

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

Section 1. Minnesota Statutes 1961, Section 247.14, is amended to read:

247.14 **Owatonna state school; vocational training for mentally deficient.** The Owatonna state school shall be used as a state institution to provide academic education and vocational training for mentally deficient persons *under age 21*.

Sec. 2. Minnesota Statutes 1961, Section 247.15, is amended to read:

247.15 **Trainees, selection.** The commissioner of public welfare ~~shall~~ *may transfer or admit* to the Owatonna state school ~~these any persons committed as mentally deficient under age 21 who, in his opinion, may will benefit from academic education and vocational training.~~ *the services there available.*

Approved May 10, 1963.

CHAPTER 601—S. F. No. 1331

[Coded in Part]

An act relating to the maximum effort school loan fund, the manner of issuance and sale of school loan bonds of the state, and the appropriation of the proceeds thereof for the making of debt service loans and capital loans to school districts and authorizing an issue of such bonds; amending Minnesota Statutes 1961, Sections 124.38 to 124.40 and 124.46.

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

Section 1. Minnesota Statutes 1961, Section 124.38, is amended by adding subdivisions thereto to read as follows:

Subd. 12. Maximum effort school loan fund; bonds. "School loan bonds" means bonds issued by the state under section 124.46 to support the fund and to refund bonds or certificates of indebtedness previously issued for that purpose.

Subd. 13. "Net proceeds" of bonds means the amounts received upon their sale less expenses incident to their issuance, sale, and delivery and the amount required to pay and redeem any bonds or certificates of indebtedness refunded thereby.

Changes or additions indicated by italics, deletions by ~~strikeout~~.

Subd. 14. "Year" means the school year ending on and including June 30 in each calendar year.

Sec. 2. Minnesota Statutes 1961, Section 124.39 is amended to read:

124.39 **Fund established; division into accounts.** Subdivision 1. There is hereby created *shall be maintained* in the state treasury a "maximum effort school loan fund" for administration of moneys to be received and disbursed as authorized and required by sections 124.36 to 124.47, which fund shall be divided into ~~four~~ *three* accounts for the purposes specified in subdivisions 2, 3, 4, and 5.

Subd. 2. There shall be a debt service loan account, out of which loans under section 124.42 shall be made. ~~From the All~~ moneys appropriated to the fund by section 124.40 ~~for the year ending June 30, 1960, there shall be paid into this account initially \$2,490,000, and for the year ending June 30, 1961, the sum of \$2,490,000. Transfers to and from said account shall also be made as required by sections 124.36 to 124.47.~~

Subd. 3. There shall be a capital loan account, out of which loans under section 124.43 shall be made. There shall be transferred to it from the debt service loan account on October 1 of each year, all moneys therein in excess of those required for debt service loans then agreed to be made. There shall be transferred from it to the debt service loan account on July 1 of each year all moneys therein in excess of those required for capital loans theretofore agreed to be made; to an amount not exceeding \$3,500,000; and any balance in the capital loan account on July 1 of any year in excess of such existing capital loan requirements plus \$3,500,000 shall be transferred to the certificate of indebtedness account described below:

Subd. 4. There shall be an administration account for payment of the state's costs of administering sections 124.36 to 124.47. ~~From the moneys appropriated by section 124.40, there shall be paid into this account \$10,000 for the year ending June 30, 1960, and \$10,000 for the year ending June 30, 1961.~~

Subd. 5. There shall be a certificate of indebtedness *loan repayment* account, into which shall be paid all *principal and* interest paid by school districts on debt service loans and capital loans made under sections 124.42 or 124.43; ~~whenever received; and all principal payment on such loans received after June 30, 1961; and the proceeds of all taxes levied pursuant to section 124.46. The state's cost of administering the maximum effort school aid law shall be paid out of this account, to an amount not exceeding \$10,000 in~~

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any year. There shall be ~~paid transferred~~ out of this account to the state bond fund the sums required to pay the principal of and interest on all certificates of indebtedness issued under school loan bonds as provided in section 124.46.

Subd. 6 5. All moneys deposited to the credit of the certificate of indebtedness loan repayment account and not required for the payment of principal and interest and costs as prescribed in subdivision 5 4 shall be transferred to the credit of the debt service loan account on July 1 of each year, to the amount required; if any; to increase the balance then in that account to \$3,500,000; and such moneys are hereby annually appropriated in such account for the purposes prescribed by sections ~~124.36 to 124.47~~ the maximum effort school aid law; except that the committee may retain in the loan repayment account any amount which it estimates will not be needed for loans in the fiscal year commencing July 1. Moneys deposited to the credit of the certificate of indebtedness loan repayment account and not required for such transfers or for the payment of principal and interest due on certificates of indebtedness school loan bonds shall be used for the redemption and prepayment of certificates of indebtedness when prepayable according to their terms; or for the purchase of certificates of indebtedness prior to maturity; or may be invested and reinvested in securities which are general obligations of the United States or the state of Minnesota. When all certificates of indebtedness issued and made payable from said account school loan bonds have been fully paid with interest accrued thereon, the balance remaining in said account shall be transferred to the income tax state bond fund.

Section. 3. Minnesota Statutes 1961, Section 124.40, is amended to read:

124.40 **Appropriation.** Subdivision 1. There is hereby appropriated to the fund, in addition to all sums which have been or may hereafter be appropriated thereto by any law, the net proceeds of sale of any state certificates of indebtedness school loan bonds authorized to be issued under section 124.46; "net proceeds" being the amounts received upon their sale less expenses incidental to their issuance; sale; and delivery.

Subd. 2. Any amounts remaining in the fund on July 1 of each year, commencing in 1961; including any unused portion of the appropriation made in subdivision 1, shall be available for use by the committee in making further debt service loans and capital loans at like times and in like manner as herein provided for the years ending June 30, 1960; and June 30, 1961.

Subd. 3. All payments of principal and interest on debt

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service notes or capital loan contracts, as received by the commissioner ~~prior to July 1, 1961~~, are hereby appropriated to the debt service loan account if received on or between July 1 and September 30 of any year or to the capital loan account if received on or between October 1 and June 30 of the following year. All such payments received after June 30, 1961, as received by the commissioners, are hereby appropriated to the certificate of indebtedness *loan repayment* account.

Sec. 4. Minnesota Statutes 1961, Section 124.46, is amended to read:

124.46 **Issuance and sale of bonds.** Subdivision 1. On or before October 1, ~~1959~~ *in each year*, the commissioner shall certify to the state auditor the amount, ~~not exceeding \$2,500,000, in addition to the amounts appropriated from the income tax fund, which he anticipates will be needed for debt service loans and capital loans to be made under sections 124.42 and 124.43~~ *the maximum effort school aid law prior to October 1, 1960. On or before October 1, 1960, the commissioner shall certify to the state auditor the amount, not exceeding \$2,500,000, in addition to the amounts appropriated from the income tax fund, plus any portion of the \$2,500,000 not certified in 1959, which he anticipates will be needed for debt service loans and capital loans to be made after October 1, 1960 in the following year.* Each such certification of the commissioner shall also state his estimate of the dates and amounts the certified amount will be needed in the maximum effort school loan fund and his estimate as to the years and amounts in which payments on debt service loans and capital loans will be received.

Subd. 2. Upon receipt of each such certification, *subject to authorization as provided in subdivision 4*, the state auditor shall from time to time as needed ~~prepare, execute, issue, and sell state of Minnesota school aid certificates of indebtedness loan bonds~~ *prepare, execute, issue, and sell state of Minnesota school aid certificates of indebtedness loan bonds* in the aggregate principal amount stated in the commissioner's certificate, *for the prompt and full payment of which, with the interest thereon, the full faith, credit, and taxing powers of the state are hereby irrevocably pledged, and shall credit the net proceeds of their sale to the purposes for which they are appropriated by section 124.40, subdivision 1. Such certificates of indebtedness bonds shall be issued and sold at not less than their par value. They shall be numbered serially and of such denominations, not less than \$1,000, and in such manner, in such number of series, at such times, and in such form and denominations, shall bear such dates of issue and of maturity, either without option of prior redemption or subject to prepayment upon such notice and at such times and prices, shall and bear interest from their date until paid at such rate or rates not*

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exceeding five percent per annum and payable at such intervals, all shall be payable at such bank or banks within or without the state, with such provisions for registration, conversion, and exchange, and for the issuance of notes in anticipation of the sale and delivery of definitive bonds, and in accordance with such further regulations as the auditor shall determine; provided that the subject to the limitations stated in this subdivision (but not subject to the provisions of Minnesota Statutes, Sections 15.0411 to 15.0422). The maturity date shall in no case be less than ten or more than 30 20 years after the date of issue of any bond and the principal amounts and due dates shall conform as near as may be with the commissioner's estimates of dates and amounts of payments to be received on debt service and capital loans. Provided, however, that not more than one fifteenth of the principal amount of certificates of indebtedness authorized in any one year by this section shall mature in any one year. The bonds shall be executed by the state auditor and attested by the state treasurer under their official seals. The signature of one of these officers on the face of any bond, and their seals, and the signatures of both officers on the interest coupons appurtenant to any bond, may be printed, lithographed, stamped, or engraved thereon. The auditor is authorized and directed to ascertain and certify to purchasers of the bonds the performance and existence of all acts, conditions, and things necessary to make them valid and binding general obligations of the state of Minnesota in accordance with their terms.

Subd. 3. At the time of computing and certifying for collection the state tax levy in 1959 and in each year thereafter until all school aid certificates of indebtedness have been paid; The state auditor shall maintain a separate school loan bond account in the state bond fund, showing all moneys transferred to that fund and all taxes levied as provided in this section for the payment of school loan bonds. On the first day of November in each year there shall be transferred to that account all moneys then on hand in the loan repayment account in the maximum effort school aid fund, or so much thereof as will be sufficient, with all moneys previously so transferred, to pay all principal and interest then and theretofore due and to become due within the next ensuing year and to and including July 1 in the second ensuing year on school loan bonds issued and sold pursuant to this section. The state auditor shall include in each also if necessary levy on all taxable property within the state an amount a tax sufficient to meet, with funds then on hand in and theretofore transferred from the certificate of indebtedness loan repayment account, all payments of principal and interest on school aid certificates of indebtedness loan bonds then outstanding and on those in process of being issued which will fall due prior to receipt of

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within the next ensuing year's state tax levy and to and including July 1 in the second ensuing year. Such tax shall be levied upon all real property used for the purposes of a homestead, as well as other taxable property, notwithstanding the provisions of Minnesota Statutes, Section 273.13, Subdivisions 6 and 7, and shall be and remain subject to no limitation of rate or amount until all school loan bonds and all interest thereon are fully paid. The amounts so computed are hereby levied upon all taxable properties in the state and the proceeds of such levies this tax are hereby irrevocably appropriated and shall be credited to the state bond fund, and so much thereof as may be necessary is appropriated for the payment of such certificates of indebtedness bonds and interest. If any principal or interest on school loan bonds should become due at any time when there is not on hand a sufficient amount from any of the sources herein appropriated for the payment thereof, it shall nevertheless be paid out of the general revenue fund in the state treasury, and the amount necessary therefor is hereby appropriated; but any such payments shall be reimbursed from the proceeds of taxes levied as required herein, and any such payments made from taxes shall be reimbursed from the bond account in the maximum effort school loan fund, when the balance therein is sufficient.

Subd. 4. *Certificates of indebtedness Bonds shall be issued pursuant to this section shall constitute negotiable instruments under the laws of Minnesota only when authorized by a law specifying the purpose thereof and the maximum amount of the proceeds authorized to be expended for such purpose. Any act authorizing the issuance of bonds in the manner provided in this section shall, together with this section, constitute complete authority for such issue, and such bonds shall not be subject to the restrictions or limitations contained in any other law. Bonds issued pursuant hereto may be purchased by the state board of investment for the permanent school fund, swamp land fund, internal improvement land fund, or any other fund for which investments may be made by the state board of investment or may be sold elsewhere at public or private sale and shall be deemed "authorized securities" within the provisions of Minnesota Statutes, Section 50.14 and acts amendatory thereof or supplemental thereto.*

Subd. 5. *If at any time the committee and the commissioner shall determine that there are moneys on hand in the debt service loan account or the capital loan account which will not be needed for loans to school districts; they shall certify such determination to the state auditor and state treasurer and the amounts so on hand shall be transferred to the certificate of indebtedness account.*

Sec. 5. [124.471] **Specified bond sales.** Subdivision 1.

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For the purpose of refunding outstanding certificates of indebtedness authorized by the legislature prior to January 1, 1963, which are payable from the maximum effort school loan fund, the state auditor is directed to issue and sell school loan bonds of the state of Minnesota in the maximum amount of \$3,900,000, which is appropriated and shall be expended by the state treasurer for the payment and redemption of each and all of such certificates of indebtedness at the par value thereof. The accrued interest on such certificates of indebtedness to the date of payment shall be paid from the loan repayment account (formerly the certificate of indebtedness account) of the maximum effort school loan fund created by Minnesota Statutes, Section 124.39, and so much thereof as may be required is appropriated for that purpose.

Sec. 6. [124.471] Subd. 2. *For the purpose of providing moneys to be loaned to school districts as agencies and political subdivisions of the state for the acquisition and betterment of public land and buildings and other public improvements of a capital nature, in the manner provided by the maximum effort school aid law, the state auditor is directed to issue and sell school loan bonds of the state of Minnesota in the maximum amount of \$16,000,000, which is appropriated to the maximum effort school loan fund and shall be expended under the direction of the school loan committee for the making of debt service loans and capital loans to school districts as provided in Minnesota Statutes, Sections 124.36 to 124.47.*

Sec. 7. [124.471] Subd. 3. *The bonds authorized in sections 5 and 6 shall be issued and sold and provision for the payment thereof shall be made in accordance with Minnesota Statutes, Section 124.46. The accrued interest and any premium received upon the sale thereof shall be credited to the state bond fund. Any expenses incidental to the sale, printing, execution, and delivery of the bonds, including, but without limitation, actual and necessary travel and subsistence expenses of state officers and employees for such purposes, shall be paid from the maximum effort school loan fund, and the amounts necessary therefor are appropriated from such fund.*

Sec. 8. *This act is in effect from and after its final enactment.*

Approved May 10, 1963.

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