

Sec. 23. **SURVIVOR BENEFITS.** Subdivision 1. If a contributing member dies after having been in the service ten or more years, and before actual retirement, as determined by the retirement board, the present worth of the city's annual installments of \$60 then to the credit of the contributing member, shall be paid to a beneficiary designated by such contributing member in such form as the retirement board shall require, who shall be the surviving spouse, or surviving child, or children of such member or, if there be no surviving spouse or surviving child or children, then to a person actually dependent on and receiving principal support from such member or surviving mother or father, or grandchildren, or surviving brother or sister, or surviving children of the deceased brother or sister of such member. If the beneficiary designated by the member is not one of the class of persons named in the preceding sentence, such benefit from the accumulation of city deposits shall be paid in the following order: (1) to the surviving spouse, the whole thereof; (2) if there be no surviving spouse, to the surviving children, share and share alike; (3) if there be no surviving spouse or child or children, to the dependent or dependents as those terms are herein defined, of the member, share and share alike; (4) if there be no surviving spouse, child or children, or dependents, to the surviving mother and father, share and share alike; (5) if there be no surviving mother and father, to the grandchildren, in equal shares; if there be no grandchildren, to the surviving brothers and sisters of the member, in equal shares; (6) if there be no surviving brothers and sisters, to the surviving children of the deceased brothers and sisters of the member, in equal shares; or (7) if there is none of the foregoing persons who survives the member, the accumulation of the city deposits shall be ~~canceled~~ applied to the funeral expenses of the member.

Sec. 14. **REPEALER.** Laws 1973, Chapter 133, Section 25, is repealed.

Sec. 15. **EFFECTIVE DATE.** This act is effective upon approval by the city council of the city of Minneapolis, and upon compliance with Minnesota Statutes, Section 645.021.

Approved February 22, 1974.

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#### CHAPTER 77—S.F.No.2736

*An act relating to education; providing for loans to medical and osteopathy students who agree to practice in rural communities; authorizing the issuance of revenue bonds; amending Minnesota Statutes, 1973 Supplement, Sections 147.30; 147.31; and 147.32; and Laws 1973, Chapter 727, Section 4.*

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes, 1973 Supplement, Section 147.30,

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is amended to read:

**147.30 PHYSICIANS, SURGEONS AND OSTEOPATHS; LOANS TO MEDICAL AND OSTEOPATHY STUDENTS WHO AGREE TO PRACTICE IN RURAL COMMUNITIES.** The state of Minnesota may provide loans ~~in lieu of certain state funds to students~~ for the cost of the education and living expenses during the time the recipient is enrolled in an accredited medical school in the state of Minnesota, or accredited school of osteopathy the graduates of which are eligible for licensure in Minnesota, if the recipient agrees in writing to practice medicine or osteopathy in a rural community in Minnesota designated as an area in need of medical doctors or osteopaths by the higher education coordinating commission. Each recipient shall execute a note to the state payable on demand for the principal amount of the loan with interest at not more than eight percent per annum ~~payable the rate applicable to any particular note to be determined by the commission.~~ Interest shall run on the principal balance from the date of the loan until the principal sum is paid said interest to be payable when the principal sum is paid : provided that the obligation to repay the principal and interest on any such loan shall be forgiven ~~after~~ if the recipient has practiced medicine or osteopathy for three years in an area in need of medical doctors or osteopaths as designated by the higher education coordinating commission. If the recipient fails to fulfill the obligation to practice, the ~~outstanding~~ principal and ~~subsequent~~ interest on any such loan shall be payable according to the terms ~~approved by the higher education coordinating commission of the note executed by such recipient~~. Assistance may be granted in the amount that the commission determines sufficient for the purpose of ~~sections 147.30 to 147.33, specified in this section~~ not to exceed \$6,000 per recipient per year. Loans shall be renewed on an annual basis contingent on the good standing of the ~~student recipient~~ in the program. No ~~student individual~~ recipient shall receive loans to exceed \$24,000 in aggregate principal amount. The commission may delay the time for beginning practice not more than four years after the recipient has qualified to practice if the recipient wishes to seek additional medical or osteopathic training.

Sec. 2. Minnesota Statutes, 1973 Supplement, Section 147.31, is amended to read:

**147.31 BONDS.** *The higher education coordinating commission is authorized to issue revenue bonds , notes, bond anticipation notes and refunding revenue bonds in accordance with and pursuant to the provisions on revenue bonds for student loans contained in chapter 136A for the purpose of securing funds necessary for loans for the program authorized pursuant to Minnesota Statutes, Sections 147.30 to 147.33, for up to a maximum of 40 recipients the first year of the biennium and 20 additional ~~medical~~ recipients the second year of the biennium as authorized by sections 147.30 to 147.33 . Such bonds may be issued and secured in all respects as provided in the said Minnesota Statutes, Chapter 136A and Sections 147.30 to 147.33. The higher education co-*

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ordinating commission is authorized to issue its revenue bonds to refund any revenue bonds issued under the provisions of Minnesota Statutes, 1973 Supplement, Sections 147.30 to 147.33, such refunding to be accomplished in accordance with the applicable provisions of chapter 136A, the provisions of sections 147.30 to 147.33 and the provisions of the resolution authorizing the bonds to be refunded.

Sec. 3. Minnesota Statutes, 1973 Supplement, Section 147.32, is amended to read:

**147.32 RESERVE FUND; APPROPRIATIONS.** Subdivision 1. The commission shall maintain a reserve fund for the purpose of repaying loans which are cancelled under the provisions of sections 147.30 to 147.33 or which are not collectible as due and for the purpose of paying the principal and interest of bonds issued under sections 147.30 to 147.33 as such principal and interest become due, to the extent that moneys are not available for such purpose in any sinking fund established for such bonds. The reserve funds may be held and may be invested by the commission in accordance with provisions on investment of reserves for student loans in chapter 136A.

Subd. 2. If there are insufficient moneys in the reserve funds to repay loans made under sections 147.30 to 147.33 which are cancelled or uncollectible as due, or if there are insufficient moneys in any sinking fund for such bonds to pay the principal and interest thereof as the same become due there is hereby appropriated to the commission from any moneys in the state treasury not otherwise appropriated, such moneys as are required to meet ~~the such~~ deficiencies. The amount of the appropriation made by these provisions shall be certified by the executive director of the higher education coordinating commission to the state auditor whenever ~~the appropriation shall be necessary mon-~~ eys are required to meet such deficiencies.

Sec. 4. Laws 1973, Chapter 727, Section 4, is amended to read:

Sec. 4. The sum of \$100,000 is hereby appropriated from the general fund of the state treasury to the higher education coordinating commission for the biennium beginning July 1, 1973. The appropriation shall be used ~~for to defray the expenses of issuing bonds authorized under this act and the balance not required for this purpose shall be a~~ reserve fund for repayment of cancelled or uncollectible loans made in accordance with the provisions of this act, and for the purpose of paying the principal and interest of bonds issued under this act as the same become due to the extent that moneys are not available for such purpose in any sinking fund established for such bonds.

Sec. 5. This act is effective the day following its final enactment.

Approved February 25, 1974.

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