

SENATE
STATE OF MINNESOTA
NINETIETH SESSION

S.F. No. 3825

(SENATE AUTHORS: ROSEN)

DATE
03/26/2018

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Introduction and first reading
Referred to Local Government

OFFICIAL STATUS

1.1 A bill for an act
 1.2 relating to local government; modifying the cap on loans to certain local units of
 1.3 government from a rural electric cooperative or the USDA; making a technical
 1.4 change; amending Minnesota Statutes 2016, section 465.73.

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

1.6 Section 1. Minnesota Statutes 2016, section 465.73, is amended to read:

1.7 **465.73 LOAN FROM, SECURED BY U.S. AGRICULTURE DEPARTMENT**
 1.8 **AGENCY.**

1.9 For purposes of constructing, repairing, or acquiring city halls, town halls, fire halls or
 1.10 fire or rescue equipment, or libraries or child care facilities if otherwise authorized by law,
 1.11 a statutory city, home rule charter city, county, or town may borrow not to exceed ~~\$450,000~~
 1.12 \$750,000 from (i) funds granted to a rural electric cooperative organized under chapter
 1.13 308A by the United States Department of Agriculture Rural Business-Cooperative Service
 1.14 or (ii) directly from or in the form of funds guaranteed by the Rural Housing Service or
 1.15 other agency of the United States Department of Agriculture by a note secured by a mortgage
 1.16 or other security agreement on the property purchased with the borrowed funds. The city,
 1.17 county, or town may pledge its full faith and credit and assign or pledge the revenues, if
 1.18 any, from the facilities or equipment so financed together with any other properly available
 1.19 funds to secure the loan. The obligation of the note is not to be included when computing
 1.20 the net debt of the city, county, or town, nor is the approval of the voters required for the
 1.21 issuance of the note.