

handicapped which is undertaken or commenced prior to the effective date of this act by the board or commission abolished in subdivision 1 still pending at the time of said effective date, may be conducted and completed by the commission for the handicapped in the same manner and under the same terms and conditions and with the same effect as though it were undertaken or commenced and were conducted or completed by the former board or commission prior to said transfer.

Subd. 4. **TRANSFER OF PROPERTY.** The heads of the board and commission abolished in subdivision 1 shall transfer and deliver to the commission for the handicapped all contracts, books, maps, plans, papers, records, and property of every description within their jurisdiction or control which relates to the handicapped. The commission for the handicapped is hereby authorized to take possession of said property.

Subd. 5. **TRANSFER OF FUNDS.** All unexpended funds appropriated to the board and commission abolished in subdivision 1 for the purposes of any of their functions, powers, or duties which are transferred by this act to the commission for the handicapped are hereby transferred to such commission.

Sec. 4. **APPROPRIATION.** There is appropriated to the commission for the handicapped from the general fund, the sum of \$97,000 for the purpose of administering the provisions of this act during the biennium beginning July 1, 1973 and ending June 30, 1975. Notwithstanding Minnesota Statutes, Section 16.17, or any other law relating to the lapse of an appropriation, the appropriation made by this section shall not lapse prior to June 30, 1975.

Sec. 5. Minnesota Statutes 1971, Sections 4.08 and 121.34 are repealed.

Approved May 24, 1973.

CHAPTER 758—H.F.No.1945

[Coded in Part]

An act relating to the Minnesota higher education facilities authority; amending Minnesota Statutes 1971, Sections 136A.26, 136A.27, 136A.29, 136A.32, Subdivision 3, and by adding a subdivision; 136A.34, Subdivision 4; 136A.40 and 136A.41.

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

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

Section 1. Minnesota Statutes 1971, Section 136A.26, is amended to read:

136A.26 HIGHER EDUCATION FACILITIES AUTHORITY; MEMBERSHIPS; OFFICERS; COMPENSATION; REMOVAL. The Minnesota higher education facilities authority shall consist of six members appointed by the governor with the advice and consent of the senate, and the executive director of the Minnesota higher education coordinating commission. The governor shall in like manner fill for the unexpired term all vacancies of the authority over which he has power of appointment.

All members to be appointed by the governor shall be residents of the state. At least one of the members shall be a person having a favorable reputation for skill, knowledge, and experience in the field of state and municipal finance; and at least one shall be a person having a favorable reputation for skill, knowledge, and experience in the building construction field; and at least one of the members shall be a trustee, director, officer, or employee of an institution of higher education.

All members of the authority to be appointed by the governor shall be appointed in the manner prescribed in this paragraph. Two of the directors appointed in 1971 shall be appointed for a term expiring January 1, 1973; two shall be appointed for a term expiring January 1, 1975; and two shall be appointed for a term expiring January 1, 1977. Thereafter all directors shall be appointed for a six year term. All members appointed by the governor shall serve until their successors are appointed and qualified.

Any member of the authority may be removed by the governor for misfeasance, malfeasance or willful neglect of duty or other cause after notice and a public hearing, unless such notice and hearing shall be expressly waived in writing.

The members of the authority shall receive \$35 for attendance at each special meeting of the authority and each such member shall be paid for necessary expenses while engaged in the performance of such duties ~~in the same manner and in the same amount as other state officers and employees are reimbursed.~~

Sec. 2. Minnesota Statutes 1971, Section 136A.27, is amended to read:

136A.27 POLICY. It is hereby declared that for the benefit of the people of the state, the increase of their commerce, welfare and prosperity and the improvement of their health and living conditions it is essential that this and future generations of youth be given the fullest opportunity to learn and to develop their intellectual and mental capacities; that it is essential that institutions of

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higher education within the state be provided with appropriate additional means to assist such youth in achieving the required levels of learning and development of their intellectual and mental capacities and be enabled to refinance outstanding indebtedness incurred to provide existing facilities used for such purposes in order to preserve and enhance the utilization of facilities for purposes of higher education, to extend or adjust maturities in relation to the resources available for their payment, and to save interest costs and thereby reduce tuition, fees and charges; and that it is the purpose of sections 136A.25 to 136A.42 to provide a measure of assistance and an alternative method to enable institutions of higher education in the state to provide the facilities and structures which are sorely needed to accomplish the purposes of sections 136A.25 to 136A.42, all to the public benefit and good, to the extent and manner provided herein.

Sec. 3. Minnesota Statutes 1971, Section 136A.29, is amended to read:

136A.29 POWERS; DUTIES. Subdivision 1. The purpose of the authority shall be to assist institutions of higher education in the construction, financing, and refinancing of projects. The exercise by the authority of the powers conferred by sections 136A.25 to 136A.42, shall be deemed and held to be the performance of an essential public function. For the purpose of sections 136A.25 to 136A.42, the authority is authorized and empowered to: shall have the powers and duties set forth in subdivisions 2 to 23 of this section.

(a) Subd. 2. The authority shall annually elect one of its members as chairman, and one as vice chairman, as well as to elect additional officers deemed necessary by the authority. The executive director of the higher education coordinating commission shall be secretary of the authority.

(b) Subd. 3. The authority is authorized and empowered to appoint and employ employees as it may deem necessary to carry out its duties, determine the title of the employees so employed, and fix the salary of said employees. Employees of the authority shall participate in retirement and other benefits in the same manner that employees in the unclassified service of the higher education coordinating commission members participate.

(c) Subd. 4. By mutual agreement between the authority and the higher education coordinating commission, authority staff employees may also be members of the commission staff. By mutual agreement, authority employees may be provided office space in the office of the higher education coordinating commission, and said employees may make use of equipment, supplies, and office space, provided that the authority fully reimburses the higher

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education coordinating commission for salaries and for space, equipment, supplies, and materials used. In the absence of such mutual agreement between the authority and the higher education coordinating commission, the authority may maintain an office at such place or places as it may designate.

(d) Subd. 5. The authority is authorized and empowered to adopt rules and regulations for the conduct of its business.

(e) Subd. 6. The authority is authorized and empowered to determine the location and character of any project to be financed under the provisions of sections 136A.25 to 136A.42, and to construct, reconstruct, remodel, maintain, manage, enlarge, alter, add to, repair, operate, lease, as lessee or lessor, and regulate the same, to enter into contracts for any or all of such purposes, to enter into contracts for the management and operation of a project, and to designate a participating institution of higher education as its agent to determine the location and character of a project undertaken by such participating institution of higher education under the provisions of sections 136A.25 to 136A.42 and as the agent of the authority, to construct, reconstruct, remodel, maintain, manage, enlarge, alter, add to, repair, operate, lease, as lessee or lessor, and regulate the same, and as the agent of the authority, to enter into contracts for any or all of such purposes, including contracts for the management and operation of such project. Contracts of the authority or of a participating institution of higher education to acquire or to construct, reconstruct, remodel, maintain, enlarge, alter, add to, or repair projects shall not be subject to the provisions of Minnesota Statutes, Sections 16.07 or 574.26, or any other public contract or competitive bid law.

(f) Subd. 7. The authority is authorized and empowered to acquire by gift or purchase and hold and mortgage real estate and interests therein and personal property to be used as a project or a part thereof.

(g) Subd. 8. The authority is authorized and empowered to purchase, construct, reconstruct, enlarge, improve, furnish and equip and lease, sell, exchange, and otherwise dispose of projects or parts thereof.

(h) Subd. 9. The authority is authorized and empowered to issue revenue bonds in an whose aggregate principal amount at any time shall not to exceed ~~\$45,000,000~~ \$62,000,000 and to issue notes, bond anticipation notes, and revenue refunding bonds other obligations of the authority under the provisions of sections 136A.25 to 136A.42, to provide funds for acquiring, constructing, reconstructing, enlarging, remodeling, renovating, improving, furnishing, or equipping one or more projects or parts thereof. During the biennium commencing July 1, 1973, not more than

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\$20,000,000 shall be used for financing new construction, and not more than fifty percent of the amount used for new construction shall be used for construction projects which expand the capacity of institutions. An issue of revenue bonds authorized to be issued for a biennium under this subdivision may be sold and delivered in a later biennium, without being charged against the amount of bonds authorized to be issued in the later biennium, if the authority shall have approved an application from a participating institution of higher education in respect of the project or bonds or shall have entered into a contract for purchase or construction of a project or shall have adopted a resolution to issue and sell the bonds during the preceding biennium.

Subd. 10. The authority is authorized and empowered to issue revenue bonds to acquire projects from or to make loans to participating institutions of higher education and thereby refinance outstanding indebtedness incurred by participating institutions of higher education to provide funds for the acquisition, construction or improvement of a facility before or after the enactment of sections 136A.25 to 136A.42, but otherwise eligible to be and being a project thereunder, whenever the authority finds that such refinancing will enhance or preserve such participating institutions and such facilities or utilization thereof for educational purposes or extend or adjust maturities to correspond to the resources available for their payment, or reduce the tuition, charges or fees imposed on students for the use of the facilities of such participating institutions of higher education or costs met by federal or state public funds, or enhance or preserve educational programs and research or the acquisition or improvement of other facilities eligible to be a project or part thereof by the participating institution of higher education. The amount of revenue bonds to be issued to refinance outstanding indebtedness of a participating institution of higher education shall not exceed the lesser of (a) the fair value of the project to be acquired by the authority from the institution or mortgaged to the authority by the institution or (b) the amount of the outstanding indebtedness including any premium thereon and any interest accrued or to accrue to the date of redemption and any legal, fiscal and related costs in connection with such refinancing and reasonable reserves, as determined by the authority. The provisions of this subdivision do not prohibit the authority from issuing revenue bonds within and charged against the limitations provided in section 136A.29, subdivision 9 to provide funds for improvements, alteration, renovation, or extension of the project refinanced.

(i) Subd. 11. The authority is authorized and empowered to enter into contracts and execute all instruments necessary or appropriate to carry out the purposes of sections 136A.25 to 136A.42;

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(j) Subd. 12. The authority is authorized and empowered generally, to fix and revise from time to time and charge and collect rates, rents, fees and charges for the use of and for the services furnished or to be furnished by a project or any portion thereof and to contract with any person, partnership, association or corporation or other body public or private in respect thereof;

(k) Subd. 13. The authority is authorized and empowered to pledge, assign, hypothecate, or otherwise encumber as security for the bonds, the rentals, revenues, and other income, charges, and moneys realized from the use, lease, sale, or other disposition of one or more projects or parts thereof as may be designated in the bond proceedings and enter into trust agreements or indentures of mortgage for the benefit of bondholders;

(l) Subd. 14. The authority is authorized and empowered to establish rules and regulations for the use of a project or any portion thereof and to designate a participating institution of higher education as its agent to establish rules and regulations for the use of a project undertaken for such participating institution of higher education;

(m) Subd. 15. The authority is authorized and empowered to employ consulting engineers, architects, attorneys, accountants, construction and financial experts, superintendents, managers, and such other employees and agents as may be necessary in its judgment, and to fix their compensation;

(n) Subd. 16. The authority is authorized and empowered to receive and accept from any public agency loans or grants for or in aid of the acquisition, construction, or refinancing of a project or any portion thereof, and to receive and accept loans, grants, aid or contributions from any source of either money, property, labor or other things of value to be held, used and applied only for the purposes for which such loans, grants, aid and contributions are made;

(o) Subd. 17. The authority is authorized and empowered to enter into appropriate arrangements with any federal or state department or agency, county, township, municipal corporation, or other political subdivision, taxing district, or public body or agency for the planning and installation of streets, roads, alleys, water supply and distribution facilities, storm and sanitary sewage collection and disposal facilities, and other necessary appurtenances to a project;

(p) Subd. 18. The authority is authorized and empowered to purchase fire and extended coverage and liability insurance for a project, and any other insurance the authority may agree to provide under the bond proceedings; The authority is not a

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municipality subject to the provisions of Minnesota Statutes, Sections 466.01 to 466.15.

(q) Subd. 19. Before the issuance of any revenue bonds under the provisions of sections 136A.25 to 136A.42, any member or officer of the authority authorized by resolution of the authority to handle funds or sign checks of the authority shall ~~execute~~ be covered under a surety or fidelity bond in an amount to be determined by the authority. Each such ~~surety~~ bond shall be conditioned upon the faithful performance of the duties of the office of the ~~principal member or officer~~, shall be executed by a surety company authorized to transact business in the state of Minnesota as surety, and shall be procured under supervision of the public examiner and commissioner of administration under Minnesota Statutes, Section 574.02 and shall be approved by the attorney general and ~~shall be~~ filed in the office of the ~~state~~ secretary of ~~state~~ as provided in section 574.02. The cost of each such bond shall be paid by the authority;

(r) Subd. 20. The authority is authorized and empowered to sell, lease, release or otherwise dispose of real and personal property or interests therein, or a combination thereof, acquired by the ~~commission authority~~ authority under authority of sections 136A.25 to 136A.42 and no longer needed for the purposes of such chapter or of the ~~commission authority~~, and grant such easements and other rights in, over, under, or across a project as will not interfere with its use of such property. Such sale, lease, release, disposition, or grant may be made without competitive bidding and in such manner for such consideration as the ~~commission authority~~ authority in its judgment deems appropriate.

(s) Subd. 21. The authority is authorized and empowered to make loans to any participating institution of higher education for the cost of a project in accordance with an agreement between the authority and the participating institution of higher education; provided that no such loan shall exceed the total cost of the project as determined by the participating institution of higher education and approved by the authority;

~~(t) To make loans to a participating institution of higher education to refund outstanding obligation, mortgages or advances issued, made or given by such participating institution of higher education for the cost of a project;~~

(u) Subd. 22. The authority is authorized and empowered to charge to and apportion among participating institutions of higher education its administrative costs and expenses incurred in the exercise of the powers and duties conferred by sections 136A.25 to 136A.42;

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

(v) Subd. 23. The authority is authorized and empowered to do all things necessary or convenient to carry out the purposes of sections 136A.25 to 136A.42.

Sec. 4. Minnesota Statutes 1971, Section 136A.32, Subdivision 3, is amended to read:

Subd. 3. The revenue bonds may be issued as serial bonds or as term bonds, or the authority, in its discretion, may issue bonds of both types. The revenue bonds shall be authorized by resolution of the members of the authority and shall bear such date or dates, mature at such time or times, not exceeding 50 years from their respective dates, bear interest at such rate or rates, payable at such time or times, be in denominations, be in such form, either coupon or registered, carry such registration privileges, be executed in such manner, be payable in lawful money of the United States of America at such place or places, and be subject to such terms of redemption, as such resolution or resolutions may provide. The revenue bonds or notes may be sold at public or private sale for such price or prices as the authority shall determine. Pending preparation of the definitive bonds, the authority may issue interim receipts or certificates which shall be exchanged for such definite bonds. Bonds or notes may be executed by the manual or facsimile signatures of two officers of the authority, and the facsimile of any seal adopted by the authority may be imprinted thereon, so long as the signature of either one such officer is a manual signature or as the bonds are authenticated by the manual signature of an authorized officer of a corporate trustee appointed to authenticate the bonds under a trust agreement with the authority.

Sec. 5. Minnesota Statutes 1971, Section 136A.32, is amended by adding a subdivision thereto to read:

Subd. 7. The authority may invest any bond proceeds, sinking funds or reserves 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 Intermediate Credit Banks, Federal Land Banks, Federal National Mortgage Association, Government National Mortgage Association, and Banks for Cooperatives. In addition, such bond proceeds, sinking funds and reserves may be deposited in time deposits of any state or national bank subject to the limitations and requirements of Minnesota Statutes, Chapter 118. Power to make any such investment or deposit is subject to the provisions of any applicable covenant or restriction in a resolution or trust agreement of the authority.

Sec. 6. Minnesota Statutes 1971, Section 136A.34, Subdivision 4, is amended to read:

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Subd. 4. ~~The portion of the proceeds of any such revenue bonds issued for the additional purpose of paying all or any part of the cost of constructing and acquiring additions, improvements, extensions or enlargements of a project may be invested and reinvested in direct obligations of the United States of America, or in certificates of deposit or time deposits secured by direct obligations of the United States of America, maturing not later than the time or times when such proceeds will be needed for the purpose of paying all or any part of such cost. The interest, income and profits, if any, earned or realized on such investment may be applied to the payment of all or any part of such cost or may be used by the authority in any lawful manner or deposited in time deposits as provided in section 136A.32, subdivision 7.~~

Sec. 7. Minnesota Statutes 1971, Section 136A.40, is amended to read:

136A.40 ADMINISTRATION. ~~The administrator~~ administration of sections 136A.25 to 136A.42, shall be under the authority independent of other authority departments and agencies and notwithstanding chapter 16. The authority shall not be subject to the provisions of Minnesota Statutes, Sections 15.0411 to 15.0422 in connection with the adoption of any rules, regulations, rents, fees or charges or with the exercise of any other powers or duties.

Sec. 8. Minnesota Statutes 1971, Section 136A.41, is amended to read:

136A.41 CONFLICT OF INTEREST. ~~Any member, officer, agent or employee of the authority who, directly or indirectly, has any financial interest in any property to be included in, or any contract for property or materials to be furnished or used in connection with, any project of the authority, shall be punished by a fine of not less than \$50 nor more than \$1,000, or by imprisonment for not more than one month, or both. Notwithstanding any other law to the contrary it shall not be or constitute a conflict of interest for a trustee, director, officer or employee of any participating institution of higher education, financial institution, investment banking firm, brokerage firm, commercial bank or trust company, architecture firm, insurance company, construction company, or any other firm, person or corporation to serve as a member of the authority, provided such trustee, director, officer or employee shall abstain from deliberation, action and vote by the authority in each instance where the business affiliation of any such trustee, director, officer or employee is involved.~~

~~Notwithstanding the foregoing provisions of this section or the provisions of any other laws to the contrary, it shall not be or constitute a conflict of interest or violation of the provisions of this section or the provisions of any other law for a trustee, director,~~

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~~officer or employee of a participating institution of higher education or for a person having the required favorable reputation for skill, knowledge and experience in state and municipal finance or for a person having the required favorable reputation for skill, knowledge and experience in the building construction field to serve as a member of the authority; provided in each case to which the provisions hereof are applicable, such trustee, director, officer or employee of such participating institution of higher education abstains from discussion, deliberation, action and vote by the authority in specific respect to any undertaking pursuant to sections 136A.25 to 136A.42, in which such participating institution of higher education has an interest, or such person having the required favorable reputation for skill, knowledge and experience in state and municipal finance abstains from discussion, deliberation, action and vote by the authority in specific respect to any sale, purchase or ownership of bonds of the authority in which the investment banking firm or insurance company or bank of which such person is a partner, officer or employee has a past, current or future interest, or such person having the required favorable reputation for skill, knowledge and experience in the building construction field abstains from discussion, deliberation, action and vote by the authority in specific respect to construction or acquisition of any project of the authority in which any partnership, firm, joint venture, sole proprietorship or corporation of which such person is an owner, venturer, participant, partner, officer or employee who has a past, current or future interest.~~

Approved May 24, 1973.

CHAPTER 759—H.F.No.1996

[Coded]

An act relating to the Minnesota state college board; appropriating money and authorizing a loan to the board for the refunding of outstanding revenue bonds; authorizing the issuance and sale of bonds under the provisions of Article IX, Section 6 of the Constitution to provide money for such loan, and appropriating money in connection with such bonds; amending Minnesota Statutes 1971, Section 136.40, by adding a subdivision.

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

Section 1. Minnesota Statutes 1971, Section 136.40, is amended by adding a subdivision to read:

Changes or additions indicated by underline, deletions by strikeout.