

examinations to residents of other states who are citizens of the United States or to noncitizens who have filed with proper authorities, a declaration of intent to become citizens of the United States when such action is permitted by federal law and who are otherwise qualified. Noncitizens appointed as a result of competitive examinations permitted under this section shall not acquire permanent civil service status until they present proof of United States citizenship. The period of employment of any noncitizen so appointed who shall not furnish proof of citizenship within the applicable minimum period prescribed by federal law, shall be automatically terminated on that date, unless extended by the director because of circumstances beyond the control of the employee. *For positions as provided in this subdivision, the appointing authority may pay one-half of first class rail fare or its equivalent to out-of-state applicants invited to Minnesota for oral examinations, for those positions where unusual difficulty in recruiting qualified applicants is being encountered, and as recommended by the director.*

Approved April 30, 1965.

CHAPTER 300—H. F. No. 641

An act relating to public indebtedness, deposit of county funds, the investment of city, village, borough, county, town, and school district sinking funds and other funds; amending Minnesota Statutes 1961, Sections 475.66 and 385.07 and Section 124.05, Subdivision 3.

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

Section 1. Minnesota Statutes 1961, Section 475.66, is amended to read:

475.66 Public indebtedness; sinking fund; surpluses. There shall always be retained in any sinking fund sufficient cash to provide for the annual payments of principal and interest on the obligations for which the fund was created. Subject to the provisions of any resolutions of the governing body relating to the maintenance of reserves of cash or investments for the security of holders of such obligations, any surplus in any sinking fund above such amount may be invested under the direction of the governing body in any general obligation of the United States, the state of Minnesota or any of its municipalities, and *in securities issued by the following agencies of the United States: Federal Home Loan Banks, Federal Inter-*

Changes or additions indicated by italics, deletions by strikeout.

mediate Credit Banks, Federal Land Banks, and the Federal National Mortgage Association. Such surplus may also be used to purchase any obligation, whether general or special, of the issue for which the fund is created, at such price, which may include a premium, as shall be agreed to by the holder, or may be used to redeem any obligation of said issue prior to maturity in accordance with its terms. The obligations representing any such investment may be sold or hypothecated by the governing body at any time, but the money so received remains a part of such fund until used for the purpose for which the fund was created. Any obligation held in the sinking fund from which it is payable may be cancelled at any time when moneys in such fund are sufficient to pay all other obligations issued prior to July 1, 1961, payable therefrom with interest to maturity or to their earliest redemption dates. Any obligation issued after July 1, 1961, held in the sinking fund from which it is payable may be cancelled at any time unless otherwise provided in the other obligations payable from such fund or in a resolution or ordinance authorizing their issuance.

Sec. 2. Minnesota Statutes 1961, Section 385.07, is amended to read:

385.07 Funds, where deposited or invested. All county funds shall be deposited promptly and intact by the county treasurer in the name of the county in one or more banks designated by the board of auditors, who, before designating such depository, shall advertise in one or more newspapers published in its county, or if, in its opinion, the public interests require, in other counties, for at least two weeks for proposals. Such proposals shall state what security will be given to the county for the funds so deposited, and what interest allowed on monthly balances, on condition that such funds, with accrued interest, shall be held subject to draft and payment at all times on demand. Any such proposal shall also state what interest will be allowed on moneys deposited for any certain or definite period of time, naming such period, on the condition that such funds with accrued interest shall be held subject to draft and payment at the expiration of the period of deposit. If, after making such designation, such board of auditors deems the surety given insufficient, it may require a new bond, or if, in its opinion, the public interests require, may vacate, revoke, or modify any such designation, and again advertise and designate a depository.

In lieu of deposits in banks the treasurer, upon direction of the county board of auditors shall purchase securities issued *either by the government of the United States with maturity, or by the following agencies of the United States: Federal Home Loan Banks, Federal Intermediate Credit Banks, Federal Land Banks, and the Federal*

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National Mortgage Association as they deem in the best interest of the county, provided that any securities so purchased mature within 15 months after purchase. Interest and profits which accrue from such investment shall, when collected, be credited to the general revenue fund of the county. Losses which result from such investment shall be chargeable to the general revenue fund of the county and not to the county treasurer or the board of auditors.

Sec. 3. Minnesota Statutes 1961, Section 124.05, Subdivision 3, is amended to read:

Subd. 3. When the board, by unanimous resolution, deems it advisable, it may invest such amount of funds as will not in the opinion of the board be currently needed by the district in any of the bonds of any county, city, town, village, school district, drainage or other district created pursuant to law for public purposes in Minnesota, Iowa, Wisconsin, and North and South Dakota, or in U. S. treasury bonds with maturity date not to exceed five years from the time of purchase, *or in securities issued by the following agencies of the United States, maturing not to exceed five years from the time of purchase: Federal Home Loan Banks, Federal Intermediate Credit Banks, Federal Land Banks, and the Federal National Mortgage Association, or in U. S. Treasury Bills, U. S. Certificates of Indebtedness, or U. S. Treasury Notes.*

Approved April 30, 1965.

CHAPTER 301—H. F. No. 793

[Coded]

An act relating to the powers of the commissioner of highways, authorizing the sale of surplus earth materials from roadway excavation to political subdivisions and public agencies of the state.

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

Section 1. [161.411] **Trunk highways; surplus earth materials not needed for construction, sale.** Whenever the plans for the construction of a trunk highway indicate that there will be a surplus of earth materials from the roadway excavation of such trunk highway, and a political subdivision or public agency of the state indicates that it has use for all or part of such surplus earth materials, the commissioner of highways may enter into an agreement for the sale of such surplus materials on an equitable basis to such political subdivision or agency. Prior to such agreement the state in its pro-

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