

CHAPTER 471

MUNICIPAL RIGHTS, POWERS, DUTIES

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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 or an electronic transaction record, 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.

[For text of subs 2 to 3a, see M.S.2000]

History: 2001 c 13 s 1

471.381 CITY AND COUNTY OBLIGATIONS AND PAYMENTS.

Subdivision 1. **Payment methods.** Payments of claims and obligations of a statutory or home rule charter city or county may be made by warrant, check, or all forms of electronic or wire funds transfer. If the city or county may make investments, it may make electronic or wire transfers of funds notwithstanding any other law to the contrary.

Subd. 2. **Authority to accept payment by credit card or other methods.** A statutory or home rule charter city or a county may accept payment by use of a credit card, debit card, or all forms of electronic or wire funds transfer. Subject to any other law to the contrary, the city or county may add to the amount due a service charge for the acceptance of a payment method authorized in this subdivision. The city or county shall adopt policies and procedures regarding the payments. The payment of property taxes by credit card is subject to section 276.02.

Subd. 3. **Electronic approval.** "Electronic approval" means any electronic identifier intended by the person making, executing, or adopting it to authenticate and validate a city or county administrative action. Notwithstanding any other general or special law to the contrary, a statutory or home rule charter city or a county may use electronic approvals, which have the same validity and consequences as an actual signature. The city or county must establish policies and procedures to ensure the validity of electronic approvals.

History: 2001 c 13 s 2

471.382 CREDIT CARDS.

A city council or town board may authorize the use of a credit card by any city or town officer or employee otherwise authorized to make a purchase on behalf of the city or town. If a city or town officer or employee makes or directs a purchase by credit

card that is not approved by the city council or town board, the officer or employee is personally liable for the amount of the purchase. A purchase by credit card must otherwise comply with all statutes, rules, or city or town policy applicable to city or town purchases.

History: 2001 c 13 s 3

471.49 DEFINITIONS.

[For text of subs 1 to 9, see M.S.2000]

Subd. 10. **Public accountant.** "Public accountant" means a certified public accountant or a certified public accounting firm licensed by the board of accountancy under chapter 326A.

History: 2001 c 109 art 2 s 8

NOTE: The amendment to subdivision 10 by Laws 2001, chapter 109, article 2, section 8, is effective January 1, 2003. Laws 2001, chapter 109, article 2, section 10.

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, paragraph (b), 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: 1Sp2001 c 5 art 6 s 37

471.59 JOINT EXERCISE OF POWERS.

[For text of subs 1 to 10, see M.S.2000]

Subd. 11. **Joint powers board.** (a) 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 under 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 established under this section may issue obligations and other forms of indebtedness only in accordance with express authority granted by the action of the governing bodies of the governmental units that established the joint board. Except as provided in paragraphs (b) and (c), the joint board established under this subdivision must be composed solely of members of the governing bodies of the governmental unit that established the joint board. A joint board established under this subdivision may not pledge the full faith and credit or taxing power of any of the governmental units that established the joint board. The obligations or other forms of indebtedness must be obligations of the joint board issued on behalf of the governmental units creating the joint board. The obligations or other forms of indebtedness must be issued in the same manner and subject to the same conditions and limitations that would apply if the obligations were issued or indebtedness incurred by one of the governmental units that 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 is considered a reference to the joint board.

(b) Notwithstanding paragraph (a), one school district, one county, and one public health entity, through action of their governing bodies, may establish a joint board to establish and govern a family services collaborative under section 124D.23. The school district, county, and public health entity may include other governmental entities at their discretion. The membership of a board established under this paragraph, in addition to members of the governing bodies of the participating governmental units, must include the representation required by section 124D.23, subdivision 1, paragraph (a), selected in accordance with section 124D.23, subdivision 1, paragraph (c).

(c) Notwithstanding paragraph (a), counties, school districts, and mental health entities, through action of their governing bodies, may establish a joint board to establish and govern a children's mental health collaborative under sections 245.491 to 245.496, or a collaborative established by the merger of a children's mental health collaborative and a family services collaborative under section 124D.23. The county, school district, and mental health entities may include other entities at their discretion. The membership of a board established under this paragraph, in addition to members of the governing bodies of the participating governmental units, must include the representation provided by section 245.493, subdivision 1.

[For text of subs 12 and 13, see M.S.2000]

History: 2001 c 7 s 78

471.617 SELF-INSURANCE OF EMPLOYEE HEALTH BENEFITS.

Subdivision 1. **If more than 100 employees; conditions.** 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 must be certified as provided by section 62E.05 and must be filed and certified by the department of commerce before they are issued or delivered to any person in this state.

[For text of subs 2 to 6, see M.S.2000]

History: 2001 c 215 s 40

471.6995 EXTENSION OF FINANCIAL REPORT FILING TIME LIMITS; DISASTER AREAS.

The time limit by which financial reports are required to be filed under section 471.697 or 471.698, is extended by 90 days for any city or town located in whole or in part within a presidentially declared disaster area, if the time period for which the area is so designated includes at least one of the 30 days immediately preceding the time limit.

History: 1Sp2001 c 5 art 20 s 17

471.88 EXCEPTIONS.

[For text of subd 1, see M.S.2000]

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 118A; 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;

[For text of subs 3 to 15, see M.S.2000]

Subd. 17. Federal or state grant programs. The governing body may apply for and accept a state or federal grant for housing, community, or economic development in which a public officer may benefit, if the public officer abstains from voting on measures related to the grant.

Subd. 18. Small cities in St. Louis county; certain federal funding programs. If a city with a population of 5,000 or less in St. Louis county administers a loan or grant program with community development block grant funds or federal economic development administration funds for property owners within the geographic boundaries of the city, the city may make a grant or loan from these funds to a public officer of the city who applies, if the public officer first discloses, as part of the official minutes of a meeting of the city, that the public officer has applied for the funds and the public officer abstains from voting on the public officer's application.

History: 2001 c 7 s 90; 2001 c 132 s 1,2

471.895 CERTAIN GIFTS BY INTERESTED PERSONS PROHIBITED.

[For text of subs 1 and 2, see M.S.2000]

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 or offered to the other members of the group;
- (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; or
- (3) by a national or multistate organization of governmental organizations or public officials, if a majority of the dues to the organization are paid from public funds, to attendees at a conference sponsored by that organization, if the gift is food or a beverage given at a reception or meal and an equivalent gift is given or offered to all other attendees.

History: 2001 c 93 s 1

471.981 SELF-INSURANCE COVERAGE BY POLITICAL SUBDIVISION.

[For text of subs 1 to 4a, see M.S.2000]

Subd. 4b. Pool may issue bonds. A self-insurance pool may issue bonds which are general obligations of the self-insurance pool or revenue bonds secured by insurance installment purchase agreements of the participating political subdivisions issued pursuant to subdivision 4a. The pool, with the approval of the governing body of each

participating political subdivision, shall fix the total amount needed for the procurement of insurance and shall apportion to each participating political subdivision the political subdivision'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. Notwithstanding any limitations set forth under section 475.52, or any other general or special law or charter to the contrary, a political subdivision may issue revenue bonds or other obligations to provide funds for the purposes, including self-insurance, authorized by this section. Any other law notwithstanding, bonds or other obligations issued under this subdivision may be sold at public or private 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. Notwithstanding any limitation imposed by section 475.54, the obligations shall mature in the years the issuer determines. In addition to permitted uses described above, proceeds of obligations issued pursuant to this subdivision may be used to establish a debt service reserve for the obligations, pay costs of issuing the bonds or to refund obligations previously issued pursuant to this subdivision. An issuer of bonds authorized under this subdivision may designate a bank or trust company authorized to exercise trust powers in this state as trustee for the holders of obligations issued pursuant to this subdivision and may create funds and accounts necessary to secure payment of the obligations. Sales proceeds of bonds issued under this subdivision, except for sales proceeds used to pay costs of issuing the bonds shall be invested so that the average life of the investments exceeds the average life of the bonds. The proceeds from bonds issued under this subdivision must be held in trust and may only be paid to the self-insurer according to the schedule of payments set forth in the trust instruments.

A qualified actuary shall certify that the amount of the scheduled payment does not exceed the amount necessary to meet the obligation of the self-insurer at the time payment is scheduled to be made.

Notwithstanding the investment limitations imposed in chapters 118A and 475, proceeds of bonds issued pursuant to this subdivision, and debt service funds and reserves held in connection with them shall be invested solely in governmental bonds, notes, bills, and other securities, which are direct obligations or are guaranteed or insured issues of the United States, its agencies, its instrumentalities, or organizations created by act of Congress, excluding mortgage-backed securities.

If required by the resolution authorizing the issuance of obligations pursuant to this subdivision, the governing body of each participating political subdivision 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.

[For text of subs 4c to 6, see M.S.2000]

History: 2001 c 7 s 90