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Provides for a reverse referendum on whether a city (excluding first class cities), county, or urban town may enter into a lease of three or more years for real property with a housing and redevelopment authority (HRA), port authority, economic development authority (EDA), or other entity established by special law with powers similar to those authorities, when the real property was acquired or improved with obligations (bonds or other debt instruments) issued by the authority.

Generally, when a local government acquires or improves real property financed by general obligation bonds of the local government, the debt must first be approved by the voters. A local government may enter into lease agreements without a referendum. When the local government's lease payments are the source of money to pay off the HRA, port authority, or EDA debt, the bonds can be sold as revenue bonds, which are not subject to an election. In addition, under current law HRA and port authority bonds are not subject to an election. Minn. Stat. §§ 469.034, subd. 2, and 469.060, subd. 1. Bonds issued by an EDA must be approved by two-thirds majority vote of its city's council and issuance is otherwise governed by Minnesota Statutes, chapter 475. Minn. Stat. § 469.102, subd. 1.