

Rural Credit Reserve fund. Said fund shall, upon request of the *Conservator*, be invested by the state board of investment in the same class of securities in which the trust funds of the state may be invested. Said board shall have authority to sell any securities purchased for said fund, when authorized by the *Conservator*, for the purpose of providing funds with which to pay maturing bonds, or interest upon outstanding bonds, or to make up any loss resulting from the operations of the Department, or for purchasing other securities. All losses upon loans shall be a charge against the reserve fund and all profits resulting from the sale of real estate acquired through foreclosure proceedings or otherwise, after deducting expenses, shall be credited thereto. All interest earned upon the reserve fund shall be credited to such fund and become a part thereof. The *Conservator* may authorize the state board of investment to invest for short periods any temporary cash surplus in the Rural Credit fund, such investment to be restricted to United States Government or State of Minnesota obligations. If at any time a surplus shall accrue in the Rural Credit fund the *Conservator* may invest such surplus in the same manner as any money in the Reserve fund is to be invested. Any securities purchased by said board of investment with any money in the Rural Credit fund, as herein provided, shall be sold at the request of the *Conservator*.

Approved April 17, 1941.

CHAPTER 289—S. F. No. 898

An act relating to the power of the conservator to sell property acquired by the State of Minnesota, Department of Rural Credit, and amending Mason's Supplement 1940, Section 6040, Subsection b.

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

Section 1. Law amended—Conservator to sell property at fair value.—Mason's Supplement 1940, Section 6040, Subsection b, is hereby amended to read as follows:

“The property, real, personal and mixed, acquired by the Department shall be sold by the *Conservator* at its fair value at time of sale, in such manner and on such terms as may be provided by the regulations adopted by him. In making sales of real estate the *Conservator* shall have regard for the state

of the market and shall make sales thereof in such manner and at such times as not to depress unduly the market for farm lands, and shall, if in his judgment the best interests of the State and of the public will be served thereby, defer such sales until such time as they may be made without undue loss to the State or undue impairment of the market value of farm lands within the state. No land shall be sold by the conservator for an amount less than the indebtedness accrued thereon at the time of the acquisition of title by the Department, but if the Conservator shall determine that a sale of any such land cannot be made for the full amount accrued against it *at the time of such acquisition* and that further loss to the state would probably result if it be not then sold *he may sell any such land for less than said amount upon the approval of such sale by a judge of the District Court of Ramsey County, Minnesota, in the same manner as provided by Section 6039-1.*

If a former owner desires to repurchase a farm heretofore mortgaged by him to the State of Minnesota and acquired by the state, either through mortgage foreclosure or by the taking of a deed, the Conservator is hereby authorized to sell said farm for an amount equal to the reasonable long term contract of the same, on a crop payment plan as provided in Section 6039-2, provided the state is still the owner of said farm and has not conveyed the same either by deed or by contract for deed. In such cases the former owner shall make application in writing to the Conservator for the purchase of said farm, stating whether or not he desired to buy the same on a crop share payment plan, and after the filing of said application the Conservator shall not consider bids from other prospective purchasers until he has first disposed of said application either by accepting or rejecting the same.

Should the former owner not avail himself of the crop payment plan, *within thirty days after being notified by registered mail by the Conservator regarding the same*, then and in that event the Conservator is hereby authorized to offer said farm for sale on a crop payment plan *as provided in Section 6039-2*, with a down payment of at least fifteen per cent, to any bona fide farmer who, in his opinion, is capable of operating said farm in a good and husbandlike manner, for an amount equal to the reasonable value of the same."

Approved April 17, 1941.