

municipalities having a population of 10,000 or more required by section 201.02 to have registration, and in any other municipality when the governing body of such municipality shall by ordinance or resolution elect to come within the provisions of sections 201.01 to 201.27. The clerk of each city, village or town is hereby constituted the commissioner under this section.

Approved May 24, 1967.

---

CHAPTER 725—S. F. No. 1322

[Coded]

*An act relating to city, village, or borough programs of public recreation and playgrounds, the acquisition, betterment, and leasing of land, buildings, and parking and other facilities for such programs, and the pledge of the gross income therefrom for the security of bonds issued and leases executed for that purpose.*

Be it enacted by the Legislature of the State of Minnesota:

Section 1. [471.191] **Public recreation programs; acquisition of facilities.** Subdivision 1. Any city, village, or borough operating a program of public recreation and playgrounds pursuant to Minnesota Statutes, 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, and facilities for other kinds of athletic participation, contests, and exhibitions, together with related automobile parking facilities as defined in Minnesota Statutes, 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.

Subd. 2. Any such city, village, or borough may issue bonds pursuant to Minnesota Statutes, 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

**Changes or additions indicated by italics, deletions by strikeout.**

nature derived from any such land, buildings, and facilities, as a first charge on the gross revenues thereof to the extent necessary to pay the bonds and interest thereon when due and to accumulate and maintain an additional reserve for that purpose in an amount equal to the total amount of such payments to become due in any fiscal year. In this event the governing body of the issuer may by resolution or trust indenture define the land, buildings, or facilities, the revenues of which are pledged, and establish covenants and agreements to be made by the issuer for the security of the bonds, including a covenant that the issuer will establish, maintain, revise when necessary, and collect charges for all services, products, use, and occupancy of the land, buildings, and facilities, in the amounts and at the times required to produce the revenues pledged, and also sufficient, with any other funds appropriated by the governing body from time to time, to provide adequately for the operation and maintenance of the land, buildings, and facilities. From and after the issuance of any bonds for which revenues are so pledged, the governing body of the issuer shall provide in its budget each year for any anticipated deficiency in the revenues available for such operation and maintenance. For this purpose any issuer other than a city of the first class may levy a tax of not more than two mills on the assessed valuation of all taxable property within its corporate limits, in excess of taxes which may otherwise be levied within legal and charter limitations, provided such excess levy is approved by a majority of its electors voting on such question at a regular or special election. The authority to levy additional taxes granted herein shall not apply to cities, villages or towns in which the assessed valuation consists in part of iron ore or lands containing taconite or semi-taconite.

Subd. 3. Any such city, village, or borough 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

**Changes or additions indicated by *italics*, deletions by ~~strikeout~~.**

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 Minnesota Statutes, Chapter 317 for the sole purpose of providing and leasing such land, buildings, and facilities for public use and of conveying the same to the lessee when all sums borrowed therefor have been repaid, such corporation shall be deemed to be a public corporation, agency, and instrumentality of the city, village, or borough, 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, village, or borough. 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, village, or borough 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, village, or borough, 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, village, or borough 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

**Changes or additions indicated by *italics*, deletions by ~~strikeout~~.**

of Minnesota Statutes, 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.

Approved May 24, 1967.

---

CHAPTER 726—S. F. No. 1431

[Not Coded]

*An act relating to education; providing for the use of certain assessed valuations by Independent School Districts No. 361 and 363 of Koochiching county; and appropriating moneys therefor.*

Be it enacted by the Legislature of the State of Minnesota:

**Section 1. Independent School Districts Nos. 361 and 363, Koochiching county; assessments.** Subdivision 1. Because the commissioner of taxation in 1966 made a full and complete reassessment of valuations for tax purposes in Independent School District No. 361 and Independent School District No. 363 of Koochiching county, it is found necessary to provide for the redetermination of the current adjusted assessed valuation and foundation aid for said school districts.

Subd. 2. The school board of Independent School District No. 361 and the school board of Independent School District No. 363 may each request the equalization aid review committee to make a new determination of the current adjusted assessed valuation as defined in Minnesota Statutes, Section 124.21, Subdivision 1(b). Upon receipt of the request from one of said school districts, the equalization aid review committee shall forthwith make a new determination of said current adjusted assessed valuation based on the valuation reported by the county auditor in January of the school year for which the adjustment is requested, and file the same forthwith with the commissioner of education. Upon the filing of said new determination, the state board of education shall redetermine the foundation program aids payable on the basis of said new determination of said current adjusted assessed valuation by the equalization aid review committee and transmit to the school district making the request any additional foundation program aids payable on the basis of said new determination of the current adjusted assessed valuation. Moneys sufficient to make said additional payments are appropri-

**Changes or additions indicated by *italics*, deletions by ~~strikeout~~.**