

## CHAPTER 366—H. F. No. 1483

*An act to appropriate \$750.00 for the purpose of restoring paintings in the State Capitol Building.*

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

**Section 1. Appropriation to restore paintings.**—There is hereby appropriated to the custodian of the Capitol building, out of funds not otherwise appropriated in the state treasury, the sum of \$750.00, to be used for the purpose of cleaning, repairing, restoring and lighting two large murals by Walker and Cox, and 12 small murals by Garnsey and Willett, located over the grand stairways in the state capitol building.

Approved April 29, 1935.

## CHAPTER 367—H. F. No. 1509

*An act to amend Sections 8 and 9 of Chapter 429 of the Session Laws of 1933, and authorizing the conservator of rural credit to enter into compositions and to sell lands, in certain cases.*

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

**Section 1. Conservator of rural credits to enter into compositions in certain cases.**—That Section 10 of Chapter 225 of the laws of 1923, as amended by Section 8, Chapter 429 of the laws of 1933, is hereby amended to read as follows :

“Section 10. When the mortgagor or his successor in interest has fully paid any mortgage, it shall be the duty of the Conservator to furnish him with a proper release or satisfaction of said mortgage executed in the name of the State by him and attested by his official seal, and the mortgage papers belonging to such loan, including abstract of title and insurance policies assigned, shall be returned to such person. Upon the payment of any sum by a borrower under the provision of this act the Conservator shall furnish the payer with a receipt showing the nature of such payment and the date on which interest was paid, and the balance of the principal remaining unpaid.

*Section 10A. Whenever the Conservator upon his own initiative or upon an application by a mortgagor is of the opinion that real estate held as security by the State of Minnesota is worth less than the amount due on the indebtedness*

secured by the same, and the Conservator is able to liquidate said indebtedness by a satisfactory cash settlement, he shall present a verified petition to the Judge of the District Court of the County where such lands are located setting forth the facts, and said judge, if satisfied that it is for the best interest of the state, may hear such petition, either with or without notice, and make his order granting such petition, and authorizing the Conservator to compromise said indebtedness as requested in said petition. Said petition shall be verified by the Conservator and shall contain a complete recital of all the material facts, including an appraisal of the premises in question, made under the direction of the Conservator, accompanied by photographs of all the buildings, said appraisal shall set forth in detail the type and nature of the land, the condition and state of repairs of the buildings, and other improvements, its location with reference to highways and markets, the amount of crops raised on said premises during the past five years immediately preceding the filing of said petition whenever available, and all such other facts as may aid said judge in arriving at a conclusion, including a report of the State Tax Commission as to the value of the land. There shall also be attached the offer of composition by the debtor and his statement setting forth his assets and liabilities signed and verified by him. The Conservator shall add his recommendation to the petition relating to the offer of the debtor. The petition and all other papers in the matter, including the orders of the court shall be filed with the clerk thereof. The Conservator shall prepare the necessary blanks for use in preparing offers and financial statements by the debtors. The Court may request the debtor to be present when his offer is being considered and he may be examined with reference to it. A notice stating the time and place when the petition shall be submitted to the court shall be given by the Conservator to the debtor. Such notice shall be mailed to said debtor not less than five days previous to the court hearing of such bids. The said court may order an additional appraisal of such land, and the same shall be made and filed with the court. Such appraisals shall be made independently of appraisals theretofore made at the direction of the Conservator.

The judge of said court is hereby authorized on his own motion and the request of the Conservator to request some outside judge to assist him with a prompt disposition of the proceedings under this act. The said court shall pass on and determine all proceedings submitted to it under this act at any general or special term or in chamber or during vacation of the court and all orders shall be filed within five days after

*the matter has been submitted. Arbitrary action of the Conservator may be reviewed by a writ of certiorari returnable in the District Court of Ramsey County, Minnesota.*

*Section 10B. But if the mortgagor cannot liquidate his indebtedness by a cash settlement, and the Conservator shall determine that the current earnings of a certain tract of land held as security by the State of Minnesota, the major portion of which is in productive land, is not sufficient to maintain the farm and to liquidate the annual taxes, interest and insurance charges, then and in such case the Conservator may in his discretion enter into an agreement with the borrower for a period not to exceed five years, whereby the borrower agrees to turn over to the Conservator and the Conservator agrees to accept, in liquidation of the borrower's annual installments of interest and principal, one-third of all crops raised on said premises during the crop year during which said interest and principal instalments will be due, and in addition said borrower shall agree to pay the real estate taxes duly levied and assessed against said premises during said year and keep said premises in repair and fully insured against fire and tornadoes, and upon a full and complete accounting and delivery by the borrower to the Conservator, at a place designated by the Conservator, of one-third of the annual crops so raised on said premises, the Conservator shall apply said amount so received in the following manner:*

*(a) To the payment of interest as far as possible.*

*(b) The remainder to the payment of principal.*

*(c) Should there be a surplus remaining after the distribution hereinbefore provided, then the surplus shall be applied to the liquidation of the installments of principal to become due in the future. Provided that if the proceeds of the sale of one-third of the crop so delivered to the Conservator shall be insufficient to pay said amount of interest, the Conservator shall deliver a receipt in full for the amount of interest then due during said year, but the Conservator shall not give a receipt for any principal sums due except as actually paid by the borrower.*

*Said payments shall all be secured by a chattel mortgage on the entire crop, but the Conservator is authorized, whenever he deems it necessary in the interests of the borrower, to permit the borrower to use such portion of the crop so mortgaged to the State of Minnesota, as may be necessary for seed and feed.*

*Should the borrower fail or neglect to keep premises in repair and/or pay said taxes or insurance premiums on said premises whenever the same become due, or should he fail or neglect to promptly make and furnish to the Conservator a full and complete accounting, or fail or neglect to promptly turn over to the Conservator the one-third of all crops so raised on said premises, as hereinbefore provided for, then said agreement shall automatically become null and void without any further action on the part of the Conservator. Upon application in writing by the borrower, and for good cause shown, the Conservator is authorized to reinstate such contract, providing said application is made by the borrower within thirty days after notice of default is forwarded to him by the Conservator by registered letter."*

**Sec. 2. Title to lands to be in State of Minnesota.**—That Section 11 of Chapter 225 of the laws of 1923, as amended by Section 9, of Chapter 429 of the laws of 1933, is hereby amended to read as follows:

"Section 11. a. The title to all property taken by the Department shall run to the State of Minnesota.

b. The property, real, personal and mixed, acquired by the Department shall be sold by the Conservator at its fair value at the time of sale, in such manner and on such terms as may be provided by the regulations adopted by him. In making sales of real estate the Conservator shall have regard for the state of the market and shall make sales thereof in such manner and at such times as not to depress unduly the market for farm lands, and shall, if in his judgment the best interest of the State and of the public will be served thereby, defer such sales until such time as they may be made without undue loss to the State or undue impairments of the market value of farm lands within the state. No land shall be sold by the Conservator for an amount less than the indebtedness accrued thereon at the time of the acquisition of title by the Department, together with interest thereon at the rate provided for in the mortgages now held by the department of Rural Credit until sold, less the net income derived therefrom after such acquisition of title; but if the Conservator shall determine that a sale of any such land cannot be made for the full amount accrued against it and that further loss to the state would probably result if it be not then sold he may sell any such land for less than said amount upon the approval of such sale by a judge of the District Court of Ramsey County, Minnesota, in the same manner as provided by Section 10A hereinbefore stated.

*If a former owner desires to repurchase a farm heretofore mortgaged by him to the State of Minnesota and acquired by the state, either through mortgage foreclosure or by the taking of a deed, the Conservator is hereby authorized to sell said farm for an amount equal to the investment of the state in said farm, on a crop payment plan as provided in Section 10B hereinbefore stated, provided the state is still the owner of said farm and has not conveyed the same either by deed or by contract for deed. In such cases the former owner shall make application in writing to the Conservator for the purchase of said farm, stating whether or not he desired to buy the same on a crop share payment plan, and after the filing of said application the Conservator shall not consider bids from other prospective purchasers until he has first disposed of said application either by accepting or rejecting the same.*

c. All contracts for the sale of property and all conveyances thereof shall be executed in the name of the State by the Conservator and attested by his official seal, and all mortgages or other security taken in connection therewith shall run to the State of Minnesota."

*Sec. 12. This Act shall be in force and effect from and after its passage.*

Approved April 29, 1935.

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CHAPTER 368—H. F. No. 1505

*An act amending Mason's Minnesota Statutes of 1927, Section 6295 relating to the issue of land patents.*

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

**Section 1. Land patents.**—That Mason's Minnesota Statutes of 1927, Section 6295 be amended to read as follows:

"6295. The governor shall sign and issue, under the seal of the state, attested by the auditor, a patent for the land described in any certificate of sale, whenever the same is presented to him, with the certificate of the auditor indorsed thereon that the principal and interest specified therein, and all taxes due on said land, have been paid, and that the holder is entitled to a patent; and the governor shall in like manner issue a patent for such land to any purchaser at execution, judicial, mortgage, or tax sale of the right, title, and interest of the holder of any such certificate of sale, upon presentation