

building fund. Any county having more than 40,000 and less than 50,000 inhabitants according to the 1940 federal census, may, in addition to other taxes authorized by law, annually levy a tax of two mills on the taxable property of the county, the proceeds of which shall be paid into and retained in a court house building fund until such time as the county shall determine and decide to erect a new court house in such county.

Approved April 7, 1947.

CHAPTER 278—S. F. No. 671
[Section 4 Coded as Section 41.041]

An act relating to the conservator of rural credit; providing that the commissioner of banks shall be such conservator and prescribing his powers and duties as such; transferring the control of certain properties to the department of conservation and prescribing the powers and duties of the commissioner of conservation with reference thereto; and amending Minnesota Statutes 1945, Sections 41.02, 41.03, 41.04, and 41.12.

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

Section 1. Minnesota Statutes 1945, Section 41.02, is amended to read as follows:

41.02. Department of rural credit. *Subdivision 1. Commissioner of banks ex-officio conservator.* The department of rural credit shall hereafter be known as the conservator of rural credit and shall consist of a single member. *The commissioner of banks shall be ex-officio the conservator of rural credit and shall exercise all powers now or heretofore vested in and perform all duties now or heretofore imposed upon the conservator of rural credit.* He shall, before entering upon his duties, give an additional bond to the state in the sum of \$25,000, or such larger sum as the governor may, at any time, determine to be necessary, to indemnify the state against loss, which bond shall be conditioned, approved, and filed as now provided by law.

Subd. 2. Powers imposed on conservator. All the rights, powers, and duties which, prior to the passage of Laws 1925, Chapter 426, were by law vested in or imposed upon the Minnesota Rural Credit Bureau and which were, by Laws

1925, Chapter 426, vested in and imposed upon the Department of Rural Credit, are hereby vested in and imposed upon the conservator of rural credit.

Subd. 3. "Department" means "conservator". Wherever the word "department" is used in sections 41.03 to 41.40 it means "conservator".

Sec. 2. Minnesota Statutes 1945, Section 41.03, is amended to read as follows:

41.03. Powers of organization. Subdivision 1. Appointment of employees. The conservator shall have the power to *appoint such* assistants, clerks, laborers, and other employees as are actually necessary for the conduct of the business of the department, to fix all fees, costs, and charges incident to the administration of this chapter, and to define the duties of the officers, agents, and employees of the department; and all such officers, agents, and employees shall be under the direction and authority of the conservator in all matters not inconsistent with the provisions of this chapter, and shall give such bonds for the faithful performance of their duties as he may require. He shall exercise strict economy in the operation and administration of the department.

Subd. 2. Consolidation and regulation. Notwithstanding any provisions of the law to the contrary, the conservator shall have the power to order, regulate, consolidate, eliminate, or redistribute the functions of any division or any activity in the department.

Subd. 3. Retention of employees. When this act becomes effective the commissioner of banks as conservator shall be required to retain all employees of the conservator necessary to the efficient conduct of the business of the rural credit department at the same classification and salary they had at the effective date of this act, and all such employees not so retained shall be forthwith placed on the departmental reemployment register for their respective classes in the banking division of the department of commerce and on the state-wide reemployment register for their respective classes for certification from said register in accordance with the civil service laws and the rules of the department of civil service.

Subd. 4. Disposition of equipment. Upon the effective date of this act the conservator shall transfer to the commissioner of administration, in this subdivision termed "the commissioner", the furniture, office equipment, and other personal

property coming into his possession, except such office equipment, stationery, and supplies as may be necessary for his use in the performance of his duties under this chapter as amended, for disposition by the commissioner. The commissioner is authorized to sell the personal property transferred to him, or to transfer it or any part of it to other state departments or agencies, the proceeds of any sales to be deposited in the rural credit fund and credit to be given that fund for the price at which any of that property is transferred to any other state departments or agencies.

Sec. 3. Minnesota Statutes 1945, Section 41.04, is amended to read as follows:

41.04. Powers and duties of conservator. Subdivision 1. Powers. The conservator shall have power:

(1) To adopt such rules and regulations as may be necessary for the proper conduct of the business of the department;

(2) To issue certificates of indebtedness and tax levy certificates subject to the limitations of *this chapter*;

(3) *Except as provided in Section 4, in the name of the state to acquire, own, hold, lease, sell; and convey such property, real, personal, or mixed, as may be necessary, convenient, and proper for the transaction of the business of the department; but such property shall be taken by him only in payment of pre-existing debts owing the state;*

(4) To sell, grant, and convey to any person, firm, or corporation who shall apply therefor a right of way or easement to lay, maintain, operate, and keep up pipe lines for the transportation and transmission of gasoline and other petroleum products over and across lands subject to rural credit mortgages, and over and across such mortgaged lands acquired by the state by foreclosure or deed, upon such terms and conditions as he shall deem advisable;

(5) To insure buildings and structures upon any such mortgaged property acquired by the state against loss by fire, tornado, windstorm or hail, in any insurance company or association, however organized, authorized to do business in this state, and to pay the premiums, assessments, and dues thereby accruing; and to make such repairs and improvements upon the property as are essential to the operation and preservation thereof;

(6) To do all things that may be necessary and proper in carrying out the provisions of this chapter.

(7) In all matters arising under Laws 1933, Chapter 429, the state may sue and be sued as a natural person.

Subd. 2. **Duties.** It shall be the duty of the conservator:

(1) *To diligently collect all moneys due the state under this act and to sell all property acquired by it but subject to the limitations herein provided, with a view to the complete and speedy liquidation of the business of the department;*

(2) To keep such books and records as are necessary for the conduct of the business of the department and to keep in his custody all promissory notes, mortgages, securities, evidences of indebtedness, muniments of title, and all other papers, records, and instruments of every kind now in the possession of or hereafter received or acquired by the department;

(3) To promptly meet all obligations of the department to the end that no default shall occur in the payment of principal or interest on its bonds or certificates;

(4) To submit an annual report to the governor.

[41.041] **Disposition of real estate.** Sec. 4. Subdivision 1. **Transfer to division of lands and minerals.** From and after the effective date of this act, all real property title to which is in the state of Minnesota, which has prior to that date been subject to the control of the conservator pursuant to the provisions of Minnesota Statutes 1945, Chapter 41, and which prior to that date has not been sold, or is not then subject to a contract for deed which is then in force, shall be controlled and administered by the division of lands and minerals of the department of conservation. Thereafter the provisions of said chapter 41 as to the holding, leasing, sale, and conveyance of real property by the conservator shall no longer be applicable to those lands, and they shall thereafter be administered and controlled by the director of the division of lands and minerals of the department of conservation and held, appraised, sold, and leased in the same manner as state public lands are under the provisions of Minnesota Statutes 1945, Chapter 92, and the provisions of that chapter relating to state public lands, unless clearly inapplicable, shall apply to those lands, except that all sums received from sales of those lands shall be credited by the state treasurer when received to the rural credit fund, and all fees and expenses incurred in such sales provided for by said chapter 92 shall be paid out of the rural credit expense fund in the same manner as administrative expenses of the conservator are

paid, after approval by the director of the division of lands and minerals. All money received from leases of these lands or as income therefrom, other than money from sales thereof, shall be credited by the state treasurer when received to the general revenue fund. All real property acquired by the conservator subsequent to the effective date of this act through mortgage foreclosure, by the taking of a deed from a mortgagor, by cancellation of a contract for deed, or in payment of pre-existing debts owing the state shall remain subject to the provisions of said chapter 41.

Subd. 2. Transfer procedure. The conservator shall, immediately following the effective date of this act, prepare in duplicate a complete inventory of all the real property the control and administration of which has been transferred to the division of lands and minerals by virtue of the provisions of subdivision 1, showing the legal description of each such tract of property, with the following certificate attached to each duplicate: "I do hereby certify that the foregoing is a true and correct inventory of real property transferred from the control of the conservator of rural credit to the control of the division of lands and minerals of the department of conservation July 1, 1947, pursuant to the provisions of Laws 1947, Chapter 278." One duplicate shall be filed in the office of the secretary of state and the other delivered to the director of the division of lands and minerals of the department of conservation. The filing of that inventory in the office of the secretary of state shall be conclusive evidence that the lands described therein are subject to the provisions of Minnesota Statutes 1945, Chapter 92.

Sec. 5. Minnesota Statutes 1945, Section 41.12, Subdivision 2, is amended to read as follows:

41.12. Title to property to run to state. Subd. 2. Sales. 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 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 the amount upon the approval of such sale by a judge of the district court of *the county where the land is located*, in the same manner as provided by section 41.10.

Sec. 6. Effective date. This act shall take effect and be in force from and after July 1, 1947.

Approved April 7, 1947.

CHAPTER 279—S. F. No. 750

An act relating to cancellation of certificates of forfeiture erroneously recorded and filed; amending Minnesota Statutes 1945, Sections 279.33 and 279.34.

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

Section 1. Minnesota Statutes 1945, Section 279.33, is amended to read as follows:

279.33. Cancellation of certificates of forfeiture for lands which were exempt. Where a certificate of forfeiture required by section 281.23, subdivision 8, describing lands which were exempt from taxation under the laws of the United States in the year upon which the supposed forfeiture is based, or which describes lands that were owned by the state of Minnesota, or some department or subdivision thereof, at the time the supposed forfeiture took place or lands which, because of defective service of the notice of forfeiture or other reason, the title thereto did not in fact forfeit to the state, has been erroneously recorded or filed, such forfeiture may be set aside and such certificate may be cancelled as to *any such lands* in the manner provided in section 279.34.

Section 2. Minnesota Statutes 1945, Section 279.34, is amended to read as follows:

279.34. Application by owner. The owner at the time of forfeiture or someone authorized to act in his behalf shall file an application for cancellation with the county auditor submitting therewith a statement of the facts of the case