

1.1 A bill for an act

1.2 relating to public finance; providing terms and conditions relating to issuance
1.3 of obligations and financing of public improvements; modifying restrictions
1.4 on mail elections; providing for the application of a deposit by the city of St.
1.5 Paul; increasing Cook County bonding authorization; eliminating a restriction
1.6 on the city of Minneapolis; amending Minnesota Statutes 2008, sections
1.7 37.31, subdivision 8; 126C.55, subdivision 4; 204B.46; 360.036, subdivision
1.8 2; 366.095, subdivision 1; 373.47, subdivision 1; 446A.086, by adding a
1.9 subdivision; 469.005, subdivision 1; 469.015, subdivisions 1, 2, 3; 469.034,
1.10 subdivision 2; 469.040, subdivisions 2, 4; 469.153, subdivision 2; 471.191,
1.11 subdivision 1; 474A.02, subdivisions 2, 14; 475.67, subdivision 8; Laws 1971,
1.12 chapter 773, section 4, as amended; Laws 2008, chapter 366, article 7, section
1.13 18, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter
1.14 16A; repealing Laws 1959, chapter 577, sections 1, 2, 3, 4.

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

1.16 Section 1. **[16A.647] TAX CREDIT AND INTEREST SUBSIDY BONDS.**

1.17 Subdivision 1. Authority to issue. When authorized by law to issue state general
1.18 obligation bonds, the commissioner may issue all or part of the bonds as tax credit bonds
1.19 or as interest subsidy bonds or a combination of the two. The provisions of section
1.20 16A.695 do not apply to bonds issued as tax credit bonds or interest subsidy bonds.

1.21 Subd. 2. Definitions. (a) For purposes of this section, the following terms have
1.22 the meanings given them.

1.23 (b) "Tax credit bonds" means bonds, the interest on which is includable in the
1.24 income of the owner of the bonds for federal income tax purposes, but for which the
1.25 owner is entitled to a federal tax credit.

1.26 (c) "Interest subsidy bonds" means bonds, the interest on which is includable in the
1.27 income of the owner of the bonds for federal income tax purposes, but for which the

2.1 issuer is entitled to federal interest subsidy payments based on a percentage of the interest
2.2 payable on the interest subsidy bonds.

2.3 Subd. 3. **Method of sale.** Notwithstanding the provisions of section 16A.641,
2.4 subdivision 4, the commissioner may sell any series of tax credit bonds or interest
2.5 subsidy bonds at negotiated sale upon the terms and conditions and the restrictions the
2.6 commissioner prescribes, but the commissioner may contract for investment banking
2.7 and banking services only after receiving competitive proposals for the services. The
2.8 commissioner may enter into all contracts deemed necessary or desirable to accomplish
2.9 the sale in a cost-effective manner.

2.10 Subd. 4. **Sinking fund.** The commissioner's order authorizing the issuance of
2.11 interest subsidy bonds must establish a separate sinking fund account for the interest
2.12 subsidy bonds in the state bond fund. There is annually appropriated, as received, to each
2.13 interest subsidy bond account, in addition to amounts appropriated under section 16A.641,
2.14 the interest subsidy payments received from the federal government with respect to that
2.15 issue of interest subsidy bonds in that year.

2.16 Subd. 5. **Sale.** Tax credit bonds and interest subsidy bonds must be sold at a price
2.17 not less than 98 percent of their stated principal amount. No state trunk highway bond
2.18 may be sold for a price of less than par and accrued interest.

2.19 Sec. 2. Minnesota Statutes 2008, section 37.31, subdivision 8, is amended to read:

2.20 Subd. 8. **Expiration.** The authority to issue bonds, other than bonds to refund
2.21 outstanding bonds, under this section expires July 1, ~~2009~~ 2015.

2.22 Sec. 3. Minnesota Statutes 2008, section 126C.55, subdivision 4, is amended to read:

2.23 Subd. 4. **Pledge of district's full faith and credit.** If, at the request of a school
2.24 district or intermediate school district, the state has paid part or all of the principal or
2.25 interest due on a district's debt obligation on a specific date, the pledge of the full faith and
2.26 credit and unlimited taxing powers of the school district or the member districts of the
2.27 intermediate district to repay the principal and interest due on those debt obligations shall
2.28 also, without an election or the requirement of a further authorization, become a pledge of
2.29 the full faith and credit and unlimited taxing powers of the school district or the member
2.30 districts of the intermediate district to repay to the state the amount paid, with interest.
2.31 Amounts paid by the state must be repaid in the order in which the state payments were
2.32 made. Whenever the state pays under this section interest on bonds for which the issuer is
2.33 entitled to federal interest subsidy payments, the state is subrogated to the issuer's rights to

3.1 any federal interest subsidy payments relating to the interest paid by the state, unless and
3.2 until the state has been reimbursed by the issuer in full.

3.3 Sec. 4. Minnesota Statutes 2008, section 204B.46, is amended to read:

3.4 **204B.46 MAIL ELECTIONS; QUESTIONS.**

3.5 A county, municipality, or school district submitting questions to the voters at a
3.6 special election may conduct an election by mail with no polling place other than the office
3.7 of the auditor or clerk. ~~No more than two questions may be submitted at a mail election~~
3.8 ~~and no offices may be voted on at a mail election.~~ Notice of the election must be given
3.9 to the county auditor at least 53 days prior to the election. This notice shall also fulfill
3.10 the requirements of Minnesota Rules, part 8210.3000. The special mail ballot procedures
3.11 must be posted at least six weeks prior to the election. No earlier than 20 or later than 14
3.12 days prior to the election, the auditor or clerk shall mail ballots by nonforwardable mail
3.13 to all voters registered in the county, municipality, or school district. Eligible voters not
3.14 registered at the time the ballots are mailed may apply for ballots pursuant to chapter 203B.

3.15 Sec. 5. Minnesota Statutes 2008, section 360.036, subdivision 2, is amended to read:

3.16 Subd. 2. **Issuance of bonds.** (a) Bonds to be issued by a municipality under sections
3.17 360.011 to 360.076, shall be authorized and issued in the manner and within the limitation
3.18 prescribed by laws or the charter of the municipality for the issuance and authorization of
3.19 bonds for public purposes generally, except as provided in paragraphs (b) and (c).

3.20 (b) No election is required to authorize the issuance of the bonds if:

3.21 (1) a board organized under section 360.042 recommends by a resolution adopted
3.22 by a vote of not less than 60 percent of its members the issuance of bonds, and the
3.23 bonds are authorized by a resolution of the governing body of each of the municipalities
3.24 acting jointly pursuant to section 360.042, adopted by a vote of not less than 60 percent
3.25 of its members; ~~or~~

3.26 (2) the bonds are authorized by a resolution of the governing body of the
3.27 municipality, adopted by a vote of not less than 60 percent of its members; or

3.28 (3) the bonds are being issued for the purpose of financing the costs of constructing,
3.29 enlarging, or improving airports and other air navigation facilities; and

3.30 (i) the governing body estimates that passenger facility charges and other revenues
3.31 pledged to the payment thereof will be at least 20 percent of the debt service payable
3.32 on the bonds in any year;

3.33 (ii) the project will be funded in part by a state or federal grant for airport
3.34 development; and

4.1 (iii) the principal amount of the bonds issued under this clause does not exceed 25
4.2 percent of the amount of the state or federal grant.

4.3 (c) If the bonds are general obligations of the municipality, the levy of taxes required
4.4 by section 475.61 to pay principal and interest on the bonds is not included in computing
4.5 or applying any levy limitation applicable to the municipality.

4.6 Sec. 6. Minnesota Statutes 2008, section 366.095, subdivision 1, is amended to read:

4.7 Subdivision 1. **Certificates of indebtedness.** The town board may issue certificates
4.8 of indebtedness within the debt limits for a town purpose otherwise authorized by law.
4.9 The certificates shall be payable in not more than ~~five~~ ten years and be issued on the terms
4.10 and in the manner as the board may determine. If the amount of the certificates to be
4.11 issued exceeds 0.25 percent of the market value of the town, they shall not be issued for at
4.12 least ten days after publication in a newspaper of general circulation in the town of the
4.13 board's resolution determining to issue them. If within that time, a petition asking for an
4.14 election on the proposition signed by voters equal to ten percent of the number of voters
4.15 at the last regular town election is filed with the clerk, the certificates shall not be issued
4.16 until their issuance has been approved by a majority of the votes cast on the question at
4.17 a regular or special election. A tax levy shall be made to pay the principal and interest
4.18 on the certificates as in the case of bonds.

4.19 Sec. 7. Minnesota Statutes 2008, section 373.47, subdivision 1, is amended to read:

4.20 Subdivision 1. **Authority to incur debt.** Subject to prior approval by the Statewide
4.21 Radio Board under section 403.36, the governing body of a county may finance the cost of
4.22 designing, constructing, and acquiring public safety communication system infrastructure
4.23 and equipment for use on the statewide, shared public safety radio system by issuing:

4.24 (1) capital improvement bonds under section 373.40, as if the infrastructure and
4.25 equipment qualified as a "capital improvement" within the meaning of section 373.40,
4.26 subdivision 1, paragraph (b), bonds issued under this section are exempt from and shall
4.27 not be included in calculating the limitations in section 373.40, subdivision 4; and

4.28 (2) capital notes under the provisions of section 373.01, subdivision 3, as if the
4.29 equipment qualified as "capital equipment" within the meaning of section 373.01,
4.30 subdivision 3.

4.31 **EFFECTIVE DATE.** This section is effective the day following final enactment,
4.32 and applies to bonds issued after May 22, 2002.

5.1 Sec. 8. Minnesota Statutes 2008, section 446A.086, is amended by adding a
5.2 subdivision to read:

5.3 Subd. 12. **Federal interest subsidy payments.** Whenever the state pays under
5.4 this section interest on bonds for which the issuer is entitled to federal interest subsidy
5.5 payments, the state is subrogated to the issuer's rights to any federal interest subsidy
5.6 payments relating to the interest paid by the state, unless and until the state has been
5.7 reimbursed by the issuer in full.

5.8 Sec. 9. Minnesota Statutes 2008, section 469.005, subdivision 1, is amended to read:

5.9 Subdivision 1. **County and multicounty authorities.** The area of operation of a
5.10 county authority shall include all of the county for which it is created, and in case of
5.11 a multicounty authority, it shall include all of the political subdivisions for which the
5.12 multicounty authority is created; provided, that a county authority or a multicounty
5.13 authority shall not undertake any project within the boundaries of any city which has not
5.14 empowered the authority to function therein as provided in section 469.004 unless a
5.15 resolution has been adopted by the governing body of the city, ~~and by any authority which~~
5.16 ~~has been established in the city,~~ declaring that there is a need for the county or multicounty
5.17 authority to exercise its powers in the city. A resolution is not required for the operation of
5.18 a Section 8 program or a public housing scattered site project.

5.19 Sec. 10. Minnesota Statutes 2008, section 469.015, subdivision 1, is amended to read:

5.20 Subdivision 1. **Bids; notice.** All construction work, and work of demolition or
5.21 clearing, and every purchase of equipment, supplies, or materials, necessary in carrying
5.22 out the purposes of sections 469.001 to 469.047, ~~that involve expenditure of \$50,000 or~~
5.23 ~~more~~ shall be awarded by contract as provided in section 471.345. Before receiving
5.24 bids under section 471.345, subdivision 3, the authority shall publish, once a week for
5.25 two consecutive weeks in an official newspaper of general circulation in the community a
5.26 notice that bids will be received for that construction work, or that purchase of equipment,
5.27 supplies, or materials. The notice shall state the nature of the work and the terms and
5.28 conditions upon which the contract is to be let, naming a time and place where bids will
5.29 be received, opened and read publicly, which time shall be not less than seven days after
5.30 the date of the last publication. After the bids have been received, opened and read
5.31 publicly and recorded, the authority shall award the contract to the lowest responsible
5.32 bidder, provided that the authority reserves the right to reject any or all bids. Each
5.33 contract shall be executed in writing, and the person to whom the contract is awarded
5.34 shall give sufficient bond to the authority for its faithful performance. If no satisfactory

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6.1 bid is received, the authority may readvertise. The authority may establish reasonable
6.2 qualifications to determine the fitness and responsibility of bidders and to require bidders
6.3 to meet the qualifications before bids are accepted.

6.4 Sec. 11. Minnesota Statutes 2008, section 469.015, subdivision 2, is amended to read:

6.5 Subd. 2. **Exception; emergency.** If the authority by a vote of four-fifths of its
6.6 members shall declare that an emergency exists requiring the immediate purchase of
6.7 any equipment or material or supplies at a cost in excess of ~~\$50,000 but not exceeding~~
6.8 ~~\$75,000~~ the amount provided in section 471.345, or making of emergency repairs, it shall
6.9 not be necessary to advertise for bids, but the material, equipment, or supplies may be
6.10 purchased in the open market at the lowest price obtainable, or the emergency repairs may
6.11 be contracted for or performed without securing formal competitive bids. An emergency,
6.12 for purposes of this subdivision, shall be understood to be unforeseen circumstances or
6.13 conditions which result in the placing in jeopardy of human life or property.

6.14 Sec. 12. Minnesota Statutes 2008, section 469.015, subdivision 3, is amended to read:

6.15 Subd. 3. **Performance and payment bonds.** Performance and payment bonds shall
6.16 be required from contractors for any works of construction as provided in and subject to
6.17 all the provisions of sections 574.26 to 574.31 ~~except for contracts entered into by an~~
6.18 ~~authority for an expenditure of less than \$50,000.~~

6.19 Sec. 13. Minnesota Statutes 2008, section 469.034, subdivision 2, is amended to read:

6.20 Subd. 2. **General obligation revenue bonds.** (a) An authority may pledge the
6.21 general obligation of the general jurisdiction governmental unit as additional security for
6.22 bonds payable from income or revenues of the project or the authority. The authority
6.23 must find that the pledged revenues will equal or exceed 110 percent of the principal and
6.24 interest due on the bonds for each year. The proceeds of the bonds must be used for a
6.25 qualified housing development project or projects. The obligations must be issued and
6.26 sold in the manner and following the procedures provided by chapter 475, except the
6.27 obligations are not subject to approval by the electors, and the maturities may extend to
6.28 not more than 35 years for obligations sold to finance housing for the elderly and 40 years
6.29 for other obligations issued under this subdivision. The authority is the municipality for
6.30 purposes of chapter 475.

6.31 (b) The principal amount of the issue must be approved by the governing body of
6.32 the general jurisdiction governmental unit whose general obligation is pledged. Public
6.33 hearings must be held on issuance of the obligations by both the authority and the general

7.1 jurisdiction governmental unit. The hearings must be held at least 15 days, but not more
7.2 than 120 days, before the sale of the obligations.

7.3 (c) The maximum amount of general obligation bonds that may be issued and
7.4 outstanding under this section equals the greater of (1) one-half of one percent of
7.5 the taxable market value of the general jurisdiction governmental unit whose general
7.6 obligation is pledged, or (2) \$3,000,000. In the case of county or multicounty general
7.7 obligation bonds, the outstanding general obligation bonds of all cities in the county
7.8 or counties issued under this subdivision must be added in calculating the limit under
7.9 clause (1).

7.10 (d) "General jurisdiction governmental unit" means the city in which the housing
7.11 development project is located. In the case of a county or multicounty authority, the
7.12 county or counties may act as the general jurisdiction governmental unit. In the case of
7.13 a multicounty authority, the pledge of the general obligation is a pledge of a tax on the
7.14 taxable property in each of the counties.

7.15 (e) "Qualified housing development project" means a housing development project
7.16 providing housing either for the elderly or for individuals and families with incomes not
7.17 greater than 80 percent of the median family income as estimated by the United States
7.18 Department of Housing and Urban Development for the standard metropolitan statistical
7.19 area or the nonmetropolitan county in which the project is located. The project must be
7.20 owned for the term of the bonds either by the authority or by a limited partnership or other
7.21 entity in which the authority or another entity under the sole control of the authority is the
7.22 sole general partner and the partnership or other entity must receive (1) an allocation from
7.23 the Department of Finance or an entitlement issuer of tax-exempt bonding authority for
7.24 the project and a preliminary determination by the Minnesota Housing Finance Agency
7.25 or the applicable suballocator of tax credits that the project will qualify for four percent
7.26 low-income housing tax credits or (2) a reservation of nine percent low-income housing
7.27 tax credits from the Minnesota Housing Finance Agency or a suballocator of tax credits
7.28 for the project. A qualified housing development project may admit nonelderly individuals
7.29 and families with higher incomes if:

7.30 (1) three years have passed since initial occupancy;

7.31 (2) the authority finds the project is experiencing unanticipated vacancies resulting in
7.32 insufficient revenues, because of changes in population or other unforeseen circumstances
7.33 that occurred after the initial finding of adequate revenues; and

7.34 (3) the authority finds a tax levy or payment from general assets of the general
7.35 jurisdiction governmental unit will be necessary to pay debt service on the bonds if higher
7.36 income individuals or families are not admitted.

8.1 (f) The authority may issue bonds to refund bonds issued under this subdivision in
8.2 accordance with section 475.67. The finding of the adequacy of pledged revenues required
8.3 by paragraph (a) and the public hearing required by paragraph (b) shall not apply to the
8.4 issuance of refunding bonds. This paragraph applies to refunding bonds issued on and
8.5 after July 1, 1992.

8.6 Sec. 14. Minnesota Statutes 2008, section 469.040, subdivision 2, is amended to read:

8.7 Subd. 2. **Leased property, exception.** Notwithstanding the provisions of
8.8 subdivision 1, any property other than property to be operated as a parking facility that
8.9 the authority leases to private individuals or corporations for development in connection
8.10 with a redevelopment project shall have the same tax status as if the leased property were
8.11 owned by the private individuals or corporations. This subdivision does not apply to
8.12 leases by the authority to individuals or families for residential use.

8.13 **EFFECTIVE DATE.** This section applies to housing projects and housing
8.14 development projects constructed or acquired by an authority after July 1, 1987, for
8.15 property taxes payable in 2010 and thereafter.

8.16 Sec. 15. Minnesota Statutes 2008, section 469.040, subdivision 4, is amended to read:

8.17 Subd. 4. **Facilities funded from multiple sources.** In the metropolitan area, as
8.18 defined in section 473.121, subdivision 2, the tax treatment provided in subdivision 3
8.19 applies to that portion of any multifamily rental housing facility represented by the ratio of
8.20 (1) the number of units in the facility that are ~~subject to the requirements of~~ constructed
8.21 with funds provided under Section 5 of the United States Housing Act of 1937, and are
8.22 receiving operating subsidy under Section 5 or rental assistance under Section 8 of the
8.23 United States Housing Act of 1937 as the result of the implementation of a federal court
8.24 order or consent decree to (2) the total number of units within the facility.

8.25 The housing and redevelopment authority for the city in which the facility is located,
8.26 any public entity exercising the powers of such housing and redevelopment authority, or
8.27 the county housing and redevelopment authority for the county in which the facility is
8.28 located, shall annually certify to the assessor responsible for assessing the facility, at the
8.29 time and in the manner required by the assessor, the number of units in the facility that
8.30 are ~~subject to the requirements of~~ constructed with funds provided under Section 5 of the
8.31 United States Housing Act of 1937, and are receiving operating subsidy under Section 5
8.32 or rental assistance under Section 8 of the United States Housing Act of 1937.

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9.1 Nothing in this subdivision shall prevent that portion of the facility not subject to
9.2 this subdivision from meeting the requirements of section 273.128, and for that purpose
9.3 the total number of units in the facility must be taken into account.

9.4 Sec. 16. Minnesota Statutes 2008, section 469.153, subdivision 2, is amended to read:

9.5 Subd. 2. **Project.** (a) "Project" means (1) any properties, real or personal, used
9.6 or useful in connection with a revenue producing enterprise, or any combination of
9.7 two or more such enterprises engaged or to be engaged in generating, transmitting, or
9.8 distributing electricity, assembling, fabricating, manufacturing, mixing, processing,
9.9 storing, warehousing, or distributing any products of agriculture, forestry, mining, or
9.10 manufacture, or in research and development activity in this field, or in the manufacturing,
9.11 creation, or production of intangible property, including any patent, copyright, formula,
9.12 process, design, know how, format, or other similar item; (2) any properties, real or
9.13 personal, used or useful in the abatement or control of noise, air, or water pollution, or in
9.14 the disposal of solid wastes, in connection with a revenue producing enterprise, or any
9.15 combination of two or more such enterprises engaged or to be engaged in any business
9.16 or industry; (3) any properties, real or personal, used or useful in connection with the
9.17 business of telephonic communications, conducted or to be conducted by a telephone
9.18 company, including toll lines, poles, cables, switching, and other electronic equipment
9.19 and administrative, data processing, garage, and research and development facilities;
9.20 (4) any properties, real or personal, used or useful in connection with a district heating
9.21 system, consisting of the use of one or more energy conversion facilities to produce hot
9.22 water or steam for distribution to homes and businesses, including cogeneration facilities,
9.23 distribution lines, service facilities, and retrofit facilities for modifying the user's heating
9.24 or water system to use the heat energy converted from the steam or hot water.

9.25 (b) "Project" also includes any properties, real or personal, used or useful in
9.26 connection with a revenue producing enterprise, or any combination of two or more
9.27 such enterprises engaged in any business.

9.28 (c) "Project" also includes any properties, real or personal, used or useful for the
9.29 promotion of tourism in the state. Properties may include hotels, motels, lodges, resorts,
9.30 recreational facilities of the type that may be acquired under section 471.191, and related
9.31 facilities.

9.32 (d) "Project" also includes any properties, real or personal, used or useful in
9.33 connection with a revenue producing enterprise, whether or not operated for profit,
9.34 engaged in providing health care services, including hospitals, nursing homes, and related
9.35 medical facilities.

10.1 (e) "Project" does not include any property to be sold or to be affixed to or consumed
10.2 in the production of property for sale, and does not include any housing facility to be
10.3 rented or used as a permanent residence.

10.4 (f) "Project" also means the activities of any revenue producing enterprise involving
10.5 the construction, fabrication, sale, or leasing of equipment or products to be used in
10.6 gathering, processing, generating, transmitting, or distributing solar, wind, geothermal,
10.7 biomass, agricultural or forestry energy crops, or other alternative energy sources for
10.8 use by any person or any residential, commercial, industrial, or governmental entity in
10.9 heating, cooling, or otherwise providing energy for a facility owned or operated by that
10.10 person or entity.

10.11 (g) "Project" also includes any properties, real or personal, used or useful in
10.12 connection with a county jail, county regional jail, community corrections facilities
10.13 authorized by chapter 401, or other law enforcement facilities, the plans for which are
10.14 approved by the commissioner of corrections; provided that the provisions of section
10.15 469.155, subdivisions 7 and 13, do not apply to those projects.

10.16 (h) "Project" also includes any real properties used or useful in furtherance of the
10.17 purpose and policy of section 469.141.

10.18 (i) "Project" also includes related facilities as defined by section 471A.02,
10.19 subdivision 11.

10.20 (j) "Project" also includes an undertaking to purchase the obligations of local
10.21 governments located in whole or in part within the boundaries of the municipality that are
10.22 issued or to be issued for public purposes.

10.23 Sec. 17. Minnesota Statutes 2008, section 471.191, subdivision 1, is amended to read:

10.24 Subdivision 1. **Lease to nonprofit.** Any city operating a program of public
10.25 recreation and playgrounds pursuant to sections 471.15 to 471.19 may acquire or lease,
10.26 equip, and maintain land, buildings, and other recreational facilities, including, but
10.27 without limitation, outdoor or indoor swimming pools, skating rinks and arenas, athletic
10.28 fields, golf courses, marinas, concert halls, museums, and facilities for other kinds of
10.29 athletic or cultural participation, contests, conventions, conferences, and exhibitions,
10.30 together with related automobile parking facilities as defined in section 459.14, and may
10.31 expend funds for the operation of such program and borrow and expend funds for capital
10.32 costs thereof pursuant to the provisions of this section. A school district operating a
10.33 program of public recreation and playgrounds has the rights provided in this section. Any
10.34 facilities to be operated by a nonprofit corporation, as contemplated in section 471.16,
10.35 may be leased to the corporation upon such rentals and for such term, not exceeding 30

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11.1 years, and subject to such other provisions as may be agreed; including but not limited to
11.2 provisions (a) permitting the lessee, subject to whatever conditions are stated, to provide
11.3 for the construction and equipment of the facilities by any means available to it and in the
11.4 manner determined by it, without advertisement for bids as required for other municipal
11.5 facilities, and (b) granting the lessee the option to renew the lease upon such conditions
11.6 and rentals, or to purchase the facilities at such price, as may be agreed; provided that (c)
11.7 any such lease shall require the lessee to pay net rentals sufficient to pay the principal,
11.8 interest, redemption premiums, and other expenses when due with respect to all city
11.9 bonds issued for the acquisition or betterment of the facilities, less such amount of taxes
11.10 and special assessments, if any, as may become payable in any year of the term of the
11.11 lease, on the land, building, or other facilities leased, and (d) no option shall be granted
11.12 to purchase the facilities at any time at a price less than the amount required to pay all
11.13 principal and interest to become due on such bonds to the earliest date or dates on which
11.14 they may be paid and redeemed, and all redemption premiums and other expenses of
11.15 such payment and redemption.

11.16 Sec. 18. Minnesota Statutes 2008, section 474A.02, subdivision 2, is amended to read:

11.17 Subd. 2. **Annual volume cap.** "Annual volume cap" means the aggregate dollar
11.18 amount of obligations constituting "private activity bonds" under federal tax law and
11.19 bearing interest excluded from gross income for purposes of federal income taxation
11.20 which, under the provisions of federal tax law, may be issued in one year by issuers.
11.21 Employees of the department shall handle the volume cap allocations for obligations
11.22 permitted under the federal American Recovery and Reinvestment Act of 2009, whether
11.23 taxable or tax-exempt, in accordance with orders of the commissioner.

11.24 Sec. 19. Minnesota Statutes 2008, section 474A.02, subdivision 14, is amended to read:

11.25 Subd. 14. **Manufacturing project.** "Manufacturing project" means any facility
11.26 which is used in the manufacturing or production of tangible personal property,
11.27 including the processing resulting in a change in the condition of the property, or in the
11.28 manufacturing, creation, or production of intangible property, including any patent,
11.29 copyright, formula, process, design, know how, format, or other similar item.

11.30 Sec. 20. Minnesota Statutes 2008, section 475.67, subdivision 8, is amended to read:

11.31 Subd. 8. **Escrow account securities.** Securities purchased for the escrow account
11.32 shall be limited to:

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12.1 (a) general obligations of the United States, securities whose principal and interest
12.2 payments are guaranteed by the United States, and securities issued by the following
12.3 agencies of the United States: Banks for Cooperatives, Federal Home Loan Banks,
12.4 Federal Intermediate Credit Banks, Federal Land Banks, and the Federal National
12.5 Mortgage Association; or

12.6 (b) obligations issued or guaranteed by any state or any political subdivision of a
12.7 state, which at the date of purchase are rated in the highest or the next highest rating
12.8 ~~given~~ category by Standard and Poor's Corporation, Moody's Investors Service, or a
12.9 similar nationally recognized rating agency, but not less than the rating on the refunded
12.10 bonds immediately prior to the refunding.

12.11 "Rating category," as used in this subdivision, means a generic securities rating
12.12 category, without regard in the case of a long-term rating category to any refinement or
12.13 gradation of such long-term rating category by a numerical modifier or otherwise.

12.14 Sec. 21. Laws 1971, chapter 773, section 4, as amended by Laws 1976, chapter 234,
12.15 section 2, is amended to read:

12.16 Sec. 4. No proceeds of any bonds issued pursuant to section 1 hereof shall be
12.17 expended for the construction or equipment of any portion of the St. Paul auditorium or
12.18 civic center connected thereto; nor shall any proceeds be expended for the acquisition or
12.19 betterment of the building known as the Lowry Medical Arts Annex. All bonds issued
12.20 under this act shall mature at any time or times within ten or, for bonds for public buildings
12.21 or parking structures, 30 years from the date of issue.

12.22 **EFFECTIVE DATE.** This section is effective the day after the city council and the
12.23 chief clerical officer of the city of St. Paul have timely completed their compliance with
12.24 Minnesota Statutes, section 645.021, subdivisions 2 and 3.

12.25 Sec. 22. Laws 2008, chapter 366, article 7, section 18, subdivision 3, is amended to
12.26 read:

12.27 Subd. 3. **Bonding authority.** Cook County may issue bonds under Minnesota
12.28 Statutes, chapter 475, to pay capital and administrative expenses for the projects
12.29 authorized in subdivision 2, in an amount that does not exceed ~~\$14,000,000~~ \$20,000,000.
12.30 An election to approve the bonds under Minnesota Statutes, section 475.58, is not
12.31 required. The issuance of bonds under this subdivision is not subject to Minnesota
12.32 Statutes, sections 275.60 and 275.61. The debt represented by the bonds is not included
12.33 in computing any debt limitation applicable to the county, and any levy of taxes under

13.1 Minnesota Statutes, section 475.61, to pay principal and interest on the bonds is not
13.2 subject to any levy limitation.

13.3 EFFECTIVE DATE. This section is effective the day after the governing body
13.4 of Cook County and its chief clerical officer comply with Minnesota Statutes, section
13.5 645.021, subdivisions 2 and 3.

13.6 Sec. 23. ST. PAUL PORT AUTHORITY CREDIT.

13.7 Notwithstanding Minnesota Statutes, section 474A.061, subdivision 4, the
13.8 commissioner of finance shall apply the \$31,800 deposit paid in 2008 for a proposed issue
13.9 of \$1,590,000 in tax exempt bonds by the St. Paul Port Authority for District Cooling
13.10 St. Paul, Inc. to an application for an allocation of tax exempt bonds by the St. Paul Port
13.11 Authority for the same project.

13.12 EFFECTIVE DATE. This section is effective the day following final enactment
13.13 and expires January 1, 2011.

13.14 Sec. 24. REPEALER; CITY OF MINNEAPOLIS.

13.15 Laws 1959, chapter 577, sections 1, 2, 3, and 4, are repealed.

13.16 EFFECTIVE DATE. Pursuant to Minnesota Statutes, section 645.023, subdivision
13.17 1, clause (b), this section is effective without local approval the day following final
13.18 enactment.

13.19 Sec. 25. EFFECTIVE DATE.

13.20 Except where provided otherwise, this act is effective the day following final
13.21 enactment.

APPENDIX
Repealed Minnesota Session Laws: s1257-1

Laws 1959, chapter 577, section 1 is not available in xtend