

of control, by the warden of the state prison or superintendent of the state reformatory in the following manner and order of preference:

(1) Suitable paroled convicts who are being detained awaiting private employment;

(2) Convicts who are not habitual offenders or guilty of heinous crimes and who, in the opinion of the heads of the institutions, are not incorrigible and who are physically capable and otherwise suitable for the character of the work provided for in this act.

Sec. 5. **Rescues and escapes.**—Any rescue or escape or attempted escape of or by a convict while without the confines of the state prison or reformatory under the provisions of this act, shall be deemed a rescue or escape or attempted escape within the meaning of Mason's Minnesota Statutes of 1927, Sections 10004 to 10012, inclusive.

Approved April 25, 1935.

CHAPTER 298—S. F. No. 1316

An act to amend Section 4 of Chapter 429 of the Session Laws of 1933 and authorizing the conservator of rural credit to issue bonds to refund outstanding obligations of the department of rural credit and requesting the state board of investment of the State of Minnesota to sell to the department of rural credit such securities issued by the department of rural credit as they are able to purchase.

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

Section 1. That Section 4 of Chapter 429 of the laws of 1933 is hereby amended to read as follows:

“Section 4. **Conservator to provide office and employees.**—Section 4 of Chapter 225, laws 1923, as amended by Chapter 270, Laws 1925, (Mason's Minnesota Statutes of 1927, Section 6033), is hereby amended to read as follows:

“Section 4. a. The Conservator shall have power

“(1) To adopt such rules and regulations as may be necessary for the proper conduct of the business of the Department;

"(2) To issue certificates of indebtedness and tax levy certificates subject to the limitations of Section 12 of this act, to issue bonds payable by the State of Minnesota, bearing interest at a rate not to exceed 3% per annum, in an aggregate amount not to exceed \$60,000,000, said bonds to be issued only for the purpose of refinancing present outstanding indebtedness which is now bearing interest at a considerably higher rate, said bonds to be issued in denominations as the Conservator deems advisable.

"(2-a) The State Board of Investment is requested to sell such securities issued by the Department of Rural Credit, now held by it, to said Department of Rural Credit whenever requested to do so by the Conservator of Rural Credit.

Section 2-b. To rewrite present outstanding mortgages and Contracts for Deed, including delinquent interest by adding the same to the principal amount of the rewritten mortgage or contract, at a rate of interest not less than one-half of one per cent nor more than three-fourths of one per cent above the average interest rate paid by the state for money borrowed. Fractions of less than one-fourth of one per cent resulting from the sale of bonds when in excess of three-fourths of one per cent limitation shall not be considered, providing that the Conservator shall not be empowered to rewrite the above mentioned mortgages or contracts until at least \$25,000,000 of outstanding bonds shall have been refinanced at an average interest rate of 3% per annum or less.

"(3) In the name of the state to acquire, own, hold, lease, sell and convey such property, real, personal or mixed, as may be necessary, convenient and proper for the transaction of the business of the Department; but such property shall be taken by him only in payment of pre-existing debts owing the State;

"(4) To sell, grant and convey to any person, firm or corporation who shall apply therefor a right of way or easement to lay, maintain, operate and keep up pipe lines for the transportation and transmission of gasoline and other petroleum products over and across lands subject to rural credit mortgages, and over and across such mortgage lands acquired by the State by foreclosure or deed, upon such terms and conditions as he shall deem advisable;

"(5) To insure buildings and structures upon any such mortgaged property acquired by the State against loss by fire, tornado, windstorm and/or hail, in any insurance company or association, however organized, authorized to do business in this State, and to pay the premiums, assessments and dues

thereby accruing; and to make such repairs and improvements upon such property as are essential to the operation and preservation thereof;

“(6) To do all things that may be necessary and proper in carrying out the provisions of this act.

“b. It shall be the duty of the Conservator

“(1) To maintain the office of the Department at the seat of government;

“(2) To keep such books and records as are necessary for the conduct of the business of the Department and to keep in his custody all promissory notes, mortgages, securities, evidences of indebtedness, muniments of title, and all other papers, records and instruments of every kind now in the possession of or hereafter received or acquired by the Department.

“(3) To diligently collect all moneys due the State under this act and to sell all property acquired by it but subject to the limitations herein provided, with a view to the complete and speedy liquidation of the business of the Department.

“(4) To promptly meet all obligations of the Department to the end that no default shall occur in the payment of principal or interest on its bonds or certificates.

“(5) To submit an annual report to the Governor.”

Approved April 25, 1935.

CHAPTER 299—S. F. No. 1362

An act authorizing the county board of any county in this State now or hereafter having an assessed valuation not to exceed \$16,000,000 and a population of not to exceed 36,000 inhabitants to appropriate and pay out of any such county's annual share or allotment of the excise tax on gasoline to any city or village in any such county having within its corporate limits a public bridge crossing a navigable river, not to exceed 10% of any such county's annual share of gasoline tax allotment for the purpose of retiring and paying annually serial bonds and interest issued therefor by such municipality prior to February 1, 1919 and the principal of which bonds does not exceed the sum of \$25,000.