

forth its findings as a result of such investigation and study and shall make such recommendations as it deems fit in an effort to assist the Legislature in the formulation of legislation on the subject.

Sec. 6. Expenses. Members of the commission shall be allowed and paid for actual traveling and other expenses necessarily incurred in the performance of their duties. The commission may purchase stationery and supplies, hire employees, and do all things reasonably necessary and convenient in carrying out the purposes of this act.

Sec. 7. Appropriation. It is hereby appropriated out of any money in the Highway User Tax Distribution Fund not otherwise appropriated \$15,000 or so much thereof as may be necessary to pay expenses incurred by the commission. For the payment of such expenses the commission shall draw its warrant upon the State Treasury, which warrant shall be signed by the chairman or by such other or additional member of this commission as the rules of the commission may provide and the state auditor shall then approve and the state treasurer pay such warrant as and when presented.

Approved April 29, 1957.

CHAPTER 931—H. F. No. 1243

[Not Coded]

An act to appropriate money for the department of aeronautics, providing for the issuance of certificates of indebtedness for the raising of necessary additional funds for constructing, improving, maintaining, and operating airports and other air navigation facilities, for the levying of taxes, authorizing the state board of investment to purchase such certificates of indebtedness.

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

Section 1. Aeronautics, appropriation. There is hereby appropriated to the commissioner of aeronautics out of the Minnesota aeronautics fund, for the purposes hereinafter specified, the sum of \$3,801,000 for the biennium ending June 30, 1959, which appropriation is hereby made available in such amounts and at such times as may be deemed necessary by the commissioner of aeronautics to carry out the purposes of this act. Any balance remaining at the end of any fiscal year shall be carried over and shall be available for the purposes of this

act until July 1, 1959, and thereafter until all obligations theretofore incurred hereunder have been paid.

Sec. 2. Specific expenditures. Subdivision 1. The moneys hereby appropriated to the commissioner of aeronautics shall, from time to time, upon his authorization, be used in accordance with Minnesota Statutes 1953, Chapter 360, as amended.

Except as otherwise provided in this section, of the moneys hereby appropriated, the commissioner of aeronautics shall not authorize the expenditure of more than \$2,350,000 on the Minneapolis-St. Paul International Airport, \$1,107,400 on other key system airports, \$92,100 on secondary airports, \$85,000 on the state landing strip system, \$16,500 on radio navigational aids, \$25,000 for the purchase of an airplane, and \$25,000 on snow removal. In addition, the commissioner shall establish a hangar construction revolving account in the amount of \$100,000 for the purpose of constructing hangar buildings to be sold by conditional sales contract or contract for deed to municipalities owning airports. For the purposes of this act all municipalities owning airports are hereby authorized to enter into such contracts for such amount and period of time as may be determined by the commissioner and the municipality. All receipts from the sale of these buildings shall be deposited in the hangar construction revolving account and are hereby re-appropriated to that purpose.

Subd. 2. The governor may on his own initiative or upon application by the commissioner of aeronautics issue his order authorizing a change in the provisional limitations on the amounts to be expended as provided in subdivision 1 hereof.

Subd. 3. Before any expenditure of any of the moneys hereby appropriated to assist political subdivisions, municipalities, and public corporations in acquiring, constructing, improving, maintaining, and operating airports and other air navigation facilities, may be authorized, the commissioner of aeronautics shall have made, with the approval of the governor, his order designating the municipalities and airports which are a part of the key airport system, the secondary airport system, the landing strip system, and the state system of radio navigational aids. For the purposes of this act, the key system airports shall be those being served by or intended to be served by scheduled air carriers and large multi-engine aircraft and shall not exceed a total of 30. The secondary system shall consist of airports designed for or having active commercial operations other than scheduled air service and shall not exceed a total of 40 and the landing strip system shall

consist of landing strips in the rural areas not designed for commercial activities and the total number shall not exceed 55. He may amend such order from time to time to expand or modify the airport system to best serve the interest of the state, subject to the approval of the governor. Except as otherwise provided in this subdivision, the commissioner of aeronautics shall require as a condition of such assistance by the state, that the political subdivision, municipality, or public corporation itself make a substantial contribution to the cost of construction, improvement, maintenance, or operation in connection with which the assistance by the state is sought for all airports of not less than one-third of the project costs, if state and local funds only are to be used, or not less than one-sixth of the project costs, if federal, state and local funds are to be used. He may pay

- (a) the total cost of radio navigational aids,
- (b) one-half the actual snow removal costs (not including the purchase of equipment) but not more than \$500 per fiscal year to any city,
- (c) not to exceed \$15,000 for all of the construction costs for new landing strip airports,
- (d) from the hangar construction revolving account 80 percent of the cost of hangars, and
- (e) not to exceed \$35,000 for all of the initial construction of a landing strip on the North Shore in the vicinity of Beaver Bay.

No state money may be used for land acquisition for key system or secondary system airports, or landing strips.

Subd. 4. Before authorizing any expenditure of any of the moneys hereby appropriated the commissioner of aeronautics shall issue his order allocating the amount of moneys estimated to be required, and he shall certify that the improvements to be made or the work to be accomplished is in the interest of the state and in compliance with the laws of the state and the provisions of this act. From time to time he may amend or rescind his allocation orders. Upon completion of the work or project for which the funds are allocated and on final payment discharging the state's obligation the commissioner of aeronautics shall issue his order releasing any unexpended portions of the moneys first allocated.

Subd. 5. The commissioner of aeronautics shall cause to be prepared or supervise the preparation of plans and specifications for the construction, improvement, and maintenance of all airports and air navigation facilities on which

expenditures are made pursuant to this act; approve such plans and specifications; supervise and inspect all work; approve all lawful changes in plans and specifications; approve estimates for payments; and approve the construction when completed according to such plans and specifications.

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Sec. 3. Tax levy for additional funds. To provide additional moneys for the Minnesota aeronautics fund, the state auditor shall levy upon all taxable property in this state, in the manner in which other state taxes are levied, for the taxable years 1959, 1960, 1961, 1962, 1963, 1964, 1965, 1966, 1967, and 1968, taxes sufficient to produce the sum of \$380,100 for each of said taxable years, together with such additional sums as may be necessary to pay the interest upon the certificates of indebtedness hereinafter authorized. In case of a deficiency in the proceeds of such tax levy for any year, the auditor shall levy additional amounts in succeeding years to compensate therefor until the full amount herein authorized has been raised. The proceeds of such taxes shall be credited to the Minnesota aeronautics fund.

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Sec. 4. Certificates of indebtedness. Pending the levy and collection of such taxes, upon request of the commissioner of aeronautics, the state auditor is hereby authorized and directed to issue and sell certificates of indebtedness of this state, as funds are needed for the purposes of this act, not exceeding the amount required from time to time to meet the appropriations hereinafter made and not exceeding \$3,801,000 in the aggregate. Such certificates shall be known as "Minnesota Aeronautics Certificates of Indebtedness, Series VII" shall be numbered consecutively, and shall be issued and sold at not less than par upon sealed bids after two weeks' published notice, unless sold to the state board of investment as hereinafter provided. Such certificates shall be in such form and of such denominations and shall mature at such times as the state auditor may determine, not exceeding the time when funds shall be available for the payment thereof from the tax levies authorized by section 3 of this act. 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 state auditor shall determine prior to their issuance. Such certificates shall bear such rate of interest, payable semi-annually, and shall contain such other terms and provisions not inconsistent herewith, as the state auditor may determine. The certificates shall be signed by the state treasurer and attested by the state auditor under their official seals, and the auditor and treasurer shall keep records thereof. The certificates shall be a charge upon and a lien against the taxes authorized by

section 3 of this act. The principal and interest of the certificates, except as provided in section 6 of this act, shall be payable only from the proceeds of such taxes, and so much thereof as may be necessary is hereby appropriated for such payments; provided, that such interest as may become due at any time when there is not on hand a sufficient amount from the proceeds of such taxes to pay the same shall be paid out of the general revenue fund, and the amount necessary therefor is hereby appropriated, to be reimbursed from the proceeds of such taxes when received. All moneys received from the sale of the certificates shall be credited to the Minnesota aeronautics fund.

Sec. 5. **Investment of funds.** The state board of investment is hereby authorized to invest any funds under its control or direction in any certificates of indebtedness issued hereunder and to purchase such certificates at a rate of interest not exceeding three percent per annum, and such certificates may be issued and sold to the board without advertising for bids.

Sec. 6. **Transfer of funds.** Subdivision 1. On November 1, 1959, and on the first day of November in each year thereafter up to and including November 1, 1968, there shall be transferred from the state airports fund, otherwise created by law, to the Minnesota aeronautics fund out of any moneys remaining in said state airports fund after the transfer provided by Minnesota Statutes 1953, Sections 360.351, 360.371, Subdivision 6, 360.382, Subdivision 6, and 360.383, Subdivision 6, and Minnesota Laws 1955, Chapter 719, and after any reimbursement of the general revenue fund therefrom otherwise provided by law, the sum of \$380,100 and such additional sums as may be necessary to pay interest on any certificates of indebtedness issued and sold pursuant to section 4 of this act and to compensate for any deficiencies in the proceeds of tax levies authorized by section 3 of this act for any prior year, or so much of the total of said sums as may be available in the state airports fund for transfer. If sufficient funds are made available by the transfer, the tax levy for that taxable year provided for by section 3 of this act shall be cancelled and shall not be made; otherwise the amount to be raised by the tax levy for that taxable year shall be reduced by the amount transferred. The state auditor and the state treasurer are authorized and directed to make the appropriate entries in the accounts of the respective funds.

Subd. 2. All moneys transferred from the state airports fund to the Minnesota aeronautics fund shall be available for the payment of outstanding certificates of indebted-

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ness and interest thereon and deficiencies in the proceeds of prior tax levies, if any, in the same manner as the proceeds of taxes provided for in section 3 of this act, and so much thereof as may be necessary is appropriated for such payments.

Subd. 3. Notwithstanding any provision of any other statute appropriating moneys in the state airports fund, all those moneys over and above the amounts required to be transferred as provided by Minnesota Statutes 1953, Sections 360.306, 360.351, 360.371, Subdivision 6, 360.382, Subdivision 6, and 360.383, Subdivision 6, and Minnesota Laws 1955, Chapter 719, and the amounts required to pay the salaries, supplies and expenses of the department of aeronautics as otherwise provided by law, shall be used only for the purpose of making the transfers provided for by subdivision 1 of this section and thus reducing the amounts to be raised by the tax levies provided for by section 3 of this act, until after the date prescribed for the making of the last of those levies, or until they are otherwise canceled by law.

Subd. 4. The appropriation to the commissioner by section 1 is in addition to any other appropriation made to him out of the Minnesota aeronautics fund by any other statutes.

Approved April 29, 1957.

CHAPTER 932—H. F. No. 1333

An act relating to taxes on and measured by net income; amending Minnesota Statutes 1953, Section 290.23.

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

Section 1. Minnesota Statutes 1953, Section 290.23, is amended to read:

290.23 Estates and trust; computation of net income, credits, deductions. Subdivision 1. The net income of the estate or trust shall be computed in the same manner and on the same basis as in the case of an individual, except as otherwise provided in this section, and sections 290.24 through 290.28.

Subd. 2. (a) There shall be allowed as a credit (in lieu of the credit for charitable and other contributions authorized by section 290.21, clause (2)), any part of the gross income, without limitation, which pursuant to the terms of the will or deed creating the trust, is during the taxable year