Municipalities

CHAPTER 471

MUNICIPAL RIGHTS, POWERS, DUTIES

NOTE: For special laws relating to specific political subdivisions, see Table 1, Vol. 11.

471.01 [Repealed, 1976 c 44 s 70]

471.02 [Repealed, 1976 c 44 s 70]

471.03 [Repealed, 1976 c 44 s 70]

471.04 [Repealed, 1976 c 44 s 70]

471.05 [Repealed, 1976 c 44 s 70]

471.06 [Repealed, 1976 c 44 s 70]

471.07 [Repealed, 1976 c 44 s 70]

471.08 [Repealed, 1976 c 44 s 70]

471.09 [Repealed, 1976 c 44 s 70]

471.10 [Repealed, 1976 c 44 s 70]

471.11 [Repealed, 1976 c 44 s 70]

471.12 [Repealed, 1976 c 44 s 70]

471.13 [Repealed, 1976 c 44 s 70]

471.14 [Repealed, 1976 c 44 s 70]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 home rule charter or statutory 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. The 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. The city, town, county or school district may operate the program and facilities directly or establish one or more recreation boards to operate all or various parts of them.

History: *(1933-9a) 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; 1981 c 47 s 1*

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.

History: *(1933-9b) 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*

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

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

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

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, museums, 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 city 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 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. 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 may levy a tax on the taxable property within its

boundaries, in excess of taxes which may otherwise be levied within charter limitations, provided the excess levy for a city subject to a charter limitation is approved by a majority of its electors voting on the 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 net tax capacity consists in part of iron ore or lands containing taconite or semitaconite.

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 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 317A 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; 1988*

c 719 art 5 s 84; 1989 c 277 art 4 s 68; 1989 c 304 s 137; 1989 c 329 art 13 s 20; 1994 c 505 art 3 s 13; 1994 c 643 s 75

471.1911 VALIDATION OF SCHOOL DISTRICT AGREEMENTS.

Agreements entered into by school districts pursuant to the provisions of sections 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 [Repealed, 1994 c 505 art 3 s 17]

471.193 MUNICIPAL HERITAGE PRESERVATION.

Subdivision 1. **Policy.** The legislature finds that the historical, architectural, archaeological, engineering, and cultural heritage of this state is among its most important assets. Therefore, the purpose of this section is to authorize local governing bodies to engage in a comprehensive program of historic preservation, and to promote the use and conservation of historic properties for the education, inspiration, pleasure, and enrichment of the citizens of this state.

Subd. 2. **Heritage preservation commissions.** The governing body of a statutory or home rule charter city, county, or town may establish a heritage preservation commission to preserve and promote its historic resources according to this section.

Subd. 3. **Powers.** The powers and duties of any commission established pursuant to this section may include any power possessed by the political subdivision creating the commission, but shall be those delegated or assigned by the ordinance establishing the commission. These powers may include:

(1) the survey and designation of districts, sites, buildings, structures, and objects that are of historical, architectural, archaeological, engineering, or cultural significance;

(2) the enactment of rules governing construction, alteration, demolition, and use, including the review of building permits, and the adoption of other measures appropriate for the preservation, protection, and perpetuation of designated properties and areas;

(3) the acquisition by purchase, gift, or bequest, of a fee or lesser interest, including preservation restrictions, in designated properties and adjacent or associated lands which are important for the preservation and use of the designated properties;

(4) requests to the political subdivision to use its power of eminent domain to maintain or preserve designated properties and adjacent or associated lands;

(5) the sale or lease of air rights;

(6) the granting of use variations to a zoning ordinance;

(7) participation in the conduct of land use, urban renewal, and other planning processes undertaken by the political subdivision creating the commission; and

(8) the removal of blighting influences, including signs, unsightly structures, and debris, incompatible with the physical well-being of designated properties or areas.

No power shall be exercised by a commission which is contrary to state law or denied a political subdivision 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. **Exclusion.** 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. **Commission members.** Commission members must be persons with demonstrated interest and expertise in historic preservation and must reside within the political subdivision regulated by the ordinance establishing the commission. Every

commission shall include, if available, a member of a county historical society of a county in which the municipality is located.

Subd. 6. **Communication with the state historic preservation officer.** Proposed site designations and design guidelines must be sent to the state historic preservation officer at the Minnesota historical society, who shall review and comment on the proposal within 60 days. By October 31 of each year, each commission shall submit an annual report to the state historic preservation officer. The report must summarize the commission's activities, including designations, reviews, and other activities during the previous 12 months.

History: *1971 c 128 s 1; 1973 c 123 art 5 s 7; 1985 c 77 s 1; 1989 c 9 s 2*

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 7*

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 a market value of not less than $2,000,000, 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 annual support and maintenance of such cemetery or burial ground; provided, the amount thus appropriated by each municipality shall not exceed a total of $10,000 in any one year.

History: *(1933-64) 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; 1985 c 52 s 1; 1988 c 719 art 5 s 84; 1989 c 329 art 13 s 20; 1990 c 480 art 9 s 20; 1994 c 505 art 4 s 6*

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 $25,000.** If the amount of the contract is estimated to exceed $25,000, 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 103E.705, subdivisions 5, 6, and 7.

Subd. 4. **Contracts from $10,000 to $25,000.** If the amount of the contract is estimated to exceed $10,000 but not to exceed $25,000, 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 $10,000.** If the amount of the contract is estimated to be $10,000 or less, the contract may be made either upon quotation or in the open market, in the discretion of the governing body. If the contract is made upon quotation it shall be based, so far as practicable, on at least two quotations which shall be kept on file for a period of at least one year after their receipt.

Subd. 5a. **County or town rental contracts.** If the amount of a county or town contract for the rental of equipment is estimated to be $60,000 or less, the contract may, in the discretion of the county or town board, be made by direct negotiation by obtaining two or more quotations for the rental when possible and without advertising for bids or otherwise complying with the requirements of competitive bidding. All quotations shall be kept on file for a period of at least one year after their receipt.

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 workers 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 the contractor may be awarded any contract for the furnishing of any labor, material, supplies, or service.

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

(a) "Small targeted group business" means businesses designated under section 16B.19.

(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 small targeted group businesses 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 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.

Subd. 9. [Repealed, 1990 c 549 s 3]

Subd. 10. **Hospital shared service purchasing.** Supplies, materials, or equipment to be used in the operation of a hospital licensed under sections 144.50 to 144.56 that are purchased or leased under a shared service purchasing arrangement whereby more than one hospital purchases supplies, materials, or equipment with one or more other hospitals either through one of the hospitals or through another entity, may be purchased without regard to the competitive bidding requirements of this section, if the following conditions are met:

(1) the hospital's governing authority authorizes the arrangement;

(2) the shared services purchasing program purchases items available from more than one source on the basis of competitive bids or competitive quotations of prices; and

(3) the arrangement authorizes the hospital's governing authority or its representatives to review the purchasing procedures to determine compliance with these requirements.

Subd. 11. **Fuel contracts for generation of municipal power.** Notwithstanding the amount of the contract, any contract entered into by a municipality for the purchase of fuel required for the generation of power from municipal power plants shall be governed by subdivision 4.

Subd. 12. **Procurement from rehabilitation facilities.** Nothing in this section prohibits a municipality from adopting a resolution, rule, regulation, or ordinance that on an annual basis designates and sets aside for awarding to rehabilitation facilities as described in section 268A.06 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 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.

Subd. 13. **Energy efficiency projects.** The following definitions apply to this subdivision.

(a) "Energy conservation measure" means a training program or facility alteration designed to reduce energy consumption or operating costs and includes:

(1) insulation of the building structure and systems within the building;

(2) storm windows and doors, caulking or weatherstripping, multiglazed windows and doors, heat absorbing or heat reflective glazed and coated window and door systems, additional glazing, reductions in glass area, and other window and door system modifications that reduce energy consumption;

(3) automatic energy control systems;

(4) heating, ventilating, or air conditioning system modifications or replacements;

(5) replacement or modifications of lighting fixtures to increase the energy effi-

ciency of the lighting system without increasing the overall illumination of a facility, unless an increase in illumination is necessary to conform to the applicable state or local building code for the lighting system after the proposed modifications are made;

(6) energy recovery systems;

(7) cogeneration systems that produce steam or forms of energy such as heat, as well as electricity, for use primarily within a building or complex of buildings;

(8) energy conservation measures that provide long-term operating cost reductions.

(b) "Guaranteed energy savings contract" means a contract for the evaluation and recommendations of energy conservation measures, and for one or more energy conservation measures. The contract must provide that all payments, except obligations on termination of the contract before its expiration, are to be made over time, but not to exceed ten years from the date of final installation, and the savings are guaranteed to the extent necessary to make payments for the systems.

(c) "Qualified provider" means a person or business experienced in the design, implementation, and installation of energy conservation measures. A qualified provider to whom the contract is awarded shall give a sufficient bond to the municipality for its faithful performance.

Notwithstanding any law to the contrary, a municipality may enter into a guaranteed energy savings contract with a qualified provider to significantly reduce energy or operating costs.

Before entering into a contract under this subdivision, the municipality shall provide published notice of the meeting in which it proposes to award the contract, the names of the parties to the proposed contract, and the contract's purpose.

Before installation of equipment, modification, or remodeling, the qualified provider shall first issue a report, summarizing estimates of all costs of installations, modifications, or remodeling, including costs of design, engineering, installation, maintenance, repairs, or debt service, and estimates of the amounts by which energy or operating costs will be reduced.

A guaranteed energy savings contract that includes a written guarantee that savings will meet or exceed the cost of energy conservation measures is not subject to competitive bidding requirements of section 471.345 or other law or city charter. The contract is not subject to section 123.37.

A municipality may enter into a guaranteed energy savings contract with a qualified provider if, after review of the report, it finds that the amount it would spend on the energy conservation measures recommended in the report is not likely to exceed the amount to be saved in energy and operation costs over ten years from the date of installation if the recommendations in the report were followed, and the qualified provider provides a written guarantee that the energy or operating cost savings will meet or exceed the costs of the system. The guaranteed energy savings contract may provide for payments over a period of time, not to exceed ten years.

A municipality may enter into an installment payment contract for the purchase and installation of energy conservation measures. The contract must provide for payments of not less than one-tenth of the price to be paid within two years from the date of the first operation, and the remaining costs to be paid monthly, not to exceed a ten-year term from the date of the first operation.

Guaranteed energy savings contracts may extend beyond the fiscal year in which they become effective. The municipality shall include in its annual appropriations measure for each later fiscal year any amounts payable under guaranteed energy savings contracts during the year. Failure of a municipality to make such an appropriation does not affect the validity of the guaranteed energy savings contract or the municipality's obligations under the contracts.

Subd. 14. **Damage awards.** In any action brought challenging the validity of a municipal contract under this section, the court shall not award, as any part of its judgment, damages, or attorney's fees, but may award an unsuccessful bidder the costs of preparing an unsuccessful bid.

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; 1983 c 42 s 1-3; 1983 c 301 s 211; 1984 c 413 s 1; 1985 c 172 s 129; 1Sp1985 c 13 s 347; 1986 c 350 s 1,2; 1986 c 444; 1988 c 409 s 1; 1988 c 689 art 2 s 268; 1989 c 9 s 3; 1989 c 352 s 19,25; 1990 c 391 art 8 s 51; 1990 c 541 s 26,29; 1990 c 549 s 1; 1992 c 380 s 4-6

471.346 PUBLICLY OWNED AND LEASED VEHICLES IDENTIFIED.

All motor vehicles owned or leased by a statutory or home rule charter city, county, town, school district, metropolitan or regional agency, or other political subdivision, except for unmarked vehicles used in general police and fire work and arson investigations, shall have the name of the political subdivision plainly displayed on both sides of the vehicle in letters not less than 2-1/2 inches high and one-half inch wide. The identification must be in a color that contrasts with the color of the part of the vehicle on which it is placed and must remain on and be clean and visible throughout the period of which the vehicle is owned or leased by the political subdivision. The identification must not be on a removable plate or placard except on leased vehicles but the plate or placard must not be removed from a leased vehicle at any time during the term of the lease.

History: *1994 c 635 art 1 s 29*

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

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

471.37 VIOLATIONS.

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

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

471.371 CONTRACTS FOR CONSTRUCTION OF TREATMENT WORKS.

Subdivision 1. [Repealed, 1991 c 212 s 4]

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 water or wastewater treatment facilities may advertise for sealed bids for the design and construction thereof under a single contract. Prior to such advertisement the municipality shall prepare or cause to be prepared 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, including hydraulic flow and organic loading calculations, design capacity, effluent limits, design life, and the treatment alternatives for the wastewater treatment facility, 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 performance standards for the operation of the facility which must be met for specified conditions and time periods, prior to final acceptance of the facility by the municipality. The 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, design life 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 water or wastewater 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, the best bid determined, and the contract awarded, a municipality shall not, by the terms of the awarded contract, allow construction to commence until all legal requirements are met and the plans and specifications for construction of a wastewater treatment facility have been approved by the Minnesota pollution control agency or, in the case of a water treatment facility, the plans and specifications for construction have been approved by the Minnesota department of health.

Upon award of the contract the municipality shall require the successful 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 permit.

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 326.15, 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 "facility" or "facilities" shall, in addition to the treatment facility, include collection and distribution systems.

Subd. 5. **Contract security and insurance.** Each awarded contract:

(1) shall require a payment and performance bond for the construction portion of the contract;

(2) shall require the successful bidder to guarantee the performance of the facility to the level required by a permit for the operation of the facility, for 12 months after the date operation begins; and

(3) may allow construction progress payments by the municipality to the successful bidder.

Subd. 6. [Repealed, 1991 c 212 s 4]

History: *1974 c 503 s 1,2; 1Sp1981 c 4 art 1 s 35; 1991 c 212 s 1-3*

471.38 CLAIMS.

Subdivision 1. **Itemization; declaration.** Except as provided in subdivision 2, where an account, claim or demand against any county, local social services agency, 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 the person's 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.

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 the following:

(1) for a claim for a payment from an imprest payroll bank account or investment of excess money;

(2) for a payment of tax or aid anticipation certificates;

(3) for a payment of contributions to pension or retirement fund;

(4) for vendor payments; and

(5) for payment of bond principal, bond interest and a fiscal agent service charge from the debt redemption fund.

Subd. 3a. **School district eligibility.** The authorization in subdivision 3 extends only to a school district that 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 disbursing 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: *(766) 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; 1986 c 444; 1989 c 329 art 9 s 29; 1994 c 631 s 31*

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 willfully 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 ver-

ified 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: *(768) RL s 440*

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: *(769) RL s 441*

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

471.42 [Repealed, 1963 c 798 s 16]

471.425 PROMPT PAYMENT OF LOCAL GOVERNMENT BILLS.

Subdivision 1. **Definitions.** For the purposes of this section, the following terms have the meanings here given them.

(a) "Contract" means any written legal document or documents signed by both parties in which the terms and conditions of any interest or other penalty for late payments are clearly stated.

(b) "Date of receipt" means the completed delivery of the goods or services or the satisfactory installation, assembly or specified portion thereof, or the receipt of the invoice for the delivery of the goods or services, whichever is later.

(c) "Governing board" means the elected or appointed board of the municipality and includes, but is not limited to, city councils, town boards and county boards.

(d) "Municipality" means any home rule charter or statutory city, county, town, school district, political subdivision or agency of local government. "Municipality" means the metropolitan council or any board or agency created under chapter 473.

Subd. 2. **Payment required.** A municipality must pay each vendor obligation according to the terms of the contract or, if no contract terms apply, within the standard

payment period unless the municipality in good faith disputes the obligation. Standard payment period is defined as follows:

(a) For municipalities who have governing boards which have regularly scheduled meetings at least once a month, the standard payment period is defined as within 35 days of the date of receipt.

(b) For municipalities whose governing boards do not regularly meet at least once a month, the standard payment period is defined as 45 days after receipt of the goods or services or the invoice for the goods or services, whichever is later.

(c) For joint powers organizations organized under section 471.59, the standard payment period is within 45 days of the date of receipt.

Subd. 3. **Invoice errors.** If an invoice is incorrect, defective or otherwise improper, the municipality must notify the vendor within ten days of the date of receipt. Upon receiving a corrected invoice from the vendor, the municipality must pay the obligation within the standard payment period defined in subdivision 2.

Subd. 4. **Payment of interest on late payments required.** (a) Except otherwise provided in this section, a municipality shall calculate and pay interest to a vendor if the municipality has not paid the obligation according to the terms of the contract or, if no contract terms apply, within the standard payment period as defined in subdivision 2. The standard payment period for a negotiated contract or agreement between a vendor and a municipality which requires an audit by the municipality before acceptance and payment of the vendor's invoice shall not be begun until the completion of the audit by the municipality.

(b) The rate of interest calculated and paid by the municipality on the outstanding balance of the obligation not paid according to the terms of the contract or during the standard payment period shall be 1-1/2 percent per month or part of a month.

(c) No interest penalties may accrue against a purchaser who delays payment of a vendor obligation due to a good faith dispute with the vendor regarding the fitness of the product or service, contract compliance, or any defect, error or omission related thereto. If such delay undertaken by the municipality is not in good faith, the vendor may recover costs and attorney's fees.

(d) The minimum monthly interest penalty payment that a municipality shall calculate and pay a vendor for the unpaid balance for any one overdue bill of $100 or more is $10. For unpaid balances of less than $100, the municipality shall calculate and pay the actual interest penalty due the vendor.

Subd. 5. **Applicability.** This section applies to all goods, leases and rents, and contracts for services, construction, repair and remodeling. Purchases from or contracts for service with a public utility as defined in section 216B.02 or a telephone company as defined in section 237.01 that has on file with the public utilities commission an approved practice regarding late fees are not subject to this section.

History: *1985 c 136 s 5*

471.43 [Repealed, 1963 c 798 s 16]

471.44 MUNICIPALITIES TO FURNISH COUNSEL TO DEFEND PUBLIC OFFICIALS.

Subdivision 1. **Costs in defense of legal action.** 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 official duties 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.

Subd. 2. **Costs in defense of civilian complaints.** A home rule charter or statutory city, town, or county that establishes a peace officer civilian review authority to review civilian complaints about alleged peace officer misconduct shall pay the reasonable costs of legal counsel and reasonable fees incurred by the officer in defending against a complaint after probable cause is found if the complaint is not upheld at a hearing before the authority. If a complaint against a peace officer is sustained, no payment may be made under this subdivision.

History: *(1933-81) 1937 c 442 s 1; 1947 c 390 s 1; 1973 c 123 art 5 s 7; 1986 c 444; 1993 c 220 s 1*

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

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 the officer has the power, either alone or as a member of a board, to make the appointment; and the ineligibility shall not be affected by 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 the member shall not vote in the appointment.

History: *(254-49) 1939 c 249; 1943 c 346 s 1; 1959 c 422 s 1; 1973 c 123 art 5 s 7; 1986 c 444*

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. **Scope.** 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.** "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.

Subd. 3. **Physically handicapped.** "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.** "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.** "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.

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; 1985 c 248 s 70; 1987 c 384 art 2 s 99*

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. The local authority shall certify in writing that the review and approval under this section have occurred. The certification must be attached to the permit of record.

History: *1971 c 466 s 4; 1974 c 360 s 4; 1991 c 345 art 1 s 94*

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]

471.471 ACCESS REVIEW BOARD.

Subdivision 1. **Membership.** The access review board consists of:

(1) a representative of the building code and standards division of the department of administration, appointed by the commissioner of administration;

(2) a representative of the state fire marshal's office, appointed by the commissioner of public safety;

(3) the commissioner of human rights or the commissioner's designee;

(4) the commissioner of labor and industry or the commissioner's designee; and

(5) the chair of the council on disability or the chair's designee.

The board shall elect a chair from among its members. Terms of members coincide with the terms of their appointing authorities or, in the case of ex officio members or their designees, with the terms of the offices by virtue of which they are members of the board. Compensation of members is governed by section 15.0575, subdivision 3.

Subd. 2. **Staff; administrative support.** The commissioner of administration shall furnish staff, office space, and administrative support to the board. Staff assigned to the board must be knowledgeable with respect to access codes, site surveys, plan design, and product use and eligibility.

Subd. 3. **Duties.** The board shall consider applications for waivers from the state building code to permit the installation of stairway chair lifts to provide limited accessibility for the physically disabled to buildings in which the provision of access by means permitted under the state building code is not architecturally or financially possible. In considering applications, the board shall review other possible access options. The board may approve an application for installation of a stairway chair when the board determines that the installation would be appropriate and no other means of access is possible. In determining whether to approve an application, the board shall consider:

(1) the need for limited accessibility when a higher degree of accessibility is not required by state or federal law or rule;

(2) the architectural feasibility of providing a greater degree of accessibility than would be provided by the proposed device or equipment;

(3) the total cost of the proposed device or equipment over its projected usable life, including installation, maintenance, and replacement costs;

(4) the reliability of the proposed device or equipment;

(5) the applicant's ability to comply with all recognized access and safety standards for installation and maintenance; and

(6) whether the proposed device or equipment can be operated and used without reducing or compromising minimum safety standards.

The board shall consider the applicant's demonstrated inability to afford a greater degree of accessibility, but may not give greater weight to this factor than to the factors listed in clauses (1) to (6). The board may not approve an application unless the applicant guarantees that the device or equipment will be installed and operated in accordance with nationally recognized standards for such devices or equipment and agrees to obtain any permits needed from the agency responsible for enforcing those standards.

Subd. 4. **Application process.** A person seeking a waiver shall apply to the building code and standards division of the department of administration on a form prescribed by the board and pay a $70 fee. The division shall review the application to determine whether it appears to be meritorious, using the standards set out in subdivision 3. The division shall forward applications it considers meritorious to the board, along with a list and summary of applications considered not to be meritorious. The board may require the division to forward to it an application the division has considered not to be meritorious. The board shall issue a decision on an application within 90 days of its receipt. A board decision to approve an application must be unanimous. An application that contains false or misleading information must be rejected.

Subd. 5. **Liability.** Board members are immune from liability for personal injury or death resulting from the use or misuse of a device or equipment installed and operated under a waiver granted by the board.

History: *1990 c 531 s 1*

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 inter-

ests, 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 nonprofit 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 nonresidents 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 16*

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.

Subd. 10. **Public accountant.** "Public accountant" means a certified public accountant, a certified public accounting firm, or a licensed public accountant, all licensed by the board of accountancy under sections 326.17 to 326.23.

History: *1941 c 480 s 1; 1992 c 592 s 9*

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 installments, 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 politi-

cal 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 installments 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 MONEY.

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, city, or town 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, town, 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.

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

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

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

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

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; 1984 c 563 s 1; 1985 c 169 s 16,17; 1989 c 355 s 11; 1994 c 614 s 13*

471.561 [Repealed, 1976 c 324 s 27]

ECONOMIC DEVELOPMENT LOAN REPAYMENT

471.562 DEFINITIONS.

Subdivision 1. **Applicability.** In sections 471.562 to 471.564, the terms defined in this section have the meanings given in this section.

Subd. 2. **Economic development loan repayment.** "Economic development loan repayment" means any payment received or to be received by a municipality with respect to a loan made by the municipality for economic development purposes from the proceeds of a federal or state grant, from the proceeds of bonds issued pursuant to section 471.564 or from municipal resources appropriated for that purpose.

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

Subd. 4. **Project.** "Project" means an industrial development district as defined in section 469.058, subdivision 1; a project as defined in section 469.002, subdivision 12; a development district as defined in sections 469.124 to 469.134 or any special law; or a project as defined in section 469.153, subdivision 2.

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

History: *1987 c 344 s 10; 1989 c 209 art 2 s 44; 1994 c 614 s 14,15*

471.563 USES OF LOAN REPAYMENTS.

Subject to any restrictions imposed on their use by any related federal or state grant, economic development loan repayments and the proceeds of any bonds issued pursuant to section 471.564 may be applied by a municipality to any of the following purposes:

(1) to finance or otherwise pay the costs of a project;

(2) to pay principal and interest on any bonds issued pursuant to section 469.178, with respect to a project, certification of which is requested before August 1, 1987, or pursuant to chapter 474, 458, 462, or section 471.564, to purchase insurance or other credit enhancement for any of those obligations or to create or maintain reserves therefor; or

(3) for any other purpose authorized by law.

If economic development loan repayments are used to pay principal or interest on any such obligations, the municipality may be reimbursed for the amount so applied with interest not exceeding the rate of interest on the obligations from subsequent col-

lections of taxes or other revenues that had been designated as the primary source of payment of the obligations.

History: *1987 c 344 s 11; 1989 c 209 art 2 s 45*

471.564 BONDS.

A municipality may by resolution authorize, issue, and sell revenue bonds payable from all or any portion of a municipality's economic development loan repayments to finance any expenditure the municipality is authorized to make under section 471.563. The bonds may be issued in one or more series and sold at public or private sale and at the prices the municipality may determine. The bonds may be secured, bear interest at the rate or rates, have the rank or priority, be executed in the manner, mature and be subject to the defaults, redemptions, repurchases, tender options, or other terms that the municipality determines. The municipality may enter into and perform all contracts deemed necessary or desirable by it to issue the bonds and apply the proceeds of the bonds, including an indenture of trust with a trustee within or without the state, a loan agreement, lease or installment sale contract in connection with the project to be financed, or a guaranty of the bonds or related instrument. The bonds may be further secured by any pledge or mortgage securing the economic development loan repayments pledged to the bonds. The bonds, and the bonds shall so state, shall not be payable from nor charged upon any funds other than the economic development loan repayments and property pledged or mortgaged to the payment thereof. The municipality shall not have the power to obligate itself to pay the bonds from funds other than the economic development loan repayments and properties pledged and mortgaged. No owner or owners of the bonds shall ever have the right to compel any exercise of the taxing powers of the municipality to pay the principal of or interest on any such bonds or to enforce payment thereof against any other property of the municipality. Bonds may be issued under this section and their proceeds loaned to a nongovernmental person or entity, only if the municipality estimates that the economic development loan repayments pledged to the payment of principal and interest, exclusive of economic development loan repayments to be made by the person or entity, if paid to the municipality in accordance with their terms, are sufficient to pay principal and interest on the bonds when due.

History: *1987 c 344 s 12*

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 charter 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 ques-

tion 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; 1994 c 505 art 3 s 14*

471.571 PERMANENT IMPROVEMENT FUND, CERTAIN CITIES.

Subdivision 1. **Application.** This section applies to each city in which the net tax capacity of real and personal property consists in part of iron ore or lands containing taconite or semitaconite and in which the total taxable market value of real and personal property exceeds $2,500,000.

Subd. 2. **Creation of fund, tax levy.** The governing body of the 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 limitation for the support of the 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 0.08059 percent of taxable market value;

(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 0.08059 percent of taxable market value;

(c) In cities having a population of more than 2500 inhabitants, the greater of $10 per capita or $31,500 but not exceeding 0.08059 percent of taxable market value.

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; 1988 c 719 art 5 s 84; 1989 c 277 art 4 s 70,71; 1989 c 329 art 13 s 20; 1992 c 511 art 5 s 14*

471.572 INFRASTRUCTURE REPLACEMENT RESERVE FUND.

Subdivision 1. **Definitions.** For purposes of this section, the following terms have the meanings given:

"Reserve fund" means the infrastructure replacement reserve fund.

"City" means a statutory or home rule charter city.

Subd. 2. **Tax levy.** The governing body of a city may establish, by a two-thirds vote

of all its members, by ordinance or resolution a reserve fund and may annually levy a property tax for the support of the fund. The proceeds of taxes levied for its support must be paid into the reserve fund. Any other revenue from a source not required by law to be paid into another fund for purposes other than those provided for the use of the reserve fund may be paid into the fund. Before a tax is levied under this section, the city must publish in the official newspaper of the city an initial resolution authorizing the tax levy. If within ten days after the publication a petition is filed with the city clerk requesting an election on the tax levy signed by a number of qualified voters greater than ten percent of the number who voted in the city at the last general election, the tax may not be levied until the levy has been approved by a majority of the votes cast on it at a regular or special election.

Subd. 3. **Purposes.** The reserve fund may be used only for the replacement of streets, bridges, curbs, gutters, sidewalks, trees, and storm sewers.

Subd. 4. **Use of fund for a specific purpose.** If the city has established a reserve fund, it may submit to the voters at a regular or special election the question of whether use of the fund should be restricted to a specific improvement or type of capital improvement. If a majority of the votes cast on the question are in favor of the limitation on the use of the reserve fund, it may be used only for the purpose approved by the voters.

Subd. 5. **Hearing; notice.** A reserve fund may not be established until after a public hearing is held on the question. Notice of the time, place, and purpose of the hearing must be published for two successive weeks in the official newspaper of the city. The second publication must be not later than seven days before the date of the hearing.

Subd. 6. **Termination of fund.** The city may terminate a reserve fund at any time in the same manner as the fund was established. Upon termination of the fund any balance is irrevocably appropriated to the debt service fund of the city to be used solely to reduce tax levies for or bonded indebtedness of the city or, if the city has no bonded indebtedness, for capital improvements authorized by this section.

History: *1986 c 465 art 2 s 14; 1988 c 419 s 1; 1Sp1989 c 1 art 5 s 37*

471.58 RANGE ASSOCIATION OF MUNICIPALITIES AND SCHOOLS; MEMBERSHIP.

For the purpose of providing an areawide 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 net tax capacity consists in part of iron ore, or lands containing taconite or semitaconite or which is located in whole or part in the tax relief area defined by section 273.134, may pay annual dues in the range association of municipalities and schools. 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; 1983 c 64 s 1; 1988 c 719 art 5 s 84; 1989 c 329 art 13 s 20*

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 another state, another state, and any agency of the state of Minnesota or the United States, and includes any instrumentality of a govern-

mental 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. A joint board that is formed for educational purposes may conduct public meetings via interactive television if the board complies with section 471.705 in each location where board members are present. 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.

Subd. 10. **Services performed by governmental units; commonality of powers.** Notwithstanding the provisions of subdivision 1 requiring commonality of powers between parties to any agreement, the governing body of any governmental unit as defined in subdivision 1 may enter into agreements with any other governmental unit to perform on behalf of that unit any service or function which the governmental unit providing the service or function is authorized to provide for itself.

Subd. 11. **Joint powers board.** Two or more governmental units, through action of their governing bodies, by adoption of a joint powers agreement that complies with the provisions of subdivisions 1 to 5, may establish a joint board to issue bonds or obligations pursuant to any law by which any of the governmental units establishing the joint board may independently issue bonds or obligations and may use the proceeds of the

bonds or obligations to carry out the purposes of the law under which the bonds or obligations are issued. A joint board created pursuant to this section may issue obligations and other forms of indebtedness only pursuant to express authority granted by the action of the governing bodies of the governmental units which established the joint board. The joint board established pursuant to this subdivision shall be composed solely of members of the governing bodies of the governmental unit which established the joint board, and the joint board may not pledge the full faith and credit or taxing power of any of the governmental units which established the joint board. The obligations or other forms of indebtedness shall be obligations of the joint board issued on behalf of the governmental units creating the joint board. The obligations or other forms of indebtedness shall be issued in the same manner and subject to the same conditions and limitations which would apply if the obligations were issued or indebtedness incurred by one of the governmental units which established the joint board provided that any reference to a governmental unit in the statute, law, or charter provision authorizing the issuance of the bonds or the incurring of the indebtedness shall be considered a reference to the joint board.

Subd. 12. **Joint exercise of police power.** In the event that an agreement authorizes the exercise of peace officer or police powers by an officer appointed by one of the governmental units within the jurisdiction of the other governmental unit, an officer acting pursuant to that agreement has the full and complete authority of a peace officer as though appointed by both governmental units and licensed by the state of Minnesota, provided that:

(1) the peace officer has successfully completed professionally recognized peace officer preemployment education which the Minnesota board of peace officer standards and training has found comparable to Minnesota peace officer preemployment education; and

(2) the officer is duly licensed or certified by the peace officer licensing or certification authority of the state in which the officer's appointing authority is located.

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; 1982 c 507 s 27; 1983 c 342 art 8 s 15; 1984 c 495 s 1; 1986 c 465 art 2 s 15; 1990 c 572 s 14; 1991 c 44 s 3*

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 chapter 115 or 116A, sections 473.501 to 473.549, or section 103F.801 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; 1990 c 391 art 8 s 52*

471.60 [Renumbered 435.19]

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

Subdivision 1. **Officers, employees.** A 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 of the state, 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 depen-

dents, or any class or classes of officers, employees, or dependents, 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 those forms of insurance or protection. A governmental unit, including county extension committees and those paying their employees, may pay all or any part of the premiums or charges on the insurance or protection. A payment is deemed to be additional compensation paid to the officers or employees, but for purposes of determining contributions or benefits under a public pension or retirement system it is not deemed to be additional compensation. One or more governmental units may determine that a person is an officer or employee if the person receives income from the governmental subdivisions without regard to the manner of election or appointment, including but not limited to employees of county historical societies that receive funding from the county. The appropriate officer of the 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 premiums or charges and remit the share or portion to the insurer or company issuing the policy or contract.

A governmental unit, other than a school district, that pays all or part of the 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 money for the payment of the premiums or charges, and the sums levied and appropriated are not, in the event the sum exceeds the maximum sum allowed by the charter of a municipal corporation, considered part of the cost of government of the governmental unit as defined in any levy or expenditure limitation; provided at least 50 percent of the cost of benefits on dependents must be contributed by the employee or be paid by levies within existing charter tax limitations.

The word "dependents" as used in this subdivision means 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; 1Sp1981 c 4 art 2 s 44]

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, including 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 or may require the retired officer or employee to pay all or part of the premiums or charges. 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 income from such governmental subdivisions without regard to the manner of 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. An insurer, health maintenance organization, or company issuing the policy or contract may not require a public employer to contribute any portion of the retired officer's or employee's share as a condition of eligibility for the insurance or protection. An insurer, health maintenance organization, or company issuing the policy or contract may require a retired officer or a retired employee to pay all or any part of the premiums or charges.

Any governmental unit, other than a school district, 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 such sums so levied and appropriated shall not, in the event such sum exceeds the maximum sum allowed by the charter of a municipal corporation, be considered part of the cost of government of such governmental unit as defined in any tax or 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 charter 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.

Subd. 2b. **Insurance continuation.** A unit of local government must allow a former employee and the employee's dependents to continue to participate indefinitely in the employer-sponsored hospital, medical, and dental insurance group that the employee participated in immediately before retirement, under the following conditions:

(a) The continuation requirement of this subdivision applies only to a former employee who is receiving a disability benefit or an annuity from a Minnesota public pension plan other than a volunteer firefighter plan, or who has met age and service requirements necessary to receive an annuity from such a plan.

(b) Until the former employee reaches age 65, the former employee and dependents must be pooled in the same group as active employees for purposes of establishing premiums and coverage for hospital, medical, and dental insurance.

(c) A former employee may receive dependent coverage only if the employee received dependent coverage immediately before leaving employment. This subdivision does not require dependent coverage to continue after the death of the former employee. For purposes of this subdivision, "dependent" has the same meaning for former employees as it does for active employees in the unit of local government.

(d) Coverage for a former employee and dependents may not discriminate on the basis of evidence of insurability or preexisting conditions unless identical conditions are imposed on active employees in the group that the employee left.

(e) The former employee must pay the entire premium for continuation coverage, except as otherwise provided in a collective bargaining agreement or personnel policy. A unit of local government may discontinue coverage if a former employee fails to pay the premium within the deadline provided for payment of premiums under federal law governing insurance continuation.

(f) An employer must notify an employee before termination of employment of the options available under this subdivision, and of the deadline for electing to continue to participate.

(g) A former employee must notify the employer of intent to participate within the deadline provided for notice of insurance continuation under federal law. A former employee who does not elect to continue participation does not have a right to reenter the employer's group insurance program.

(h) A former employee who initially selects dependent coverage may later drop dependent coverage while retaining individual coverage. A former employee may not drop individual coverage and retain dependent coverage.

(i) This subdivision does not limit rights granted to former employees under other state or federal law, or under collective bargaining agreements or personnel plans.

(j) Unless otherwise provided by a collective bargaining agreement, if retired employees were not permitted to remain in the active employee group prior to August 1, 1992, a public employer may assess active employees through payroll deduction for all or part of the additional premium costs from the inclusion of retired employees in the active employee group. This paragraph does not apply to employees covered by section 179A.03, subdivision 7.

(k) Notwithstanding section 179A.20, subdivision 2a, insurance continuation under this subdivision may be provided for in a collective bargaining agreement or personnel policy.

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; 1982 c 602 s 1; 1984 c 463 art 7 s 22,23; 1986 c 321 s 1; 1986 c 444; 1988 c 709 art 2 s 2; 1992 c 488 s 3; 1994 c 505 art 3 s 15,16*

471.611 RETIREES' HEALTH INSURANCE BENEFITS.

Subdivision 1. **Accounting.** A unit of local government that agrees to make payments for health insurance benefits for retired employees shall identify the amount required to pay the cost of those benefits during the period in which the contract or personnel policy providing for those benefits is in effect and shall record the amount as an expenditure, according to generally accepted accounting principles, in the fiscal year or years during which the payments are to be made. A school district is in compliance with this subdivision if it complies with section 121.908, subdivision 6. Provision of these benefits under a personnel policy must be approved, as a separate action, by the governing body of the employing governmental unit.

Subd. 2. **Coordination.** A unit of local government that funds all or part of the cost of health care benefits for a retired employee must provide for coverage to be coordinated with applicable benefits provided through the federally sponsored Medicare program.

History: *1988 c 605 s 11*

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

At the request of an officer or employee and as part of a 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 have rights thereunder that shall be nonforfeitable except for failure to pay premiums. This section shall be applied in a nondiscriminatory manner to officers and employees of the political subdivisions herein named.

History: *1971 c 266 s 1; 1973 c 123 art 5 s 7; 1986 c 444*

471.6151 CONTRIBUTIONS FROM LAWFUL GAMBLING ORGANIZATIONS.

Contributions of receipts derived from lawful gambling to a statutory or home rule charter city, county, or town made by an organization licensed to conduct lawful gambling under chapter 349 may not be used for the benefit of a pension or retirement fund.

History: *1993 c 244 art 5 s 2*

471.616 [Repealed, 1989 c 90 s 3]

471.6161 GROUP INSURANCE; GOVERNMENTAL UNITS.

Subdivision 1. **Group insurance coverage.** "Group insurance coverage" means benefit coverage provided to a group through a carrier authorized under chapters 61A, 62A, 62C, and 62D to do business in the state.

Subd. 2. **Request for proposal.** Every political subdivision authorized by law to purchase group insurance for its employees and providing or intending to provide group insurance coverage and benefits for 25 or more of its employees shall request proposals from and enter into contracts with carriers that in the judgment of the political subdivision are best qualified to provide coverage. The request for proposals shall be in writing and at a minimum shall include: coverage to be provided, criteria for evaluation of carrier proposals, and the aggregate claims records for the appropriate period. A political subdivision may exclude from consideration proposals requiring self-insurance. Public notice of the request for proposals must be provided in a newspaper or trade journal at least 21 days before the final date for submitting proposals.

Subd. 3. **Selection of carrier.** The political subdivision shall make benefit and cost comparisons and evaluate the proposals using the written criteria. The political subdivision may negotiate with the carrier on benefits, premiums, and other contract terms. Carriers applying must provide the political subdivision with aggregate claims records for the appropriate period. The political subdivision must prepare a written rationale for its decision before entering into a contract with a carrier.

Subd. 4. **Contract length; negotiation.** Group insurance contracts may not exceed five years in length, including all extensions. The political subdivision shall request proposals for coverage at least once every 60 months. Employees may be added to an existing group pursuant to a joint powers agreement under section 471.59.

Subd. 5. **Collective bargaining.** The aggregate value of benefits provided by a group insurance contract for employees covered by a collective agreement shall not be reduced, unless the public employer and exclusive representative of the employees of an appropriate bargaining unit, certified under section 179A.12, agree to a reduction in benefits.

Subd. 6. **Filing of contract.** Every political subdivision contracting for and providing group insurance coverage as provided in this section shall file with the clerk or other comparable officer of the subdivision a copy of the group insurance contract and make the copy available for public inspection.

Subd. 7. **Temporary exemption.** Political subdivisions currently providing group insurance coverage and benefits through a contract awarded by a competitive bid process under section 471.616 are exempt from the requirements of this section for the period during which the existing contract remains in force. Upon expiration of the existing contract, a political subdivision must adhere to the request for proposal process outlined in this section.

History: *1989 c 90 s 2*

471.617 SELF-INSURANCE OF EMPLOYEE HEALTH BENEFITS.

Subdivision 1. A statutory or home rule charter city, county, school district, or instrumentality thereof which has more than 100 employees, may by ordinance or resolution self-insure for any employee health benefits including long-term disability, but not for employee 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.

Subd. 2. Any two or more statutory or home rule charter cities, counties, school districts, or instrumentalities thereof which together have more than 100 employees may jointly self-insure for any employee health benefits including long-term disability, but not for employee life benefits, subject to the same requirements as an individual self-insurer under subdivision 1. The commissioner of commerce may adopt rules, including emergency rules, pursuant to chapter 14, 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, an insurance company approved pursuant to sections 60A.195 to 60A.209, or service plan corporation, but excess or stop-loss coverage need not be obtained for long-term disability.

This excess or stop-loss coverage shall cover all eligible claims incurred during the term of the policy or contract. In addition to excess or stop-loss coverage, 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 which shall be added to the expected claim level. 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 employees represented by an exclusive representative certified pursuant to section 179A.12 without prior notification and consultation on ten days written notice to the exclusive representative and agreement by the exclusive representative that represents the largest number of employees to be included in the plan.

Subd. 4a. A statutory or home rule charter city, county, school district, or instrumentality of any of these entities with a self-insurance health benefit plan, may, upon request of the exclusive representative of its employees as certified pursuant to section 179A.12, allow the employees of the exclusive representative to enroll, at their own expense, in the health insurance benefit plan.

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. A 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; 1Sp1981 c 4 art 2 s 44,47; 1982 c 424 s 130; 1983 c 241 s 9-11; 1983 c 289 s 114 subd 1; 1984 c 462 s 27; 1984 c 655 art 1 s 92; 1987 c 384 art 2 s 1; 1993 c 13 art 1 s 41; 1993 c 215 s 1*

471.62 STATUTES OR RULES 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 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, rule, 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, 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; 1985 c 248 s 70*

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. [Repealed, 1994 c 505 art 3 s 17]

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 chair 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; 1986 c 444*

471.631 REWARDS FOR INFORMATION ABOUT FELONS.

A home rule charter or statutory city may offer and pay a reward or fund the payment of a reward offered by a nonprofit organization in an amount it deems appropriate for information leading to the apprehension and charging or conviction of a person alleged to have committed a felony within the city's limits.

History: *1993 c 63 s 1*

471.633 FIREARMS.

The legislature preempts all authority of a home rule charter or statutory city including a city of the first class, county, town, municipal corporation, or other governmental subdivision, or any of their instrumentalities, to regulate firearms, ammunition, or their respective components to the complete exclusion of any order, ordinance or regulation by them except that:

(a) a governmental subdivision may regulate the discharge of firearms; and

(b) a governmental subdivision may adopt regulations identical to state law.

Local regulation inconsistent with this section is void.

History: *1985 c 144 s 1*

471.634 DEFINITION.

For purposes of section 471.633, the terms "municipal corporation" and "governmental subdivision," or instrumentality thereof, do not include school districts and other entities composed exclusively of school districts when school boards or school administrators are regulating school grounds, school facilities, school transportation services, school programs, or the conduct of students at any activities conducted under the direct or indirect supervision or control of the school board or administration.

History: *1Sp1985 c 12 art 7 s 24*

471.635 ZONING ORDINANCES.

Notwithstanding section 471.633, a governmental subdivision may regulate by reasonable, nondiscriminatory, and nonarbitrary zoning ordinances, the location of businesses where firearms are sold by a firearms dealer. For the purposes of this section, a firearms dealer is a person who is federally licensed to sell firearms and a governmental subdivision is an entity described in sections 471.633 and 471.634.

History: *1993 c 326 art 1 s 3; 1993 c 366 s 8*

471.64 ACQUISITION AND DISPOSITION 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, sale, or other acquisition or disposition of equipment, supplies, materials, or other property, including real property, without regard to statutory or charter provisions. The acquisition or disposition of such property from or to 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 the officer or employee 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; 1986 c 327 s 4; 1986 c 444*

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, statutory or home rule charter 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:

(1) energy conservation investments made from funds received under section 216C.37, and from money received from litigation or settlement of alleged violations of federal petroleum pricing regulations; and

(2) the planning of public works projects, and may make agreements to repay any such loans or advances 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 projects under subdivision 1 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; 1987 c 289 s 3; 1987 c 312 art 1 s 10 subd 1*

471.653 DISTRIBUTION OF CERTAIN FEDERAL PAYMENTS.

Federal payment in lieu of taxes on entitlement lands made pursuant to United States Code, title 31, sections 6901 to 6906 must be transferred by a county to the home rule or statutory city or town where the entitlement land is located if the county board determines that the statutory or home rule city or town is the principal provider of governmental services affecting the use of entitlement lands and if the total annual federal payment to the county is $5,000 or more. The county board shall make its determination based on factors which must include: (1) whether the city or town has at least 60 acres of land within the entitlement lands; (2) whether city or town roads are the primary access to the entitlement lands; (3) whether the city or town provides specific services to the entitlement lands such as fire protection, police protection, and search and rescue services; and (4) whether the city or town is primarily responsible for land use planning and official controls.

The distribution of federal payment in lieu funds shall be made by the county board to a qualifying city or town in the proportion that the acreage of entitlement land located in each bears to the total acreage of entitlement land in the county. If more than 25 percent of entitlement acreage in a county is located in qualifying cities or towns, there shall be a pro rata reduction in each qualifying city or town's share, so that only 30 percent of the total county payment is distributed.

History: *1985 c 204 s 3*

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 Number 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.

Subdivision 1. 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.

Subd. 2. Nothing in subdivision 1 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.

Subd. 3. No elected official of a statutory or home rule charter city, county, town, school district, metropolitan or regional agency, or other political subdivision of this state, may receive monetary compensation for unused vacation or sick leave accruals. Nothing in this subdivision shall restrict an elected official from taking vacation or sick leave time that may be provided for by resolution or ordinance of the governing body of a statutory or home rule charter city, county, town, school district, metropolitan or regional agency, or other political subdivision of this state.

History: *1945 c 504 s 1,2; 1973 c 123 art 5 s 7; 1992 c 592 s 10*

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 the officer's or employee's own automobile in the performance of 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 a personal 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 7-1/2 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 a personal automobile in the performance of 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: *(254-47,254-48) 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; 1986 c 444

471.666 PERSONAL USE OF PUBLICLY OWNED AUTOMOBILES PROHIBITED.

Subdivision 1. **Definitions.** For purposes of this section, the following definitions shall apply:

(a) "Local government vehicle" means a vehicle owned or leased by a political subdivision of the state of Minnesota or loaned to a political subdivision.

(b) "Political subdivision" means a statutory or home rule charter city, county, town, school district, metropolitan or regional agency, or other special purpose district of this state.

(c) "Local government employee" or "employee" means an individual who is appointed or employed by a political subdivision, including all elected officials of political subdivisions.

Subd. 2. **Restricted uses.** A local government vehicle may be used only for authorized local government business, including personal use that is clearly incidental to the use of the vehicle for local government business. A local government vehicle may not be used for transportation to or from the residence of a local government employee, except as provided in subdivision 3.

Subd. 3. **Permitted uses.** A local government vehicle may be used by a local government employee to travel to or from the employee's residence:

(1) in connection with work-related activities during hours when the employee is not working;

(2) if the employee has been assigned the use of a local government vehicle for authorized local government business on an extended basis, and the employee's primary place of work is not the local government work station to which the employee is permanently assigned; or

(3) if the employee has been assigned the use of a local government vehicle for authorized local government business away from the work station to which the employee is permanently assigned, and the number of miles traveled, or the time needed to conduct the business, will be minimized if the employee uses a local government vehicle to travel to the employee's residence before or after traveling to the place of local government business.

Subd. 4. **Exceptions.** This section does not apply to public safety vehicles that are owned or leased by a political subdivision.

History: *1993 c 315 s 16*

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:

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.

Subd. 3. **Pictures prohibited.** When a statutory or home rule charter city, county, town, school district, metropolitan or regional agency, or other political subdivision of this state, issues a report or other publication for public distribution to inform the general public of the activities of the political subdivision, the report or publication must not include pictures of elected officials nor any other pictorial or graphic device that would tend to attribute the publication to an individual or groups of individuals instead of the political subdivision. Directories of public services provided by the political subdivision are exempt from this subdivision.

History: *1949 c 438 s 1,2; 1973 c 123 art 5 s 7; 1992 c 592 s 11*

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 net tax capacity, exceeds 25 percent of the net tax capacity 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 the municipality a statement of tax collections and other income excluding gifts credited to each fund of the 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 office records to the clerk upon request.

History: *(1938-21, 1938-22) 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; 1986 c 444; 1988 c 719 art 5 s 84; 1989 c 329 art 13 s 20*

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, except that a city may, by resolution, provide that the fiscal year for city-owned nursing homes be the reporting year designated by the commissioner of human services. Beginning in 1994, the fiscal year of a town and all of its funds shall be the calendar year. The state auditor may upon request of a town and a showing of inability to conform, extend the deadline for compliance with this section for one year.

History: *1978 c 787 s 2; 1984 c 528 s 7; 1984 c 654 art 5 s 58; 1992 c 592 s 12*

471.6965 PUBLICATION OF SUMMARY BUDGET STATEMENT.

Annually, upon adoption of the city budget, the city council shall publish a summary budget statement in the official newspaper of the city, or if there is none, in a qualified newspaper of general circulation in the city. The statement shall contain information relating to anticipated revenues and expenditures, in a form prescribed by the state auditor. The form prescribed shall be designed so that comparisons can be made between the current year and the budget year. A note shall be included that the complete budget is available for public inspection at a designated location within the city.

History: *1984 c 543 s 63*

471.697 FINANCIAL REPORTING; AUDITS; CITIES AND TOWNS 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, or town with a population of more than 2,500 according to the latest federal census with an annual revenue of $500,000 or more, the city clerk, chief financial officer, town clerk, or town clerk-treasurer shall:

(a) Prepare a financial report covering the city's or town'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. Cities shall publish the report or a summary of the report, in a form as prescribed by the state auditor, in a qualified newspaper of general circulation in the city or, if there is none, post copies in three of the most public places in the city, no later than 30 days after the report is due in the office of the state auditor. The report shall contain financial statements and disclosures which present the city's or town's financial position and the results of city or town 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 the clerk's or financial officer's office for public inspection and present it to the city council or town board 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 or town 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).

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; 1984 c 543 s 64; 1986 c 444; 1992 c 592 s 13*

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 the clerk's or financial officer's 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 90 days after the close of the fiscal year in a qualified newspaper of general circulation in the city; or

(2) If there is no qualified newspaper of general circulation in the city, the clerk shall, at the direction of the city council, 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. It is not necessary to publish individual disbursements of less than $100, if disbursements aggregating $1,000 or more to any person, firm, or other entity are set forth in a schedule of major disbursements showing amounts paid out, to whom, and for what purpose, and are made a part of and published with the financial statement; 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.

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; 1984 c 543 s 65; 1986 c 444*

471.6985 FINANCIAL REPORTING; AUDITS; MUNICIPAL LIQUOR STORE.

Subdivision 1. Any city operating a municipal liquor store shall publish a balance sheet using generally accepted accounting procedures and a statement of operations of the liquor store within 90 days after the close of the fiscal year in the official newspaper of the city. The statement shall be headlined, in a type size no smaller than 18-point: "Analysis of .....(city)..... municipal liquor store operations for .....(year)...." and shall be written in clear and easily understandable language. It shall contain the following information: total sales, cost of sales, gross profit, profit as percent of sales, operating expenses, operating income, contributions to and from other funds, capital outlay, interest paid and debt retired. The form and style of the statement shall be prescribed by the state auditor. Nonoperating expenses may not be extracted on the reporting form prior to determination of net profits for reporting purposes only. Administrative expenses charged to the liquor store by the city must be actual operating expenses and not used for any other public purpose prior to the determination of net profits. The publication requirements of this section shall be in addition to any publication or posting requirements for financial reports contained in sections 471.697 and 471.698. The statement may at the option of the city council be incorporated into the reports published pursuant to sections 471.697 and 471.698, in accordance with a form and style prescribed by the state auditor.

Subd. 2. Any city operating a municipal liquor store with total annual sales in

excess of $350,000 shall submit to the state auditor audited financial statements for the liquor store that 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 extend the deadline upon request of a city and a showing of inability to conform. The state auditor may accept this report in lieu of the report required by subdivision 1.

History: *1981 c 331 s 3; 1984 c 543 s 66; 1992 c 592 s 14*

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 general 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; 1989 c 335 art 4 s 89*

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 31 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 the county auditor by the principal accounting officer of the municipality, together with the amount and character of all outstanding obligations issued by the county.

History: *(1938-14, 1938-15) 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; 1986 c 444*

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

Subdivision 1. **Presumption of openness.** 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 commissioner of corrections. 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, and the 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 appropria-

tion 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. 1a. **Labor negotiations.** Subdivision 1 does not apply to a meeting held pursuant to the procedure in this subdivision. The governing body of a public employer may by a majority vote in a public meeting decide to hold a closed meeting to consider strategy for labor negotiations, including negotiation strategies or developments or discussion and review of labor negotiation proposals, conducted pursuant to sections 179A.01 to 179A.25. The time of commencement and place of the closed meeting shall be announced at the public meeting. A written roll of members and all other persons present at the closed meeting shall be made available to the public after the closed meeting. The proceedings of a closed meeting to discuss negotiation strategies shall be tape-recorded at the expense of the governing body. The recording shall be preserved for two years after the contract is signed and shall be made available to the public after all labor contracts are signed by the governing body for the current budget period.

If an action is brought claiming that public business other than discussions of labor negotiation strategies or developments or discussion and review of labor negotiation proposals was transacted at a closed meeting held pursuant to this subdivision during the time when the tape is not available to the public, the court shall review the recording of the meeting in camera. If the court finds that this subdivision was not violated, the action shall be dismissed and the recording shall be sealed and preserved in the records of the court until otherwise made available to the public pursuant to this subdivision. If the court finds that this subdivision was violated, the recording may be introduced at trial in its entirety subject to any protective orders as requested by either party and deemed appropriate by the court.

Subd. 1b. **Written materials.** In any meeting which under subdivision 1 must be open to the public, at least one copy of any printed materials relating to the agenda items of the meeting prepared or distributed by or at the direction of the governing body or its employees and:

(1) distributed at the meeting to all members of the governing body;

(2) distributed before the meeting to all members; or

(3) available in the meeting room to all members

shall be available in the meeting room for inspection by the public while the governing body considers their subject matter. This subdivision does not apply to materials classified by law as other than public as defined in chapter 13, or to materials relating to the agenda items of a closed meeting held in accordance with the procedures in subdivision 1a or other law permitting the closing of meetings.

Subd. 1c. **Notice of meetings.** (a) **Regular meetings.** A schedule of the regular meetings of a public body shall be kept on file at its primary offices. If a public body decides to hold a regular meeting at a time or place different from the time or place stated in its schedule of regular meetings, it shall give the same notice of the meeting that is provided in this subdivision for a special meeting.

(b) **Special meetings.** For a special meeting, except an emergency meeting or a special meeting for which a notice requirement is otherwise expressly established by statute, the public body shall post written notice of the date, time, place, and purpose of the meeting on the principal bulletin board of the public body, or if the public body has no principal bulletin board, on the door of its usual meeting room. The notice shall also be mailed or otherwise delivered to each person who has filed a written request for notice of special meetings with the public body. This notice shall be posted and mailed or delivered at least three days before the date of the meeting. As an alternative to mailing or otherwise delivering notice to persons who have filed a written request for notice of special meetings, the public body may publish the notice once, at least three days before the meeting, in the official newspaper of the public body or, if there is none, in a qualified newspaper of general circulation within the area of the public body's authority. A person filing a request for notice of special meetings may limit the request to noti-

fication of meetings concerning particular subjects, in which case the public body is required to send notice to that person only concerning special meetings involving those subjects. A public body may establish an expiration date for requests for notices of special meetings pursuant to this paragraph and require refiling of the request once each year. Not more than 60 days before the expiration date of a request for notice, the public body shall send notice of the refiling requirement to each person who filed during the preceding year.

(c) **Emergency meetings.** For an emergency meeting, the public body shall make good faith efforts to provide notice of the meeting to each news medium that has filed a written request for notice if the request includes the news medium's telephone number. Notice of the emergency meeting shall be given by telephone or by any other method used to notify the members of the public body. Notice shall be provided to each news medium which has filed a written request for notice as soon as reasonably practicable after notice has been given to the members. Notice shall include the subject of the meeting. Posted or published notice of an emergency meeting shall not be required. An "emergency" meeting is a special meeting called because of circumstances that, in the judgment of the public body, require immediate consideration by the public body. If matters not directly related to the emergency are discussed or acted upon at an emergency meeting, the minutes of the meeting shall include a specific description of the matters. The notice requirement of this paragraph supersedes any other statutory notice requirement for a special meeting that is an emergency meeting.

(d) **Recessed or continued meetings.** If a meeting is a recessed or continued session of a previous meeting, and the time and place of the meeting was established during the previous meeting and recorded in the minutes of that meeting, then no further published or mailed notice is necessary. For purposes of this clause, the term "meeting" includes a public hearing conducted pursuant to chapter 429 or any other law or charter provision requiring a public hearing by a public body.

(e) **Closed meetings.** The notice requirements of this subdivision apply to closed meetings.

(f) **State agencies.** For a meeting of an agency, board, commission, or department of the state, (i) the notice requirements of this subdivision apply only if a statute governing meetings of the agency, board, or commission does not contain specific reference to the method of providing notice, and (ii) all provisions of this subdivision relating to publication shall be satisfied by publication in the State Register.

(g) **Actual notice.** If a person receives actual notice of a meeting of a public body at least 24 hours before the meeting, all notice requirements of this subdivision are satisfied with respect to that person, regardless of the method of receipt of notice.

Subd. 1d. **Treatment of data classified as not public.** (a) Except as provided in this section, meetings may not be closed to discuss data that are not public data. Data that are not public data may be discussed at a meeting subject to this section without liability or penalty, if the disclosure relates to a matter within the scope of the public body's authority and is reasonably necessary to conduct the business or agenda item before the public body. Data discussed at an open meeting retain the data's original classification; however, a record of the meeting, regardless of form, shall be public.

(b) Any portion of a meeting must be closed if expressly required by other law or if the following types of data are discussed:

(1) data that would identify alleged victims or reporters of criminal sexual conduct, domestic abuse, or maltreatment of minors or vulnerable adults;

(2) active investigative data as defined in section 13.82, subdivision 5, or internal affairs data relating to allegations of law enforcement personnel misconduct collected or created by a state agency, statewide system, or political subdivision; or

(3) educational data, health data, medical data, welfare data, or mental health data that are not public data under section 13.32, 13.38, 13.42, or 13.46, subdivision 2 or 7.

(c) A public body shall close one or more meetings for preliminary consideration

of allegations or charges against an individual subject to its authority. If the members conclude that discipline of any nature may be warranted as a result of those specific charges or allegations, further meetings or hearings relating to those specific charges or allegations held after that conclusion is reached must be open. A meeting must also be open at the request of the individual who is the subject of the meeting.

(d) A public body may close a meeting to evaluate the performance of an individual who is subject to its authority. The public body shall identify the individual to be evaluated prior to closing a meeting. At its next open meeting, the public body shall summarize its conclusions regarding the evaluation. A meeting must be open at the request of the individual who is the subject of the meeting.

(e) Meetings may be closed if the closure is expressly authorized by statute or permitted by the attorney-client privilege.

Subd. 1e. **Reasons for closing a meeting.** Before closing a meeting, a public body shall state on the record the specific grounds permitting the meeting to be closed and describe the subject to be discussed.

Subd. 2. **Penalties.** (a) Any person who intentionally violates this section shall be subject to personal liability in the form of a civil penalty in an amount not to exceed $300 for a single occurrence, which may not be paid by the public body. 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. If a person has been found to have intentionally violated this section in three or more actions brought under this section involving 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.

(b) In addition to other remedies, the court may award reasonable costs, disbursements, and reasonable attorney fees of up to $13,000 to any party in an action under this section. The court may award costs and attorney fees to a defendant only if the court finds that the action under this section was frivolous and without merit. A public body may pay any costs, disbursements, or attorney fees incurred by or awarded against any of its members in an action under this section.

(c) No monetary penalties or attorney fees may be awarded against a member of a public body unless the court finds that there was a specific intent to violate this section.

Subd. 3. **Citation.** 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; 1981 c 174 s 1; 1983 c 137 s 1; 1983 c 274 s 18; 1984 c 462 s 27; 1987 c 313 s 1; 1990 c 550 s 2,3; 1991 c 292 art 8 s 12; 1991 c 319 s 22; 1994 c 618 art 1 s 39*

471.707 LICENSE FEES; NOTICE.

A home rule charter or statutory city or a town may increase the fee for a license to own or operate a vending machine or to dispense goods or services therefrom only after notice and hearing on the matter. Mailed notice of the proposed change shall be sent to the persons already licensed at least 30 days before the hearing. This section supersedes any inconsistent provision of other law or charter.

History: *1984 c 393 s 1*

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 net tax capacity 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; 1988 c 719 art 5 s 84; 1989 c 329 art 13 s 20*

471.73 ACCEPTANCE OF PROVISIONS.

In the case of any city within the class specified in 471.72 having a market value, as defined in section 471.72, in excess of $37,000,000; and in the case of any statutory city within such class having a market value, as defined in section 471.72, of less than $5,000,000; 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 a market value of less than $83,000,000; and in the case of any school district within such class having a market value, as defined in section 471.72, of more than $54,000,000; 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; 1988 c 719 art 5 s 84; 1989 c 329 art 13 s 20; 1990 c 480 art 9 s 21*

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. Such levies shall be subject to the provisions of sections 124.226, 124.2716, 124.91, 124.912, 124.914, 124.916, 124.918, and 136C.411, to the extent that this section applies 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; 1Sp1981 c 4 art 1 s 170; 1987 c 384 art 2 s 100; 1Sp1989 c 1 art 5 s 38; 1991 c 130 s 37; 1992 c 499 art 12 s 29*

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 ten 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 ten 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 the treasurer's order, and deposit the same with the treasurer. 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 the treasurer, 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; 1986 c 444*

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 the member shall have caused the member's dissent therefrom to be entered upon the minutes of the meeting.

History: *1943 c 526 s 6; 1951 c 63 s 8; 1986 c 444*

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 it 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; 1986 c 444*

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 application 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 the firefighter's 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 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 the firefighter, 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 from 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; 1986 c 444*

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 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; 1986 c 444*

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

471.88 EXCEPTIONS.

Subdivision 1. **Coverage.** The governing body of any port authority, seaway port authority, economic development 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. **Bank or savings association.** 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 the member 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. **Official newspaper.** 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. **Cooperative association.** A contract with a cooperative association of which the officer is a shareholder or stockholder but not an officer or manager;

Subd. 5. **Contract with no bids required.** A contract for which competitive bids are not required by law.

Subd. 6. **Contract with volunteer fire department.** 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. **Contract with municipal band.** A contract with a municipal band for the payment of compensation to its members;

Subd. 8. [Repealed, 1992 c 380 s 8]

Subd. 9. **Import, export, trade; port commissioner.** When a port authority commissioner or economic development 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 the commissioner's 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. **Import, export, trade; seaway port.** 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 the commissioner's 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. **Bank loans or trust services.** When a commissioner of any public housing, port authority, or economic development 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 performed by said bank if the commissioner shall disclose the nature of such loans or trust services of which the commissioner has personal knowledge, which disclosure shall be entered upon the minutes of such authority.

Subd. 12. **Population of 1,000 or less.** An officer of a government unit may contract with the unit to provide construction materials or services, or both, by sealed bid process if the unit has a population of 1,000 or less according to the last federal census. The officer may not vote on the question of the contract when it comes before the governing body for consideration.

Subd. 13. **Rent.** A public officer may rent space in a public facility at a rate commensurate with that paid by other members of the public.

Subd. 14. **Housing and redevelopment authority.** When a county or multicounty housing and redevelopment authority administers a loan or grant program for individ-

ual residential property owners within the geographical boundaries of a government unit by an agreement entered into by the government unit and the housing and redevelopment authority, an officer of the government unit may apply for a loan or grant from the housing and redevelopment authority. If an officer applies for a loan or grant, the officer must disclose as part of the official minutes of a public meeting of the governmental unit that the officer has applied for a loan or grant.

Subd. 15. **Franchise agreement.** When a home rule charter or statutory city and a utility enter into a franchise agreement or a contract for the provision of utility services to the city, a city council member who is an employee of the utility is not precluded from continuing to serve as a city council member during the term of the franchise agreement or contract if the council member abstains from voting on any official action relating to the franchise agreement or contract and discloses the member's reason for the abstention in the official minutes of the council meeting.

Subd. 16. **School district.** Notwithstanding subdivision 5, a school board member may be newly employed or may continue to be employed by a school district as an employee only if there is a reasonable expectation at the beginning of the fiscal year or at the time the contract is entered into or extended that the amount to be earned by that officer under that contract or employment relationship will not exceed $5,000 in that fiscal year. Notwithstanding section 125.12 or 125.17 or other law, if the officer does not receive unanimous approval to continue in employment at a meeting at which all board members are present, that employment is immediately terminated and that officer has no further rights to employment while serving as a school board member in the district.

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; 1986 c 399 art 2 s 38-40; 1986 c 400 s 38-40; 1986 c 444; 1Sp1986 c 3 art 2 s 41; 1991 c 65 s 1,2; 1992 c 380 s 7; 1992 c 522 s 42,43; 1993 c 224 art 9 s 43*

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 the officer;

(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 the officer's 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; 1986 c 444*

471.895 CERTAIN GIFTS BY INTERESTED PERSONS PROHIBITED.

Subdivision 1. **Definitions.** (a) The definitions in this subdivision apply to this section.

(b) "Gift" has the meaning given it in section 10A.071, subdivision 1.

(c) "Interested person" means a person or a representative of a person or association that has a direct financial interest in a decision that a local official is authorized to make.

(d) "Local official" means an elected or appointed official of a county or city or of an agency, authority, or instrumentality of a county or city.

Subd. 2. **Prohibition.** An interested person may not give a gift or request another to give a gift to a local official. A local official may not accept a gift from an interested person.

Subd. 3. **Exceptions.** (a) The prohibitions in this section do not apply if the gift is:

(1) a contribution as defined in section 211A.01, subdivision 5;

(2) services to assist an official in the performance of official duties, including but not limited to providing advice, consultation, information, and communication in connection with legislation, and services to constituents;

(3) services of insignificant monetary value;

(4) a plaque or similar memento recognizing individual services in a field of specialty or to a charitable cause;

(5) a trinket or memento of insignificant value;

(6) informational material of unexceptional value; or

(7) food or a beverage given at a reception, meal, or meeting away from the recipient's place of work by an organization before whom the recipient appears to make a speech or answer questions as part of a program.

(b) The prohibitions in this section do not apply if the gift is given:

(1) because of the recipient's membership in a group, a majority of whose members are not local officials, and an equivalent gift is given to the other members of the group; or

(2) by an interested person who is a member of the family of the recipient, unless the gift is given on behalf of someone who is not a member of that family.

History: *1994 c 377 s 6*

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*

471.924 COUNTY REGULATION OF PAWNBROKERS, SECONDHAND AND JUNK DEALERS.

Subdivision 1. **Authority.** For the purpose of promoting the health, safety, morals, and general welfare of its residents, any county in the state may regulate the activities of pawnbrokers, secondhand and junk dealers.

Subd. 2. **Implementation.** The purposes and objectives of the authority granted by this section shall be furthered by the adoption and passage of countywide regulations or ordinance provisions.

History: *1985 c 289 s 9*

471.925 DEFINITIONS.

For purposes of sections 471.924 to 471.929, the following terms have the meanings given them:

(1) "pawnbroker" means a person who loans money on deposit or pledge of personal property, or other valuable thing, or who deals in the purchasing of personal property or other valuable thing on condition of selling the same back again at a stipulated price, or who loans money secured by chattel mortgage or personal property, taking possession of the property or any part thereof so mortgaged; and

(2) "secondhand goods" or "junk dealer" means a person engaged in the business of buying secondhand goods of any kind, including but not limited to coins, gold, silver, jewelry, metals, guns, and wrecked or dismantled motor vehicles or motor vehicles intended to be wrecked or dismantled, but not including used goods and merchandise taken as part or full payment for new goods and merchandise.

History: *1985 c 289 s 10*

471.926 RELATION TO OTHER COUNTY AUTHORITY.

Any ordinance adopted by a county pursuant to sections 471.924 to 471.929 shall complement and be in addition to any other authority granted to a county pursuant to state statute or rule.

History: *1985 c 289 s 11*

471.927 COOPERATION WITH MUNICIPALITIES.

The governing body of any municipality may continue to exercise the authority to regulate pawnbrokers and secondhand or junk dealers as provided by law, but may contract with the county board of commissioners for administration and enforcement of countywide regulations or ordinance provisions within the borders of the municipality.

History: *1985 c 289 s 12*

471.928 RECORDING.

Any ordinance adopted pursuant to sections 471.924 to 471.929 must be filed with the county recorder. The county auditor shall file a certified copy of the ordinance for record.

History: *1985 c 289 s 13*

471.929 ENFORCEMENT.

The duties of enforcing an ordinance adopted pursuant to this section shall be imposed by the county board upon the county sheriff's department.

History: *1985 c 289 s 14*

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]

471.941 APPROPRIATION FOR ARTISTIC ACTIVITIES.

For the purposes of this section, "artistic organization" means an association, corporation, or other group of persons that provides an opportunity for persons to participate in the creation, performance, or appreciation of artistic activities which include but are not limited to: music, dance, drama, folk art, architecture and allied fields, painting, sculpture, photography, graphic and craft arts, costume and fashion design, motion pictures, television, radio, tape and sound records, activities related to the presentation, performance, execution, and exhibition of the art forms, and the study of the arts and their application to the human environment.

A county, statutory or home rule charter city, or town may appropriate money to support artistic organizations. The appropriation may be divided among organizations in the proportions that the county board, city council, or town board determines.

History: *1989 c 39 s 1*

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, sanitarium, 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, sanitarium, 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, sanitarium, 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, counties, and towns 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, counties, and towns are also authorized to participate through duly designated representatives in the meetings and activities of such associations, and the governing bodies of cities, counties, and towns respectively are authorized to appropriate necessary funds to defray the actual and necessary expenses of such representatives in connection therewith. For purposes of this section, the governing body of a town is the town board.

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; 1987 c 90 s 10*

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*

471.975 PAYMENT OF SALARY DIFFERENTIAL FOR RESERVE FORCES ON ACTIVE DUTY.

A statutory or home rule charter city, county, town, school district, or other political subdivision may pay to each eligible member of the reserve components of the armed forces of the United States an amount equal to the difference between the member's active duty military salary and the salary the member would be paid as an active political subdivision employee, including any adjustments the member would have received if not on leave of absence. Payments must be made at the intervals at which the member received pay as a political subdivision employee. Back pay authorized by this section may be paid in a lump sum. Such pay shall not extend beyond four years from the date the employee was called to active duty plus such additional time in each case as such employee may be required to serve pursuant to law.

An eligible member of the reserve components of the armed forces of the United States is a reservist or national guard member who was an employee of a political subdivision at the time the member was called to active duty and who was or is called to active duty after August 1, 1990, because of Operation Desert Shield, Operation Desert Storm, or any other action taken by the armed forces relating to hostilities between the United States and the Republic of Iraq.

History: *1991 c 345 art 1 s 95*

471.98 SELF-INSURANCE; DEFINITIONS.

Subdivision 1. **Scope.** 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.** "Political subdivision" includes a statutory or home

rule charter city, a county, a school district, a town, a watershed management organization as defined in section 103B.205, subdivision 13, or an instrumentality thereof, including but not limited to instrumentalities incorporated under chapter 317A, having independent policy making and appropriating authority. For the purposes of this section and section 471.981, the governing body of a town is the town board.

Subd. 3. **Pool.** "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; 1982 c 507 s 28; 1985 c 236 s 5; 1987 c 97 s 1; 1987 c 260 s 3; 1987 c 337 s 124; 1989 c 304 s 137; 1990 c 391 art 8 s 53*

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 340A.801 and 340A.802 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 or joint self-insurance pool of counties established by the Minnesota association of counties insurance trust may create or become a member of a mutual insurance company organized under chapter 66A, and may exchange

reciprocal or interinsurance contracts as authorized by chapter 71A. For purposes of this subdivision and subdivisions 4a, 4b, and 4c, "county" includes a joint powers entity created by counties for a special purpose. Membership in a mutual insurance company created by a joint self-insurance pool of counties shall be limited to joint self-insurance pools of counties. Notwithstanding section 66A.02, chapter 317A shall apply to a mutual insurance company created pursuant to this subdivision. Notwithstanding section 66A.08, for a mutual insurance company created under this subdivision, there shall be not less than 32 bona fide applications for policies of insurance of each kind sought to be written, signed by at least 32 members, covering at least 32 separate risks, each risk, within the maximum net single risk described in this subdivision and one year's premiums thereon paid in cash, and admitted assets of not less than $100,000, which admitted assets shall not be less than five times the maximum net single risk, as defined in this subdivision. The company shall have on deposit with the commissioner of insurance, as security for all of its policyholders, stock or bonds of this state or of the United States or bonds of any of the political subdivisions of this state, or personal obligations secured by first mortgages on real estate within this state worth, exclusive of buildings, the amount of the lien, and bearing interest of not less than three percent per annum, to an amount the actual market value of which, exclusive of interest, shall never be less than $100,000. No such company shall expose itself to any loss on any one risk or hazard, except as provided in this subdivision, in an amount exceeding ten percent of its net assets, actual and contingent. In this subdivision, "contingent assets" means the aggregate amount of the contingent liability of its members for the payment of loss and expenses not provided for by its cash funds. "Contingent liability," in this subdivision, means an amount not to exceed one annual premium as stated in the policy. No portion of any risk or hazard which has been reinsured, as authorized by the laws of this state, shall be included in determining the limitation of risk prescribed by this subdivision.

Subd. 4a. **Insurance installment purchase agreement.** A county may, by resolution of its governing body, and without advertisement for bids, enter into an insurance installment purchase agreement with a self-insurance pool created under subdivision 3. Such a self-insurance pool may purchase insurance on behalf of the participating counties and may use insurance installment purchase agreements or other obligations of the participating counties to provide the participating counties with coverage against all or any part of the risks enumerated in subdivision 1 and against any risk which the county is authorized to insure under section 176.181, subdivision 1. The self-insurance pool may fund insurance claims and reserves and finance insurance installment purchase agreements for the self-insurance pool or a mutual insurance company established pursuant to subdivision 4 by issuing revenue bonds, bonds which are general obligations of the self-insurance pool or mutual insurance company, or other obligations secured by payments made or to be made by the participating counties. An insurance installment purchase agreement of a participating county may require that the county make payments sufficient to produce revenue for the prompt payment of the bonds or other obligations, including all interest and premiums, if any, accruing on them. The insurance installment purchase agreements may provide for additional contributions or premiums if it is actuarially determined that the assets of the insurance installment purchase agreements available to pay claims are insufficient. The insurance installment purchase agreements may be multiyear contracts and shall not be subject to any referendum, public bidding, or net debt limitation requirement of chapter 475.

Subd. 4b. **Bond issue for insurance procurement.** A self-insurance pool of counties may issue bonds which are general obligations of the self-insurance pool or revenue bonds secured by insurance installment purchase agreements of the participating counties issued pursuant to subdivision 4a. The self-insurance pool, with the approval of the governing body of each participating county, shall fix the total amount needed for the procurement of insurance and shall apportion to each participating county the county's share of that amount and of the costs of operation, or of annual debt service or payments required to pay such amount with interest. Any other law notwithstanding, bonds or other obligations issued under this subdivision may be sold at public or pri-

vate sale upon the terms and conditions the issuer determines. No election shall be required to authorize the issuance of the obligations, and the obligations shall not be subject to any limitation on net debt. Proceeds of obligations issued pursuant to this subdivision may be used to establish a debt service reserve for the obligations or to refund obligations previously issued pursuant to this subdivision. Any debt service reserve fund established under this subdivision shall not be subject to investment guidelines set forth in chapters 118 and 475. A self-insurance pool may designate a bank or trust company authorized to exercise trust powers in this state as trustee for the holders of obligations issued pursuant to this subdivision and may create funds and accounts necessary to secure payment of the obligations.

If required by the resolution authorizing the issuance of obligations pursuant to this subdivision, the governing body of each participating county shall annually levy a tax sufficient to repay the costs of retirement of any bonds or to make payments under insurance installment purchase agreements. Taxes may be levied pursuant to this subdivision without limitation as to rate or amount.

Subd. 4c. **Insurance installment purchase; interest rate.** Participating counties may delegate to a self-insurance pool of counties the power to determine the interest rate on insurance installment purchase agreements provided that the rate is uniform and does not exceed the net effective rate on revenue bonds or other obligations sold by the pool by more than one-fourth of one percent.

Subd. 5. A town may use a self-insurance revolving fund or pool to discharge the bond requirements provided by chapter 367 for the town clerk and treasurer.

Subd. 5a. A home rule charter or statutory city may use a self-insurance revolving fund or pool to discharge the bond requirements provided by state law for officers and employees of the city.

Subd. 6. **Risk retention groups.** A political subdivision or pool may purchase environmental protection coverage from a risk retention group operating under United States Code, title 15, sections 3901 to 3906, and may purchase nonassessable stock of the group if stock ownership is a prerequisite for participation.

History: *1980 c 529 s 6; 1983 c 4 s 1; 1985 c 305 art 12 s 5; 1Sp1985 c 16 art 2 s 26; 1987 c 344 s 13-16; 1989 c 185 s 1; 1989 c 304 s 137; 1993 c 218 s 1*

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 commerce 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 commerce 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 commerce is authorized to adopt administrative rules, including emergency rules pursuant to chapter 14. 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. In developing the rules under this section, the commissioner shall consider the following:

(a) The requirements for self-insuring pools of political subdivisions shall be no more restrictive and may be less restrictive than the requirements for self-insuring pools of private employers;

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

(c) 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 pursuant to section 60A.23, subdivision 8;

(d) 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;

(e) 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;

(f) 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;

(g) Premiums shall be neither excessive, inadequate, nor unfairly discriminatory;

(h) 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;

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

(j) Whether limitations on the payment of dividends to pool members are necessary to assure the solvency of the pool in view of the taxing and levying authority of political subdivisions;

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

(l) 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;

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

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

(o) 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.

Subd. 3. Self-insurance pools established and open for enrollment on a statewide basis by the Minnesota league of cities insurance trust, the Minnesota school boards association insurance trust, the Minnesota association of townships insurance and bond trust, or the Minnesota association of counties insurance trust and the political subdivisions that belong to them are exempt from the requirements of this section and section 65B.48, subdivision 3. In addition, the Minnesota association of townships insurance and bond trust and the townships that belong to it are exempt from the requirement to hold the certificate of surety authorization issued by the commissioner of commerce as provided in section 574.15.

History: *1980 c 529 s 7; 1982 c 424 s 130; 1983 c 289 s 114 subd 1; 1983 c 290 s 169,170; 1983 c 328 s 10; 1984 c 655 art 1 s 92; 1986 c 455 s 78; 1987 c 102 s 1; 1987 c 384 art 2 s 1*

471.985 COUNTY AND CITY ORDINANCES PROHIBITING TRESPASSING.

Subdivision 1. **Authority.** The county board of any county or the city council of any home rule charter or statutory city may enact ordinances to prohibit persons from entering uninvited onto the land of another to consume alcohol or controlled substances.

The county board or city council may enact ordinances to prohibit a person from

bringing a motor vehicle onto the land of another without invitation to facilitate the consumption of alcohol or controlled substances on that land.

Subd. 2. **Determination of purpose.** To determine the purpose of an uninvited entry of a person or motor vehicle, factors to be considered shall include, but are not limited to, the following:

(a) time of day;

(b) presence of containers intended to contain or containing alcohol;

(c) presence of equipment used to dispense alcoholic beverages;

(d) presence of paraphernalia containing identifiable residues of a controlled substance;

(e) noise level;

(f) lighting;

(g) identified physiological responses; and

(h) conduct of persons in the presence of a peace officer.

Subd. 3. **Violations.** A person who violates an ordinance enacted pursuant to subdivision 1 is guilty of a misdemeanor.

Subd. 4. **Defenses.** Express consent, endorsement, or ratification by a landowner of an entry onto land is an absolute defense to charges under an ordinance enacted pursuant to subdivision 1.

A landowner who expressly consents to, endorses, or ratifies an entry onto land shall not be presumed to be in control of the persons gathered on land, nor is the landowner presumed to have knowledge of an unlawful act merely because of the express consent, endorsement, or ratification.

History: *1984 c 620 s 1*

471.99 NOTICE OF GOVERNMENT ACTION.

Except when other notice is required by law, the state, or any of its political subdivisions, shall give any affected town, statutory or home rule charter city, and county 30 days prior written notice of any action by the state or political subdivision that will directly affect the use of land in the town, statutory or home rule charter city, or county relating to sanitary landfills, waste disposal sites, construction of new buildings, roads, and related facilities where the cost exceeds $15,000, and park establishments or boundary expansions. Master plans prepared pursuant to section 86A.09 shall be considered adequate notice as required by this section. Failure to give any notice required by this section shall not be grounds for a civil or criminal action of any nature against any party, for the imposition of a civil or criminal penalty against any party or for the challenge or invalidation of any action taken by the state, a political subdivision or any other party.

History: *1983 c 218 s 1*

471.991 DEFINITIONS.

Subdivision 1. **Terms.** For the purposes of Laws 1984, chapter 651, the following terms have the meanings given them.

Subd. 2. **Balanced class.** "Balanced class" means any class in which no more than 80 percent of the members are male and no more than 70 percent of the members are female.

Subd. 3. **Comparable work value.** "Comparable work value" means the value of work measured by the skill, effort, responsibility, and working conditions normally required in the performance of the work.

Subd. 4. **Class.** "Class" means one or more positions that have similar duties, responsibilities, and general qualifications necessary to perform the duties, with comparable selection procedures used to recruit employees, and use of the same compensation schedule.

Subd. 5. **Equitable compensation relationship.** "Equitable compensation relationship" means that the compensation for female-dominated classes is not consistently below the compensation for male-dominated classes of comparable work value, as determined under section 471.994, within the political subdivision.

Subd. 6. **Female-dominated class.** "Female-dominated class" means any class in which 70 percent or more of the members are female.

Subd. 7. **Male-dominated class.** "Male-dominated class" means any class in which 80 percent or more of the members are male.

Subd. 8. **Position.** "Position" means a group of current duties and responsibilities assigned or delegated by a supervisor to an individual.

History: *1984 c 651 s 1; 1990 c 512 s 1*

471.992 EQUITABLE COMPENSATION RELATIONSHIPS.

Subdivision 1. **Establishment.** Subject to sections 179A.01 to 179A.25 and sections 177.41 to 177.44 but notwithstanding any other law to the contrary, every political subdivision of this state shall establish equitable compensation relationships between female-dominated, male-dominated, and balanced classes of employees in order to eliminate sex-based wage disparities in public employment in this state. A primary consideration in negotiating, establishing, recommending, and approving compensation is comparable work value in relationship to other employee positions within the political subdivision. This law may not be construed to limit the ability of the parties to collectively bargain in good faith.

Subd. 2. **Arbitration.** In all interest arbitration involving a class other than a balanced class held under sections 179A.01 to 179A.25, the arbitrator shall consider the equitable compensation relationship standards established in this section and the standards established under section 471.993, together with other standards appropriate to interest arbitration. The arbitrator shall consider both the results of a job evaluation study and any employee objections to the study. In interest arbitration for a balanced class, the arbitrator may consider the standards established under this section and the results of, and any employee objections to, a job evaluation study, but shall also consider similar or like classifications in other political subdivisions.

Subd. 3. [Repealed, 1990 c 512 s 13]

Subd. 4. **Collective bargaining.** In collective bargaining for a balanced class, the parties may consider the equitable compensation relationship standards established by this section and the results of a job evaluation study, but shall also consider similar or like classifications in other political subdivisions.

History: *1984 c 462 s 27; 1984 c 651 s 2; 1986 c 459 s 1; 1Sp1986 c 3 art 2 s 18; 1990 c 512 s 2-4*

471.993 COMPENSATION RELATIONSHIPS OF POSITIONS.

Subdivision 1. **Assurance of reasonable relationship.** In preparing management negotiation positions for compensation established through collective bargaining under chapter 179A and in establishing, recommending, and approving compensation plans for employees of political subdivisions not represented by an exclusive representative under chapter 179A, the respective political subdivision as the public employer, as defined in section 179A.03, subdivision 15, or, where appropriate, the Minnesota merit system, shall assure that:

(1) compensation for positions in the classified civil service, unclassified civil service, and management bear reasonable relationship to one another;

(2) compensation for positions bear reasonable relationship to similar positions outside of that particular political subdivision's employment; and

(3) compensation for positions within the employer's work force bear reasonable relationship among related job classes and among various levels within the same occupational group.

Subd. 2. **Reasonable relationship defined.** For purposes of subdivision 1, compensation for positions bear "reasonable relationship" to one another if:

(1) the compensation for positions which require comparable skill, effort, responsibility, working conditions, and other relevant work-related criteria is comparable; and

(2) the compensation for positions which require differing skill, effort, responsibility, working conditions, and other relevant work-related criteria is proportional to the skill, effort, responsibility, working conditions, and other relevant work-related criteria required.

History: *1984 c 651 s 3; 1987 c 384 art 1 s 42*

471.994 JOB EVALUATION SYSTEM.

Every political subdivision shall use a job evaluation system in order to determine the comparable work value of the work performed by each class of its employees. The system must be maintained and updated to account for new employee classes and any changes in factors affecting the comparable work value of existing classes. A political subdivision that substantially modifies its job evaluation system or adopts a new system shall notify the commissioner. The political subdivision may use the system of some other public employer in the state. Each political subdivision shall meet and confer with the exclusive representatives of their employees on the development or selection of a job evaluation system.

History: *1984 c 651 s 4; 1990 c 512 s 5*

471.995 REPORT AVAILABILITY.

Notwithstanding section 13.37, every political subdivision shall submit a report containing the results of the job evaluation system to the exclusive representatives of their employees to be used by both parties in contract negotiations. At a minimum, the report to each exclusive representative shall identify the female-dominated classes in the political subdivision for which compensation inequity exists, based on the comparable work value, and all data not on individuals used to support these findings.

History: *1984 c 651 s 5*

471.996 [Repealed, 1990 c 512 s 13]

471.9965 [Repealed, 1986 c 459 s 3]

471.9966 EFFECT ON OTHER LAW.

Notwithstanding section 179A.13, subdivision 2, it is not an unfair labor practice for a political subdivision to specify an amount of funds to be used solely to correct inequitable compensation relationships. A political subdivision may specify an amount of funds to be used for general salary increases. The provisions of sections 471.991 to 471.999 do not diminish a political subdivision's duty to bargain in good faith under chapter 179A or sections 179.35 to 179.39.

History: *1986 c 459 s 2*

471.997 HUMAN RIGHTS ACT, EVIDENCE.

The commissioner of human rights or any state court may use as evidence the results of any job evaluation system established under section 471.994 and the reports compiled under section 471.995 in any proceeding or action alleging discrimination.

History: *1984 c 651 s 8; 1989 c 223 s 2*

NOTE: See also section 363.02.

471.9975 SUITS BARRED.

No cause of action arises before August 1, 1987, for failure to comply with the requirements of Laws 1984, chapter 651.

History: *1984 c 651 s 9*

471.998 REPORT TO COMMISSIONER.

Subdivision 1. **Report on implementation plan; contents.** Every political subdivision shall report to the commissioner of employee relations by October 1, 1985, on its plan for implementation of sections 471.994 and 471.995. Each report shall include:

(1) the title of each job class which the political subdivision has established;

(2) the following information for each class as of July 1, 1984:

(a) the number of incumbents;

(b) the percentage of incumbents who are female;

(c) the comparable work value of the class, as determined under the system chosen under section 471.994; and

(d) the minimum and maximum monthly salary for the class;

(3) a description of the job evaluation system used by the political subdivision; and

(4) a plan for establishing equitable compensation relationships between female-dominated and male-dominated classes, including:

(a) identification of classes for which a compensation inequity exists based on the comparable work value;

(b) a timetable for implementation of pay equity; and

(c) the estimated cost of implementation.

Subd. 2. **Technical assistance.** The commissioner of employee relations shall, upon request of a political subdivision, provide technical assistance in completing the required reports.

Subd. 3. **Public data.** The report required by subdivision 1 is public data governed by chapter 13.

History: *1984 c 651 s 10; 1990 c 512 s 6*

471.9981 COUNTIES AND CITIES; PAY EQUITY COMPLIANCE.

Subdivision 1. **1988 report.** A home rule charter or statutory city or county, referred to in this section as a "governmental subdivision," that employs ten or more people and that did not submit a report according to section 471.998, shall submit the report by October 1, 1988, to the commissioner of employee relations.

The plan for implementing equitable compensation for the employees must provide for complete implementation not later than December 31, 1991, unless a later date has been approved by the commissioner. If a report was filed before October 1, 1987, and had an implementation date after December 31, 1991, the date in the report shall be approved by the commissioner. The plan need not contain a market study.

Subd. 2. [Repealed, 1990 c 512 s 13]

Subd. 3. [Repealed, 1990 c 512 s 13]

Subd. 4. [Repealed, 1990 c 512 s 13]

Subd. 5. [Repealed, 1990 c 512 s 13]

Subd. 5a. **Implementation report.** By January 31, 1992, each political subdivision shall submit to the commissioner an implementation report that includes the following information as of December 31, 1991:

(1) a list of all job classes in the political subdivision;

(2) the number of employees in each class;

(3) the number of female employees in each class;

(4) an identification of each class as male-dominated, female-dominated, or balanced as defined in section 471.991;

(5) the comparable work value of each class as determined by the job evaluation used by the subdivision in accordance with section 471.994;

(6) the minimum and maximum salary for each class, if salary ranges have been established, and the amount of time in employment required to qualify for the maximum;

(7) any additional cash compensation, such as bonuses or lump-sum payments, paid to the members of a class; and

(8) any other information requested by the commissioner.

If a subdivision fails to submit a report, the commissioner shall find the subdivision not in compliance with subdivision 6 and shall impose the penalty prescribed by that subdivision.

Subd. 5b. **Public data.** The implementation report required by subdivision 5a is public data governed by chapter 13.

Subd. 6. **Penalty for failure to implement plan.** (a) The commissioner of employee relations shall review the implementation report submitted by a governmental subdivision to determine whether the subdivision has established equitable compensation relationships as required by section 471.992, subdivision 1, by December 31, 1991, or the later date approved by the commissioner. The commissioner shall notify a subdivision found to have achieved compliance with section 471.992, subdivision 1.

(b) If the commissioner finds that the subdivision is not in compliance based on the information contained in the implementation report required by section 471.9981, subdivision 5a, the commissioner shall notify the subdivision of the basis for the finding. The notice must include a detailed description of the basis for the finding, specific recommended actions to achieve compliance, and an estimated cost of compliance. If the subdivision disagrees with the finding, it shall notify the commissioner, who shall provide a specified time period in which to submit additional evidence in support of its claim that it is in compliance. The commissioner shall consider at least the following additional information in reconsidering whether the subdivision is in compliance:

(1) recruitment difficulties;

(2) retention difficulties;

(3) recent arbitration awards that are inconsistent with equitable compensation relationships; and

(4) information that can demonstrate a good-faith effort to achieve compliance and continued progress toward compliance, including any constraints the subdivision faces.

The subdivision shall also present a plan for achieving compliance and a date for additional review by the commissioner.

(c) If the subdivision does not make the changes to achieve compliance within a reasonable time set by the commissioner, the commissioner shall notify the subdivision and the commissioner of revenue that the subdivision is subject to a five percent reduction in the aid that would otherwise be payable to that governmental subdivision under section 124A.23, 273.1398, or sections 477A.011 to 477A.014, or to a fine of $100 a day, whichever is greatest. The commissioner of revenue shall enforce the penalty beginning in calendar year 1992 or in the first calendar year beginning after the date for implementation of the plan of a governmental subdivision for which the commissioner of employee relations has approved an implementation date later than December 31, 1991. However, the commissioner of revenue may not enforce a penalty until after the end of the first regular legislative session after a report listing the subdivision as not in compliance has been submitted to the legislature under section 471.999. The penalty remains in effect until the subdivision achieves compliance. The commissioner of employee relations may suspend the penalty upon making a finding that the failure to implement was attributable to circumstances beyond the control of the governmental subdivision or to severe hardship, or that noncompliance results from factors unrelated to the sex of the members dominating the affected classes and that the subdivision is taking substantial steps to achieve compliance to the extent possible.

Subd. 7. **Appeal.** A governmental subdivision may appeal the imposition of a penalty under subdivision 6 by filing a notice of appeal with the commissioner of employee relations within 30 days of the commissioner's notification to the subdivision of the penalty. An appeal must be heard as a contested case under sections 14.57 to 14.62. No penalty may be imposed while an appeal is pending.

History: *1988 c 702 s 15; 1990 c 512 s 7-10*

471.999 REPORT TO LEGISLATURE.

The commissioner of employee relations shall report to the legislature by January 1 of each year on the status of compliance with section 471.992, subdivision 1, by governmental subdivisions.

The report must include a list of the political subdivisions in compliance with section 471.992, subdivision 1, and the estimated cost of compliance. The report must also include a list of political subdivisions found by the commissioner to be not in compliance, the basis for that finding, recommended changes to achieve compliance, estimated cost of compliance, and recommended penalties, if any. The commissioner's report must include a list of subdivisions that did not comply with the reporting requirements of this section. The commissioner may request, and a subdivision shall provide, any additional information needed for the preparation of a report under this subdivision.

History: *1984 c 651 s 11; 1990 c 512 s 11*

471.9995 RENTAL DWELLING NOTICE.

Any license or registration or certificate of occupancy or a similar document that is issued by a home rule charter or statutory city or by a town and that is required to be posted in a building containing multiple rental dwelling units shall contain a statement that tenants of the dwelling units may contact the attorney general for information regarding the rights and obligations of owners and tenants under state law. The statement shall include the telephone number and address of the attorney general.

History: *1984 c 586 s 6*

471.9996 RENT CONTROL PROHIBITED.

Subdivision 1. **In general.** No statutory or home rule charter city, county, or town may adopt or renew by ordinance or otherwise any law to control rents on private residential property except as provided in subdivision 2. This section does not impair the right of any statutory or home rule charter city, county, or town:

(1) to manage or control property in which it has a financial interest through a housing authority or similar agency;

(2) to contract with a property owner;

(3) to act as required or authorized by laws or regulations of the United States government or this state; or

(4) to mediate between property owners and tenants for the purpose of negotiating rents.

Subd. 2. **Exception.** Subdivision 1 does not preclude a statutory or home rule charter city, county, or town from controlling rents on private residential property to the extent that the city, county, or town has the power to adopt an ordinance, charter amendment, or law to control these rents if the ordinance, charter amendment, or law that controls rents is approved in a general election. Subdivision 1 does not limit any power or authority of the voters of a statutory or home rule charter city, county, or town to petition for an ordinance or charter amendment to control rents on private residential property to the extent that the power or authority is otherwise provided for by law, and if the ordinance or charter amendment is approved in a general election. This subdivision does not grant any additional power or authority to the citizens of a statutory or home rule charter city, county, or town to vote on any question beyond that contained in other law.

Subdivision 1 does not apply to any statutory city unless the citizens of the statutory city have the authority to vote on the issue of rent control granted by other law.

History: *1984 c 551 s 1*