

keep on file the symbol. No building, facility or grounds shall display the symbol unless it is in compliance with the rules promulgated by the commissioner of administration as provided for by subdivision 3 of this section.

Subd. 3. RULES GOVERNING DISPLAY OF SYMBOL. The commissioner of administration shall promulgate rules to govern display of the state symbol of accessibility. Before the rules are proposed for adoption the commissioner shall consult with the state council for the handicapped.

The rules shall be enforced in the same manner as other accessibility rules of the state building code.

The commissioner shall implement this subdivision so that the rules required by this subdivision are effective no later than March 1, 1979.

Sec. 3. **REPEALER.** Minnesota Statutes 1976, Section 299G.12, is repealed.

Sec. 4. This act is effective on the day following final enactment.

Approved March 23, 1978.

CHAPTER 521-S.F.No.1495

An act relating to municipal obligations; revising provisions relating to advance refunding; amending Minnesota Statutes 1976, Section 475.67.

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

Section 1. Minnesota Statutes 1976, Section 475.67, is amended to read:

475.67 REFUNDING BONDS AND OTHER OBLIGATIONS; VALIDITY; PROCEDURE. Subdivision 1. No purchaser or owner of bonds or other obligations issued by a municipality for the purpose of refunding its outstanding obligations or floating indebtedness need inquire into the validity of the debts refunded by such bonds or other obligations. The determination by resolution of the governing body to issue the bonds or other obligations of the municipality for such purpose, as to such purchaser or owner, shall be conclusive evidence of the validity of the debts thereby refunded.

Subd. 2. As between the municipality and the owner or holder of any bond, warrant, or order so refunded, nothing in this section validates any invalid bond, warrant, or order.

Subd. 3. Obligations and interest thereon may be refunded if and when and to the extent that for any reason the taxes or special assessments, revenues, or other funds appropriated for their payment are not sufficient to pay all principal and interest due or about to become due thereon. All obligations but not of one or more issues regardless of

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their source of payment and interest thereon may be refunded before maturity their due dates, if consistent with covenants made with the holders thereof, when determined by the governing body to be necessary or desirable for the reduction of interest debt service cost to the municipality or for the extension or adjustment of the maturities in relation to the resources available for their payment, or in the case of obligations payable solely from a special fund, for the more advantageous sale of additional obligations payable from the same fund or to relieve the municipality of restrictions imposed by covenants made with the holders of the obligations to be refunded; provided the amount of interest which may be refunded from the proceeds of the refunding obligations shall not exceed the amount of proceeds estimated to be required in excess of the principal amount of refunded obligations to retire the refunded obligations in accordance with subdivision 6, but in no event shall the aggregate principal amount of the refunding obligations exceed by more than ten percent the aggregate principal amount of the obligations to be refunded. No general obligations, for which the full faith and credit of the issuer is pledged, shall be issued to refund special obligations previously issued for any purpose, payable solely from a special fund, unless such issuance is authorized by such election, hearing, petition, resolution, or other procedure as would have been required as a condition precedent to the original issuance of general obligations for the same purpose.

Subd. 4. Refunding obligations shall not be issued and sold more than six months before the ~~earliest~~ date on which all obligations to be refunded thereby will have matured or ~~become subject to call~~ have been called for redemption in accordance with their terms, unless the actions and conditions described in the following subdivisions of this section are taken or exist at or before the time when the refunding obligations are delivered to the purchasers.

Subd. 5. The proceeds of the refunding obligations, less any accrued interest or premium thereon required to be taken into account for purposes of meeting the debt service savings test set forth in subdivision 12 or otherwise deposited in the debt service fund established for the refunding obligations, less any amount set aside to pay the expenses of the refunding described in subdivision 12, shall be deposited, together with any other funds available and appropriated by the governing body for the purpose, in escrow with a suitable banking institution within or without the state, whose deposits are insured by the Federal Deposit Insurance Corporation, and whose combined capital and surplus is not less than \$500,000.

Subd. 6. The funds so deposited shall be invested in securities maturing or callable at the option of the holder on such dates and bearing interest at such rates as shall be required to provide funds sufficient, with any cash retained in the escrow account, to pay when due the interest to accrue on each obligation ~~of the issue~~ refunded to its maturity or, if prepayable and called for redemption, ~~to an~~ the earlier date on which it ~~may be~~ is called for redemption, and to pay the principal amount of each such obligation at maturity or, if prepayable and called for redemption, at such earlier redemption date, and to pay any premium required for redemption on that date; and the governing body shall irrevocably appropriate for these purposes the escrow account and all payments of principal and interest on the securities deposited therein, provided that it ~~direct payment from any funds in the escrow account in excess of the amounts from time to time needed for the foregoing purposes; of the reasonable compensation of the banks acting as escrow~~

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agent and as paying agent or agents for the refunded obligations may be remitted to the municipality.

Subd. 7. Provision shall be made for notice of the call of any refunded obligations to be redeemed before maturity ~~shall to~~ be given in accordance with their terms, and in accordance with section 475.54, subdivision 4: ~~No such obligation shall subsequently be called for redemption on any date earlier than that designated in the notice, unless such call is required by the terms of the refunded bonds to be made from funds subsequently becoming available from a designated source, no later than 30 days after issuance of the refunding obligations.~~

Subd. 8. Securities purchased for the escrow account shall be limited to general obligations of the United States, securities whose principal and interest payments are guaranteed by the United States, and securities issued by the following agencies of the United States: Banks for Cooperatives, Federal Home Loan Banks, Federal Intermediate Credit Banks, Federal Land Banks, and the Federal National Mortgage Association.

Subd. 9. The municipality shall enter into an agreement with the banking institution acting as escrow agent under which the agent shall acknowledge receipt of the cash and securities and their sufficiency to comply with the requirements of this section, and shall agree to hold them, and all money received in payment of principal and interest on the securities, in a special trust account, and to remit from this account to each paying agent for the refunded obligations sufficient funds to pay the principal and interest due thereon at each maturity, interest payment date, and redemption date. The agent may be directed to reinvest the balance held in the account from time to time in other securities of the kinds authorized in this section, maturing or subject to redemption at the times and in the amounts required to meet all payments of principal and interest when due on the refunded obligations, which securities may be purchased from its own investment department at prices not higher than those at which similar securities are currently being sold by it to others.

Subd. 10. The escrow agent shall be directed to cause notice of the call of the refunded obligations which are to be prepaid to be republished not more than 90 nor less than 45 days before the date fixed for their redemption, in the manner provided in subdivision 7; but failure to republish shall not affect the validity of the call for redemption.

Subd. 11. When advance refunding obligations have been issued pursuant to subdivisions 4 to 10, they shall not be refunded by the issuance of similar advance refunding obligations pursuant to these subdivisions until and unless either (i) as a result of the refunding the average life of the maturities is extended at least five years or (ii) all of the original obligations refunded have been actually retired by payment or by deposit at their respective maturities or redemption dates of sufficient funds.

Subd. 12. In the refunding of general obligations, for which the full faith and credit of the issuing municipality has been pledged, the following additional conditions shall be observed: ~~No refunding obligations shall be issued and sold more than ten years before the date on which all general obligations of the issue to be refunded will have matured or~~

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~~been redeemed, and each such obligation, if repayable, shall be called for redemption on prior to its maturity in accordance with its terms no later than either (1) the earliest date on which it may be redeemed in accordance with its terms without payment of any premium, or (ii) if the obligation is only prepayable with payment of a premium, on the earliest date on which it may be redeemed with payment of the least premium required by its terms.~~ No refunding obligations shall be issued and sold more than six months before ~~said date~~ the refunded obligations mature or are called for redemption in accordance with their terms, unless either (i) as a result of the refunding the average life of the maturities is extended at least five years or (ii) as of the nominal date of the refunding obligations the average annual net interest rate of dollar amount of the debt service or interest only on the refunding obligations, computed to their stated maturity dates, after deducting any premium or adding any discount, is lower by at least one-fourth of one five percent per annum than the average annual net interest rate of the the dollar amount of debt service or interest only, as the case may be, on all general obligations refunded, exclusive of any premium or discount, computed to their stated maturity dates; provided that in computing the average annual net dollar amount of debt service or interest rate of only on the refunding obligations, the any expenses of the refunding payable from a source other than the proceeds of the refunding obligations or the interest derived from the investment thereof shall be added to the dollar amount of debt service or interest only on the refunding obligations. Expenses of the refunding include the amount, if any, in excess of the proceeds of the refunding obligations or the principal amount of obligations to be refunded, whichever is the greater, which is required to be deposited in escrow to provide cash and purchase securities sufficient to retire the refunded obligations and unaccrued interest thereon in accordance with subdivision § 6; charges of the escrow agent and of the paying agent for the refunding obligations; and expenses of printing and publications and of fiscal, legal, or other professional service necessarily incurred in the issuance of the refunding obligations.

Sec. 2. This act is effective on the day following final enactment.

Approved March 23, 1978.

CHAPTER 522-S.F.No.1510

An act relating to vocational rehabilitation; sheltered workshops and work activity programs; authorizing certain tax levies and fund sources for these programs; amending Minnesota Statutes 1976, Section 129A.06.

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

Section 1. Minnesota Statutes 1976, Section 129A.06, is amended to read:

129A.06 COMMUNITY LONG-TERM SHELTERED WORKSHOPS AND WORK ACTIVITY PROGRAMS. Subdivision 1. Any city, town, county, nonprofit corporation, or any combination thereof, may apply to the commissioner for assistance in establishing or operating a community long-term sheltered workshop or work activity

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