

examination held for civil engineer or civil engineering aid as classified by the state civil service commission. The service rating of such engineer shall include past service with the state and as county highway engineer, if he had prior service with the state highway department as a supervisory engineer."

Approved April 26, 1941.

CHAPTER 463—H. F. No. 1163

An act providing for a rural credit deficiency fund, levying taxes for the payment of deficiencies in the rural credit fund and the rural credit interest fund; authorizing the conservator of rural credit, with the approval of the executive council, to issue and sell rural credit deficiency fund certificates of indebtedness in anticipation of the collection of such taxes; authorizing the state board of investment to purchase such certificates of indebtedness; and appropriating moneys for the purposes of this act.

WHEREAS, Laws 1923, Chapter 225, provided for a system of Rural Credit for lending money by the state on mortgages on real estate within the state, and authorized the state to borrow money for such purpose by the issuance of bonds, and to borrow money by the issuance of certificates of indebtedness for the purpose of meeting payments of principal and interest on such borrowings which could not otherwise be met, and the good faith and credit of the state was pledged for the payment of the principal of and interest on moneys so borrowed; and,

WHEREAS, pursuant thereto, bonds were issued and sold in the amount of \$61,000,000, and there are now outstanding bonds thus issued in the principal amount of \$44,500,000 and certificates of indebtedness heretofore issued in the principal amount of \$15,540,000; and,

WHEREAS, the state of Minnesota, department of rural credit, has sustained and will continue to sustain substantial losses by reason of reduction in value of real estate and difference in interest received by it on its interest-bearing paper as against interest heretofore paid and hereafter to be paid on the bonds and certificates of indebtedness, together with cost of operation thereof; and,

WHEREAS, by reason of such losses, there will be insufficient moneys in the rural credit fund and rural credit interest fund with which to pay the principal and interest on such bonds and certificates of indebtedness when due, and such deficit will be in excess of \$40,000,000; therefore,

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

Section 1. Appropriation for deficiencies in rural credit fund.—There is hereby appropriated the sum of \$40,000,000 for (a) discharging deficiencies in the rural credit fund and rural credit interest fund occurring by reason of moneys therein being insufficient to pay principal and interest payable therefrom as such principal and interest fall due on bonds and certificates of indebtedness heretofore issued or hereafter to be issued pursuant to Laws 1923, Chapter 225, and acts amendatory thereof, which appropriation is hereby made available in such amounts and at such times as may be necessary for discharging such deficiencies as such payments fall due; and (b) for the payment of interest on certificates of indebtedness issued pursuant to this act; to be disbursed in the manner provided by law.

Sec. 2. Tax levy.—For the purpose of providing the funds appropriated by this act, there is hereby levied upon all the taxable property in this state a tax sufficient to produce \$40,000,000, which the state auditor is hereby authorized and directed to cause to be extended and collected in the manner in which other state taxes are extended and collected, to be included in the levies spread upon the tax rolls for the years 1942 to 1965, inclusive, in amounts sufficient to produce the sum of \$1,500,000 in each of the years 1943 to 1966, inclusive, plus additional amounts sufficient to produce such sums as may be necessary to pay the interest upon certificates of indebtedness issued pursuant to the provisions of this act. It is hereby declared that all of such tax is levied for the discharge of indebtedness incurred prior to and existing at the time of passage of Laws 1937, Extra Session, Chapter 86.

Sec. 3. Proceeds credited to special fund.—The proceeds of such tax levies and of the sale of certificates of indebtedness issued hereunder shall be credited to a special fund to be known as the rural credit deficiency fund, which is hereby created. After any certificates of indebtedness have been issued hereunder, the state treasurer shall segregate and retain in the rural credit deficiency fund, out of the proceeds of the tax levies made pursuant to Section 2 hereof, all thereof levied for the payment of interest on such certificates and as much as may be necessary of the levies specifically pledged

for payment of the principal of the respective issues, and shall disburse the same only in payment of the principal of and interest on such certificates, and such moneys are hereby appropriated for such purposes. Any other moneys in said fund are hereby appropriated for and shall be transferred to the rural credit fund or the rural credit interest fund from time to time as needed to discharge the deficiencies mentioned in Section 1 hereof. Any moneys remaining in said fund after full payment of all bonds and certificates of indebtedness issued pursuant to Laws 1923, Chapter 225, or amendments thereof, and all issued pursuant to this act, shall be transferred to the revenue fund.

Sec. 4. May issue certificates of indebtedness.—The conservator of rural credit, with the approval of the executive council, is hereby authorized, in anticipation of the collection of the taxes specified in Section 2 hereof, to issue and sell certificates of indebtedness in the manner and subject to the limitations herein prescribed. Such certificates shall be known as rural credit deficiency fund certificates of indebtedness, and shall be issued only (a) when there is insufficient money in the rural credit fund or in the rural credit interest fund, as the case may be, to meet payments which are then due or about to become due and are required by law to be made therefrom for principal or interest on bonds or certificates of indebtedness and money then in the rural credit deficiency fund is not available or not sufficient for such purposes, or (b) when certificates previously issued pursuant hereto are due or about to become due or redeemable and sufficient moneys are not available in the rural credit deficiency fund for their payment. In either case, the amount of certificates so issued shall be limited to the amount of such deficiencies. Such certificates shall mature at such time or times during the years 1944 to 1967, inclusive, as the conservator of rural credit shall determine, with the approval of the executive council, provided that the aggregate principal amount maturing in any one of said years shall not exceed \$1,350,000. All certificates maturing more than three years after their date must be made redeemable at par at the expiration of such three years and on each interest payment date thereafter, upon such notice, as the conservator of rural credit, with the approval of the executive council, shall determine prior to their issuance. Any certificates may similarly be made redeemable on any interest payment date prior to the expiration of such three years. Rural credit deficiency fund certificates of indebtedness shall bear such date of issue, be of such denominations, and the principal and semi-annual interest thereon shall be payable at such place or places, as the conservator of rural

credit shall determine, with the approval of the executive council. The conservator of rural credit, with approval of the executive council, may, prior to the issuance of certificates hereunder, prescribe in favor thereof such liens on, or priorities in payment from, the taxes anticipated thereby as may be found advisable. The certificates shall be in a form approved by the attorney general, shall bind the state to pay the same according to their terms, and shall be signed by the conservator of rural credit, attested by the secretary of state, and sealed with the great seal of the state, provided that facsimile signatures of the conservator of rural credit and secretary of state shall be sufficient upon interest coupons.

Sec. 5. State board of investment.—Prior to the issuance of any rural credit deficiency fund certificates of indebtedness, the conservator of rural credit shall offer them to the state board of investment, without prior advertisement for bids, upon such terms as to interest rates and prices as the executive council shall prescribe after receiving the recommendations of the conservator of rural credit in respect thereto. Said board is hereby authorized to invest any funds under its control in such certificates and is hereby requested, but not directed, to purchase all so offered to it, to the extent it has funds available therefor. In event the board shall decline to purchase any certificates so offered to it, they shall be sold at not less than par upon competitive sealed bids after at least two weeks' published notice. The conservator of rural credit, with approval of the executive council, shall have full authority to prescribe such rules and regulations in connection with such public sale, consistent with this act, as he may find necessary or advisable. Notwithstanding that the board shall have declined to purchase the certificates on the terms offered to it, the board may bid for their purchase upon such public sale, at such prices as the board deems advisable.

Sec. 6. State auditor shall make records.—After the sale and before the delivery to the purchaser of certificates of indebtedness issued pursuant hereto, they shall be presented to the state auditor, who shall make a record showing the number, amount, date of issue, date of maturity, and interest rate of each certificate, and the state auditor or his deputy shall certify thereon that such record has been made, and after such certification the conservator of rural credit shall forthwith file with the commissioner of administration a statement showing the number, amount, date of issue, date of maturity, and interest rate of each of such certificates.

Sec. 7. Acts supplemental.—The provisions of this act are intended to be, and shall be construed as supplemental to any

and all provisions of law heretofore in force relating to the payment, funding, or refunding of rural credit bonds or rural credit certificates of indebtedness. To the extent that payment of principal or interest falling due on such bonds or certificates of indebtedness cannot be made from moneys in the respective funds from which such payments are provided by law to be made and cannot be made from proceeds of taxes levied pursuant to Section 2 hereof without anticipation thereof by the issuance of certificates of indebtedness hereunder, the conservator of rural credit may provide for such payments of any part thereof by the issuance of rural credit certificates of indebtedness in accordance with Laws 1923, Chapter 225, as amended. In event there shall be any moneys in or accruing to the rural credit fund or rural credit interest fund after full payment of all principal of and interest on bonds and certificates of indebtedness payable therefrom, (a) if there shall then be outstanding any rural credit deficiency fund certificates of indebtedness, such moneys shall be transferred to the rural credit deficiency fund to be used to pay such rural credit deficiency fund certificates of indebtedness, and thereupon tax levies directed by Section 2 hereof to be made which have not then been extended upon the tax rolls shall be reduced by amounts equal to the sum so transferred; but (b) if there are then no outstanding rural credit deficiency fund certificates of indebtedness, all of such tax levies which have not then been extended upon the tax rolls shall be cancelled and the moneys in and accruing to the rural credit fund and rural credit interest fund shall be transferred to the revenue fund.

Approved April 26, 1941.

CHAPTER 464—H. F. No. 1470

An act to authorize department heads of the government of the State of Minnesota to deduct from the salary or wages of the employees of their respective departments of the state government, systematic payments to any state employees credit union for the purpose of creating a savings account on the part of such employee of the various departments of the state government.

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

Section 1. Heads of departments may deduct loans from salaries.—The heads of the various departments of the govern-