

1.1 moves to amend H.F. No. 500 as follows:

1.2 Page 1, after line 21, insert:

1.3 "Sec. 2. Minnesota Statutes 2020, section 453A.04, subdivision 21, is amended to read:

1.4 Subd. 21. ~~All other powers~~ **Exercising Powers of a Municipal Power Agency.** ~~It may~~
 1.5 ~~exercise all other powers not inconsistent with the Constitution of the state of Minnesota~~
 1.6 ~~or the United States Constitution, which powers may be reasonably necessary or appropriate~~
 1.7 ~~for or incidental to the effectuation of its authorized purposes or to the exercise of any of~~
 1.8 ~~the powers enumerated in this section, and generally may exercise in connection with its~~
 1.9 ~~property and affairs, and in connection with property within its control, any and all powers~~
 1.10 ~~which might be exercised by a natural person or a private corporation in connection with~~
 1.11 ~~similar property and affairs.~~ It may exercise the powers of a municipal power agency under
 1.12 chapter 453, for the limited purpose of engaging in tax-exempt prepayments and related
 1.13 transactions as described in section 148(b)(4) of the Internal Revenue Code of 1986, as
 1.14 amended, and the Code of Federal Regulations, title 26, part 1, section 1.148-1(e)(2)(iii),
 1.15 both as may be amended from time to time, or as may otherwise be authorized by statute
 1.16 or the Commissioner of Internal Revenue.

1.17 Sec. 3. Minnesota Statutes 2020, section 453A.04, is amended by adding a subdivision to
1.18 read:

1.19 Subd. 22. **All other powers.** It may exercise all other powers not inconsistent with the
 1.20 Constitution of the state of Minnesota or the United States Constitution, which powers may
 1.21 be reasonably necessary or appropriate for or incidental to the effectuation of its authorized
 1.22 purposes or to the exercise of any of the powers enumerated in this section, and generally
 1.23 may exercise in connection with its property and affairs, and in connection with property

2.1 within its control, any and all powers which might be exercised by a natural person or a
 2.2 private corporation in connection with similar property and affairs."

2.3 Page 2, delete section 3 and insert:

2.4 "Sec. 5. Minnesota Statutes 2020, section 475.56, is amended to read:

2.5 **475.56 INTEREST RATE.**

2.6 (a) Any municipality issuing obligations under any law may issue obligations bearing
 2.7 interest at a single rate or at rates varying from year to year which may be lower or higher
 2.8 in later years than in earlier years. ~~Such higher rate for any period prior to maturity may be~~
 2.9 ~~represented in part by separate coupons designated as additional coupons, extra coupons,~~
 2.10 ~~or B coupons, but the~~ The highest aggregate rate of interest contracted to be so paid for any
 2.11 period shall not exceed the maximum rate authorized by law. ~~Such higher rate may also be~~
 2.12 ~~represented in part by the issuance of additional obligations of the same series, over and~~
 2.13 ~~above but not exceeding two percent of the amount otherwise authorized to be issued, and~~
 2.14 ~~the amount of such additional obligations shall not be included in the amount required by~~
 2.15 ~~section 475.59 to be stated in any bond resolution, notice, or ballot, or in the sale price~~
 2.16 ~~required by section 475.60 or any other law to be paid; but if the principal amount of the~~
 2.17 ~~entire series exceeds its cash sale price, such excess shall not, when added to the total amount~~
 2.18 ~~of interest payable on all obligations of the series to their stated maturity dates, cause and~~
 2.19 the average annual rate of such interest ~~to~~ may not exceed the maximum rate authorized by
 2.20 law. This section does not authorize a provision in any such obligations for the payment of
 2.21 a higher rate of interest after maturity than before.

2.22 (b) Any municipality issuing obligations under any law may sell original issue discount
 2.23 ~~or premium obligations having a stated principal amount in excess of the authorized amount~~
 2.24 ~~and the sale price, provided that: .~~ To determine the average annual rate of interest on the
 2.25 obligations, any discount shall be added to, and any premium subtracted from, the total
 2.26 amount of interest on the obligations to their stated maturity dates.

2.27 ~~(1) the sale price does not exceed by more than two percent the amount of obligations~~
 2.28 ~~otherwise authorized to be issued;~~

2.29 ~~(2) the underwriting fee, discount, or other sales or underwriting commission does not~~
 2.30 ~~exceed two percent of the sale price; and~~

2.31 ~~(3) the discount rate necessary to present value total principal and interest payments~~
 2.32 ~~over the term of the issue to the sale price does not exceed the lesser of the maximum rate~~
 2.33 ~~permitted by law for municipal obligations or ten percent.~~

3.1 (c) Any obligation may bear interest at a rate varying periodically at the time or times
 3.2 and on the terms, including convertibility to a fixed rate of interest, determined by the
 3.3 governing body of the municipality, but the rate of interest for any period shall not exceed
 3.4 any maximum rate of interest for the obligations established by law. For purposes of section
 3.5 475.61, subdivisions 1 and 3, the interest payable on variable rate obligations for their term
 3.6 shall be determined as if their rate of interest is the lesser of the maximum rate of interest
 3.7 payable on the obligations in accordance with their terms or the rate estimated for such
 3.8 purpose by the governing body, but if the interest rate is subsequently converted to a fixed
 3.9 rate the levy may be modified to provide at least five percent in excess of amounts necessary
 3.10 to pay principal of and interest at the fixed rate on the obligations when due. For purposes
 3.11 of computing debt service or interest pursuant to section 475.67, subdivision 12, interest
 3.12 throughout the term of bonds issued pursuant to this subdivision is deemed to accrue at the
 3.13 rate of interest first borne by the bonds. The provisions of this paragraph do not apply to
 3.14 general obligations issued by a statutory or home rule charter city with a population of less
 3.15 than 7,500, as defined in section 477A.011, subdivision 3, or to general obligations that are
 3.16 not rated A or better, or an equivalent subsequently established rating, by Standard and
 3.17 Poor's Corporation, Moody's Investors Service or other similar nationally recognized rating
 3.18 agency, except that any statutory or home rule charter city, regardless of population or bond
 3.19 rating, may issue variable rate obligations as a participant in a bond pooling program
 3.20 established by the League of Minnesota Cities that meets this bond rating requirement."

3.21 Page 5, after line 12, insert:

3.22 "Sec. 8. Minnesota Statutes 2020, section 475.67, subdivision 8, is amended to read:

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

3.25 (1) general obligations of the United States, securities whose principal and interest
 3.26 payments are guaranteed by the United States, including, but not limited to, Resolution
 3.27 Funding Corporation Interest Separate Trading of Registered Interest and Principal of
 3.28 Securities ("STRIPs") and United States Agency for International Development Bonds or
 3.29 STRIPs, and securities issued by the following agencies of the United States: Banks for
 3.30 Cooperatives, United States government-sponsored enterprises including, but not limited
 3.31 to, Federal Home Loan Banks, Federal Intermediate Credit Banks, Federal Land Banks,
 3.32 and the Federal Farm Credit System, the Federal National Mortgage Association, or the
 3.33 Federal Home Loan Mortgage Corporation; or

4.1 (2) obligations issued or guaranteed by any state or any political subdivision of a state,
4.2 which at the date of purchase are rated in the highest or the next highest rating category by
4.3 Standard and Poor's Corporation, Moody's Investors Service, or a similar nationally
4.4 recognized rating agency, but not less than the rating on the refunded bonds immediately
4.5 prior to the refunding.

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

4.9 Renumber the sections in sequence and correct the internal references

4.10 Amend the title accordingly