

comply with the requirements of such grant are hereby appropriated to the agency concerned for the same purpose as the funds against which such charge was made.

Sec. 3. Repealer. Laws 1945, Chapter 609, Section 59, and Laws 1953, Chapter 741, Section 60 are hereby repealed.

Sec. 4. This act shall be in effect on and after July 1, 1955.

Approved April 22, 1955.

CHAPTER 715—H. F. No. 1311

[Coded]

An act to authorize the Teachers College Board of the State of Minnesota and its successor to acquire by purchase or otherwise, construct, complete, remodel, equip, operate, control, and manage student residence halls, dormitories, dining halls, student union buildings, and other revenue-producing building, including the acquisition of sites therefor, for state teachers colleges; defining the duties of the Teachers College Board of the State of Minnesota and its successor with respect to the operation and maintenance thereof and charging rates or fees for the use thereof; and providing for and authorizing the issuance of bonds for the purchase of defraying the cost of acquiring, constructing, completing, remodeling, or equipping any such buildings or structures and the acquisition of sites therefor payable solely from the revenues derived from the operation of such facilities, and for the refunding of any such bonds.

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

Section 1. [136.31] **Teachers college board, duties.** The Teachers College Board of the State of Minnesota or its successor is hereby authorized to do the following, provided that no obligations shall be incurred, contracts made, or bonds issued unless prior approval of the proposed building and the method of retirement of the bonds has been obtained from the legislature:

(a) acquire by purchase or otherwise, construct, complete, remodel, equip, operate, control, and manage student residence halls, dormitories, dining halls, student union buildings and any other similar revenue-producing buildings of such type and character as said board or its successor

shall from time to time find a necessity therefor exists and as may be required for the good and benefit of any of the State Teachers Colleges under the jurisdiction of said board, and for that purpose may acquire property of any and every kind and description, whether real, personal or mixed, by gift, purchase or otherwise;

(b) maintain and operate any such buildings or structures and to charge for the use thereof, and carry on such activities, as are commonly conducted in connection with any such buildings or structures;

(c) enter into contracts touching in any manner or any matter within the objects and purposes of this act;

(d) acquire building sites and buildings or structures by gift, purchase or otherwise and to pledge the revenues thereof for the payment of any bonds issued for such purpose as provided in this act;

(e) borrow money and issue and sell bonds in such amount or amounts as said board or its successor may determine for the purpose of acquiring, constructing, completing, remodeling, or equipping any such buildings or structures, and acquiring sites therefor, and to refund and refinance the same from time to time as often as it should be advantageous and to the public interest so to do. All such bonds shall bear interest at not more than 5 percent per annum and may be sold by said board or its successor in such manner as they may deem best in the public interest; provided that such bonds shall be sold at such price that the interest costs of the proceeds therefrom will not exceed 5 per cent per annum based on the average maturity of such bonds and computed according to standard tables of bond values. Such bonds shall be payable solely from and secured by an irrevocable pledge of the revenues to be derived from the operation of any such buildings or structures acquired, constructed, completed, remodeled, or equipped in whole or in part with the proceeds of such bonds and in addition thereto from such other income and revenues described in section 3 (a) of this act as said board by resolution shall specify, and within this limitation all bonds issued hereunder shall have all the qualities of negotiable instruments under the laws of this state.

Such bonds may bear such date or dates and may mature at such time or times not exceeding 30 years from their date or dates, may be in such form, carry such registration privileges, may be payable at such place or places, may be subject to such terms of redemption prior to maturity with or without premium, and may contain such terms and covenants, all as

may be provided by resolution of said board authorizing the issuance of such bonds.

Such bonds shall be executed by such officers of said board or its successor as shall be designated by said board or its successor and countersigned by the treasurer of the board who shall be an officer duly elected by the board. Any bonds bearing the signature of officers in office at the date of signing thereof shall be valid and binding for all purposes, notwithstanding that before delivery thereof any or all such persons whose signatures appear thereon shall have ceased to be such officers.

Each such bond shall state upon its face that it is payable solely from and secured by an irrevocable pledge of the revenues derived from the operation of any such buildings or structures acquired, constructed, completed, remodeled, or equipped in whole or in part with the proceeds of the sale of said bonds and from such other income and revenues described in section 3 (a) of this act as specified in the resolution providing for its issue, and that it does not constitute a debt or obligation of the State of Minnesota within the meaning or application of any constitutional or statutory limitation or provision. Such bonds will be registered by the State Auditor in a bond register to be kept for that purpose wherein shall be entered the amount and purpose of issue, the maturity and rate of interest, and the name of the original purchaser.

Sec. 2. [136.32] Bonds, investments. The state and all counties, cities, villages, incorporated towns and other municipal corporations, political subdivisions and public bodies, and public officers of any thereof, all banks, bankers, trust companies, savings banks, and institutions, building and loan associations, savings and loan associations, investment companies and other persons carrying on a banking business, all insurance companies, insurance associations and other persons carrying on an insurance business, and all executors, administrators, guardians, trustees and other fiduciaries may legally invest any sinking funds, moneys or other funds belonging to them or within their control in any bonds issued pursuant to this act, it being the purpose of this section to authorize the investment of such bonds of all sinking, insurance, retirement, compensation, pension and trust funds, whether owner or controlled by private or public persons or officers; provided, however, that nothing contained in this section may be construed as relieving any person, firm or corporation from any duty of exercising reasonable care in selecting securities for purchase or investment. All bonds issued under this act shall be exempt from all taxation.

Sec. 3. [136.33] Resolution of board. Upon the determination of said Teachers College Board or its successor to acquire, construct, complete, remodel, or equip any student residence halls, dormitories, dining halls, student union buildings, or other similar revenue-producing building or buildings, said board or its successor shall adopt a resolution describing generally the contemplated project, the estimated cost thereof, including legal, engineering and financial expenses and interest on the bonds during the period of constructing the project and for six months thereafter, fixing the amount of bonds, the maturity or maturities, the interest rate, and all details in respect thereof. Such resolution shall contain such covenants as may be determined by said board or its successor as to:

(a) the pledging of all or any portion of the proceeds of any fees imposed upon students for student activities, student facilities, or for other purposes, and the net revenues from other buildings or facilities heretofore or hereafter constructed or acquired at any college under the jurisdiction of said board as additional security for the payment of said bonds;

(b) the regulation as to the use of such buildings or structures to assure the maximum use or occupancy thereof;

(c) the amount and kind of insurance to be carried, including use and occupancy insurance, the cost of which shall be payable only from the revenues to be derived from such buildings or structures;

(d) the operation, maintenance, management, accounting and auditing and the keeping of records, reports and audits of such buildings or structures;

(e) the obligation of said board or its successor to maintain such buildings or structures in good condition and to operate the same in an economical and efficient manner;

(f) the amendment or modification of the resolution authorizing the issuance of any bonds hereunder, and the manner, terms and conditions, and the amount of percentage of assenting bonds necessary to effectuate such amendment or modification;

(g) such other covenants as may be deemed necessary or desirable to assure the prompt and punctual payment of all bonds issued under this act.

Sec. 4. [136.34] Student activities, fees charged. Whenever bonds are issued as provided in this act, it shall be the duty of said board or its successor to establish charges or fees, including without limitation fees for student activities and fees for student facilities, for the use of any buildings or struc-

tures sufficient at all times to pay the principal of and interest on such bonds and the necessary expenses of the operation and maintenance thereof; and all revenues derived from the operation thereof shall be set aside in a separate fund and accounts as hereinafter provided and shall be irrevocably pledged for and used only in paying the principal of and interest upon the bonds issued for the purpose or purposes set forth and described in the resolution authorizing the issuance of said bonds, and the necessary expenses of the operation and maintenance thereof; and such charges and fees shall be sufficient at all times for such purposes.

Sec. 5. [136.35] **Special revenue fund.** The gross total income derived from the sale of bonds, and receipts and income derived from charges or fees, rentals, and all other revenue established for the use and service of any such buildings or structures shall, within three (3) days after receipt thereof, be paid to the Treasurer of the Board and held by him as a special fund known as, "The Teachers College Board of the State of Minnesota, Revenue Fund." The treasurer shall be custodian of such special fund, which shall be held and disbursed for the purposes provided in this act. The said special fund shall be protected by a corporate surety bond executed by the Treasurer of the Board with a surety authorized to do business under the laws of the State of Minnesota. The amount of such bond shall be fixed by resolution of said Teachers College Board or its successor and may be increased or diminished at any time. The premiums of such bonds shall be payable from "The Teachers College Board of the State of Minnesota Revenue Fund" and charged as an item of maintenance expense.

A certified copy of each resolution providing for the issuance of bonds under this act shall be filed with the Treasurer of the Board, and it shall be the duty of said treasurer to keep and maintain separate accounts in said special fund for each bond issue in accordance with the covenants and the directions set out in the resolution providing for the issuance of said bonds and to disburse funds from the proper account for the payment of the principal of and the interest on the bonds in accordance with the directions and covenants of said resolution authorizing the issue thereof. All disbursements for maintenance and operation costs shall be made from the proper maintenance and operation account upon order of said board or its successor in accordance with the covenants set out in the resolution authorizing the issuance of bonds. All disbursements for construction costs shall be made from a separate account in said special fund upon order of said board or its successor in accordance with the covenants set out in the resolution authorizing said bonds.

Sec. 6. [136.36] **Allocation of receipts.** All moneys now or hereafter in the Teachers College Board of The State of Minnesota Revenue Fund and all income from the operation of such dormitories, cafeterias and student facilities are hereby appropriated first to the payment of the obligations herein authorized and second to the payment of expenses of the operation of dormitories, cafeterias and other student facilities.

Sec. 7. [136.37] **Administration.** The administration of this act shall be under the State Teachers College Board independent of other authority and notwithstanding Minnesota Statutes, Chapter 16.

Sec. 8. [136.38] **Contracts of board, performance compelled.** The provisions of this act and of any resolution or other proceedings authorizing the issuance of bonds shall constitute a contract with the holders of such bonds and the provisions thereof shall be enforceable either in law or in equity, by suit, action, mandamus or other proceedings in any court of competent jurisdiction to enforce or compel the performance of any duties required by this act and any resolution authorizing the issuance of bonds adopted responsive hereto, including the establishment of sufficient charges or fees for use of any of such buildings or structures and the application of the income and revenue thereof; and it shall be the duty of said Teachers College Board or its successor upon the issuance of any bonds under the provisions of this act to establish by resolution from time to time the fees or charges to be made for the use of any such buildings or structures, which fees or charges shall be adjusted from time to time in order to always provide sufficient income for payment of the principal of and interest on such bonds issued as provided for in this act, and for the necessary expenses of operation and maintenance.

If the existing Teachers College Board of the State of Minnesota is abolished, all contracts made by said board and all things done or actions taken by said board under this act shall be deemed to be contracts of, actions taken and things done by its successor and such successor shall be bound by all such contracts, actions taken and things done by said board and such successor shall be subject to all the obligations and duties of said board under this act.

Sec. 9. **Repealer.** That all laws and parts of laws in conflict herewith are hereby repealed; and this law shall become effective upon its passage and approval.

Sec. 10. If any provisions of this act, or the application thereof, are held invalid, such invalidity shall not affect provisions or applications of the act which can be given effect

without the invalid provisions or applications and to this end the provisions of this act are declared to be severable.

Approved April 22, 1955.

CHAPTER 716—H. F. No. 1397
[Not Coded]

An act relating to expenditures for road and bridge purposes in certain counties; amending Laws 1953, Chapter 270, Section 2.

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

Section 1. Laws 1953, Chapter 270, Section 2, is amended to read:

Sec. 2. **Road construction fund.** The road construction fund shall be used exclusively for the construction and reconstruction of state aid roads and expenditures therefrom shall be made only for work which is done by contract awarded to the lowest responsible bidder and in accordance with the provisions of Minnesota Statutes, sections 160.39 and 164.22, and for engineering supervision of such work, and for the purchase of right of way acquired in connection with such work.

Approved April 22, 1955.

CHAPTER 717—H. F. No. 1406
[Not Coded]

An act relating to the construction of a new central office building for the department of highways; appropriating money therefor and providing for the payment of the cost thereof, by the issuance and sale of bonds for the State of Minnesota.

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

Section 1. **Central office building for department of highways.** Subject to the provisions of Minnesota Statutes 1953, Chapter 16, but nevertheless with the approval of the governor and the commissioner of highways, the commissioner of administration is hereby authorized and directed to forthwith cause the construction of and to equip a new central office building for the department of highways upon lands acquired therefor by the commissioner of highways pursuant to Minnesota Statutes 1953, section 161.19.