The governing body of any county, city or town may regulate the maintenance or abandonment of open wells, cesspools, cisterns, recharging basins, catch basins and may provide penalties for the violation thereof. The use, maintenance or abandonment of any such installation so as to endanger the safety of any considerable number of persons, may be defined as a public nuisance and abated pursuant to the laws relating to public nuisances.

Subd. 2. The abatement of any such nuisance may include suitably covering such installation or surrounding the same with a suitable protective fence.

**History:** 1955 c 601 s 1,2; 1973 c 123 art 5 s 7

**471.93 APPROPRIATIONS FOR HISTORICAL WORK BY MUNICIPALITIES.**

In cities of the second, third or fourth class, and statutory cities at any regular or properly called special meeting of the council, it may appropriate money for the purpose of collecting, preserving, storing, housing, printing, publishing, distributing and exhibiting data and material pertaining to the history of the city, for the purpose of commemorating the anniversary of any important and outstanding event in such history, and to preserve such history data and material for future generations. The amount appropriated shall not exceed \$2,000 in any one year.

**History:** 1957 c 358 s 1; 1973 c 123 art 5 s 7; 1977 c 86 s 1

**471.94 [ Repealed, 1959 c 500 art 6 s 13 ]****471.95 PATIENTS IN PUBLIC HOSPITALS, EXTENSION OF CREDIT.**

The body or bodies authorized by law to levy taxes for the maintenance and operation of any county, city, or town hospital, sanatorium, or nursing home; hospital district; or of any such facility operated jointly by any combination of county, city, or town, may authorize the furnishing of care, treatment, and maintenance to the persons cared for in such hospital, sanatorium, or nursing home without requiring that such services be paid for in advance.

Such body or bodies may authorize the employment of whatever legal and other services which may be deemed necessary and appropriate to secure the collection of any accounts unpaid and due the hospital, sanatorium, nursing home, or hospital district for services rendered to the persons cared for therein, and may compromise and settle said accounts for such amounts as in their discretion may be collectible.

**History:** 1961 c 58 s 1; 1973 c 123 art 5 s 7

**471.96 MEMBERSHIP IN STATE AND NATIONAL ASSOCIATIONS.**

Subdivision 1. The governing bodies of cities, and counties are hereby authorized to appropriate necessary funds to provide membership of their respective municipal corporations or political subdivisions respectively in county, regional, state, and national associations of a civic, educational or governmental nature which have as their purpose the betterment and improvement of municipal governmental operations. Cities and counties are also authorized to participate through duly designated representatives in the meetings and activities of such associations, and the governing bodies of cities and counties respectively are authorized to appropriate necessary funds to defray the actual and necessary expenses of such representatives in connection therewith.

Subd. 2. This section does not affect any statutory, charter or common law power of cities to provide for membership in and to participate through duly designated representatives in the meetings and activities of state and national associations, nor the power to appropriate money therefor.

**History:** 1961 c 714 s 1; 1963 c 529 s 1,2; 1967 c 329 s 1; 1973 c 123 art 5 s 7; 1975 c 288 s 1

**471.97 AUTHORITY TO ADVANCE EXPENSE MONEY.**

The governing bodies of cities and counties may advance to any authorized person the estimated costs of traveling to and attending meetings both within and outside the state on official business, including but not limited to attending meetings under the provisions of sections 465.58 and 471.96. Every person who receives advances under this section shall present a properly verified itemized claim to the governing body promptly after the expenses are incurred. If the actual and necessary expenses of the person were more than the amount of the advance, the governing body shall reimburse the person for the difference between the advance and the actual and necessary expenses. If the advance exceeded the actual and necessary expenses, the person who received the advance shall promptly return the excess funds to the governing body, and the governing body may deduct the amount of the excess funds from any moneys which may become due to the person, including wages or salary.

**History:** 1975 c 288 s 2

**471.98 SELF INSURANCE; DEFINITIONS.**

Subdivision 1. Unless the context indicates otherwise, as used in sections 471.981 and 471.982 the terms defined in this section have the meanings given them.

Subd. 2. "Political subdivision" includes a statutory or home rule charter city or county or an instrumentality thereof having independent policy making and appropriating authority.

Subd. 3. "Pool" means any self insurance fund or agreement for the reciprocal assumption of risk established by or among two or more political subdivisions for coverage of their respective risks.

**History:** 1980 c 529 s 5

**471.981 SELF INSURANCE COVERAGE BY POLITICAL SUBDIVISION.**

Subdivision 1. A political subdivision may by ordinance or resolution of its governing body self insure against liability of the political subdivision and its officers, employees, agents and servants under chapter 466, sections 340.95 and 340.951 and other law, for damages resulting from its torts including torts for which the political subdivision has immunity and those of its officers, employees, agents and servants. A political subdivision may by ordinance or resolution of its governing body extend the coverage of its self insurance to afford protection in

excess of any limitations on liability established by law but unless expressly provided in the ordinance or resolution extending the coverage, the statutory limitations on liability shall not be deemed to have been waived. A political subdivision may by ordinance or resolution of its governing body provide for self insurance against risk of damage to any of its property, for any liability exposure, or against any other risk or hazard, not including health, life, accident or disability of its employees, and may, through its self insurance program, provide coverage for insuring any of its officers or employees against any risk or hazard, not including health, life, accident or disability of its employees.

Subd. 2. A political subdivision may establish a self insurance revolving fund. The initial amount of the fund shall be determined by the governing body. The governing body may appropriate the amounts necessary to maintain the fund at the level specified in the ordinance or resolution establishing it. Expenditures from the fund may be made for:

- (a) Payment of losses;
- (b) Costs of defense and investigation;
- (c) Premiums and deductible amounts when commercial insurance is purchased for a risk;
- (d) Cost of loss control activities; and
- (e) Any other costs customarily borne by commercial insurers under conventional insurance policies.

Subd. 3. A pool may be established by agreement of any two or more political subdivisions. The pool may cover the same risks and shall be subject to the same limitations as those enumerated under subdivisions 1 and 2. The pool shall be operated under bylaws established by the political subdivisions that participate in the pool. The bylaws and the agreement establishing the pool may provide for bylaw amendment without unanimous consent of all pool members. The political subdivisions participating in the fund may establish a joint board to manage the pool with powers and duties as deemed appropriate. A political subdivision participating in the pool shall pay to the pool all amounts assessed against it pursuant to the bylaws of the pool and may withdraw only after it has reimbursed the pool for all amounts for which it is obligated under the terms of the agreement. The establishment of a pool shall not increase the liability limits of any member of the pool above the limits established by law for that governmental unit. Except as otherwise provided in this section, pools shall be governed by section 471.59.

Subd. 4. A political subdivision may participate as a member in a mutual insurance company organized under chapter 66A, and may exchange reciprocal or interinsurance contracts as authorized by chapter 71A.

*History:* 1980 c 529 s 6

#### **471.982 REVIEW OF JOINT SELF INSURANCE POOL.**

Subdivision 1. Prior to the formation of a pool, there shall be submitted for approval to the commissioner of insurance a complete written proposal of the pool's operation, including, but not limited to, administration, claims adjusting, membership, capitalization, and provision for payment of claims exceeding the pool's assets. The commissioner shall review the proposal and approve or disapprove within 60 days after receipt to assure that proper insurance techniques and procedures are included in the proposal. If the commissioner does not disapprove within 60 days after receipt of the proposal, the proposal is deemed approved. Each pool shall file with the commissioner of insurance on or before March 1 of each year a written report in a form prescribed by the commissioner as to its condition. The report shall include a detailed statement of assets and liabilities, the amount and character of the business transacted, and the moneys reserved and expended during the previous year.

Subd. 2. The commissioner of insurance is authorized to promulgate administrative rules, including emergency rules pursuant to sections 15.0411 to 15.052. These rules may provide standards or guidelines governing the formation, operation, administration, dissolution of self insurance pools, and other reasonable requirements to further the purpose of this section and shall at a minimum require the following:

(a) All participants in the pool are jointly and severally liable for all claims and expenses of the pool;

(b) Each pool shall contract with a service company licensed by the commissioner to provide or contract for all administrative services required by the pool. No vendor of risk management services or entity administering a self insurance plan under this section may transact such business in this state unless it is licensed to do so by the commissioner. An applicant for a license shall state in writing the type of activities it seeks authorization to engage in and the type of services it seeks authorization to provide. The license shall be granted only when the commissioner is satisfied that the entity possesses the necessary organization, background, expertise, and financial integrity to supply the services sought to be offered. The commissioner may issue a license subject to restrictions or limitations upon the authorization, including the type of services which may be supplied or the activities which may be engaged in. The license fee shall be \$100. All licenses shall be for a period of two years;

(c) The service company has sole responsibility for the settlement of all claims against the pool or its members for which the pool may provide indemnification;

(d) A minimum premium volume for each pool shall be established. The minimum premium volume may differ because of the kinds of coverage provided, and the limits of liability for the coverage;

(e) All premiums or other assessments due to the pool from members shall be payable prior to the period for which coverage is being provided, or at equal intervals throughout the period;

(f) Premiums shall either be established by an actuary approved by the commissioner or shall be premiums filed by a licensed rate service organization with reductions permitted solely for administrative or premium tax savings;

(g) The commissioner may require each pool to purchase excess insurance above certain limits and in a particular form. The limits or form of the excess insurance may differ based on the kinds of coverage offered by a pool, the limits of liability of the coverage, and the revenues available to pool members for the payment of premiums or assessments;

(h) Each pool shall be audited annually by a certified public accountant;

(i) Limitations on the payment of dividends to pool members may be established as necessary to assure the solvency of the pool;

(j) No participant may withdraw from a pool for a period of at least three years after its initial entry into the pool;

(k) The amount of any liabilities in excess of assets shall be assessed to members of the pool within 30 days after a deficiency is identified and shall be payable by the member within 90 days;

(l) The investment policies of the pool shall be governed by the laws governing investments by cities pursuant to section 475.66;

(m) Pools shall be subject to the standards of unfair methods of competition and unfair or deceptive acts or practices established in chapter 72A;

(n) Other requirements that are necessary to protect the solvency of the pool, the rights and privileges of claimants against the pool, and citizens of the members of the pool shall be included in the rules.

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**History:** *1980 c 529 s 7*