

136.82 STATE COLLEGES AND COMMUNITY COLLEGES

of such shares pursuant to subdivision 1, paragraph (2), or a surviving spouse of such person who is authorized to request redemption of such shares pursuant to subdivision 1, paragraph (3), may redeem all or part of such shares, and for the purpose of purchasing an annuity as herein provided (and such election to purchase an annuity may be made only once by any individual) deposit the cash realized on such redemption with the board of trustees of the teachers retirement fund and receive in exchange therefor an annuity for life or an optional annuity as hereinafter provided. In the event such election is made prior to the date on which he is entitled to such redemption, the redemption shall not be made prior to date upon which he would be entitled thereto. The annuity purchase rates shall be based on an appropriate annuity table of mortality with interest as provided in section 354.07, subdivision 1. The amount of the annuity for life is an amount equal to the annuity which could be purchased with the cash realized on the redemption of the shares. The board of trustees of the teachers retirement fund shall establish an optional joint and survivor annuity, an optional annuity payable for a period certain and for life thereafter, and an optional guaranteed refund annuity paying the annuitant a fixed amount for life with the guarantee that in the event of death the balance of the cash realized from the redemption of shares will be paid to the designated beneficiary. Such optional forms of annuity shall be actuarially equivalent to the normal annuity for life. In establishing these optional forms the board of trustees shall obtain the written recommendation of an approved actuary and these recommendations shall be a part of the permanent records of the board of trustees.

[1973 c 270 s 1; 1973 c 728 s 2]

[For text of subds. 3 and 4, see M.S.1971]

CHAPTER 136A. MINNESOTA HIGHER EDUCATION COMMISSIONS AND AGENCIES

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COORDINATING COMMISSION

136A.02 Membership; officers; compensation; advisory committees

[For text of subds. 1 to 5, see M.S.1971]

Subd. 6. There is hereby created a higher education advisory council, the membership of which shall include the president of the University of Minnesota, the chancellor of the state college board, the chancellor of the state junior college board, the commissioner of education and the executive di-

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rector of the Minnesota private college council. The advisory council shall (1) bring to the attention of the commission any matters which the council deems as needing attention of the commission, (2) make recommendations to the commission as the council deems appropriate, (3) review and comment upon proposals and other matters before the commission, and (4) provide any reasonable assistance to the commission in its effort to fulfill responsibilities of the commission. The commission shall periodically inform the council of all matters under consideration by the commission and shall refer all proposals to the council prior to transmitting such proposals as recommendations to the governor and the legislature. The commission shall provide time for a report from the advisory council at each meeting of the commission.

The higher education advisory council shall report to the commission quarterly and at such other times as the council may deem desirable. The council shall determine its meeting times, but the council shall also meet within 30 days following a request for a council meeting by the executive director of the commission.

[1973 c 489 s 1]

136A.04 Duties

The higher education coordinating commission shall:

(a) Continuously study and analyze all phases and aspects of higher education, both public and private, and develop necessary plans and programs to meet present and future needs of the people of the state in respect thereto;

(b) Continuously engage in long range planning of the needs of higher education and, if necessary, cooperatively engage in such planning with neighboring states and agencies of the federal government;

(c) Act as successor to any committee or commission heretofore authorized to engage in exercising any of the powers and duties prescribed by sections 136A.01 to 136A.07;

(d) Review, make recommendations and identify priorities with respect to all plans and proposals for new or additional programs of instruction or substantial changes in existing programs to be established in or offered by, the University of Minnesota, the state colleges, the state junior colleges, and public area vocational-technical institutes, and private collegiate and non-collegiate institutions offering post-secondary education, and periodically review existing programs offered in or by the above institutions and recommend discontinuing or modifying any existing program, the continuation of which is judged by the commission as being unnecessary or a needless duplication of existing programs.

[1973 c 475 s 1]

136A.14 Student loans, purpose

The legislature has found and hereby declares that the encouragement of the maximum educational development of the young men and women of Minnesota is in the best interest of the state. The state loan program would encourage students to continue their education and provide financial assistance for those who would not otherwise be able to do so. The state loan program provided for herein is designated to be compatible with the provisions of the Higher Education Act of 1965.

[1973 c 605 s 2]

136A.141 Student loan program

The higher education coordinating commission is authorized and directed to establish and supervise a student loan program in accordance with the provisions of Minnesota Statutes 1971, Sections 136A.14 to 136A.17.

[1973 c 605 s 1]

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136A.142 Administrator

The administrator of Laws 1973, Chapter 605 shall be under the commission independent of other authority and notwithstanding Chapter 16.

[1973 c 605 s 21]

136A.15 Definitions

[For text of subds. 1 to 4, see M.S.1971]

Subd. 5. "Eligible institution" means any public educational institution and any private educational institution, in any state which is approved by the U.S. commissioner of education in accordance with requirements set forth in the Higher Education Act of 1965, as amended.

[1973 c 605 s 3]

[For text of subd. 6, see M.S.1971]

Subd. 7. "Eligible student" means a student who is officially registered or accepted for enrollment at an eligible institution in Minnesota or a Minnesota resident who is officially registered as a student or accepted for enrollment at an eligible institution in another state.

[1973 c 605 s 4]

136A.16 Powers and duties of commission

[For text of subds. 1 and 2, see M.S.1971]

Subd. 3. The commission shall be authorized to make or to guarantee loans in amounts not to exceed the maximum amount provided in the higher education act of 1965 and any amendments thereof and the commission shall be authorized to establish procedures determining the loan amounts for which students are eligible.

[1973 c 605 s 5]

[For text of subds. 4 to 7, see M.S.1971]

Subd. 8. Moneys made available to the commission which are not immediately needed for the purposes of sections 136A.14 to 136A.17 may be invested by the commission. Such moneys shall be invested in bonds, certificates of indebtedness, and other fixed income securities, except preferred stocks, which are legal investments for the permanent school fund. Such moneys may also be invested in such prime quality commercial paper as is eligible for investment in the state employees retirement fund. All interest and profits from such investments shall inure to the benefit of the commission.

[1973 c 605 s 6]

[For text of subds. 9 to 12, see M.S.1971]

136A.161 Supplemental loans

Subdivision 1. The higher education coordinating commission is hereby authorized to make supplemental loans to certain borrowers who have incurred repayment obligations under the provisions of sections 136A.14 to 136A.17.

Subd. 2. The purpose of the supplemental loans shall be to assist certain borrowers to meet the financial obligations they have incurred under the provisions of sections 136A.14 to 136A.17.

Subd. 3. Any student who was a Minnesota resident at the time of securing a loan under sections 136A.14 to 136A.17 for attending an institution located in Minnesota shall be eligible to receive a supplemental loan if his or her annual repayment would exceed seven percent of his or her annual income including the income of his or her spouse in any one year when the aggregate amount of student loans is not more than \$3,000 or eight percent of such income when the aggregate amount of student loans is more than \$3,000, but not more than \$4,000, or nine percent of such income

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when the aggregate amount of student loans is more than \$4,000, but not more than \$5,000, or ten percent of such income when the aggregate amount of student loans is more than \$5,000.

Subd. 4. In the event that the amount of repayment due in any year from a borrower who is eligible for a supplemental loan should exceed the proportion of annual income specified in subdivision 3, the commission shall be authorized to make a supplemental loan to the student in the amount of the portion of the payment due which exceeds the specified income proportion for the student from reserves maintained for the student loan program and shall issue a supplemental note to be repaid by the borrower following repayment of the aggregate amount of principal and interest due on the borrower's student loans made under sections 136A.14 to 136A.17.

Subd. 5. Each supplemental note issued in accordance with subdivision 3 shall bear simple interest at a rate determined by the commission and shall have a due date not later than five years following the due date of loans obtained under sections 136A.14 to 136A.17 in accordance with the following conditions:

(a) Interest due on supplemental loans shall be payable to the commission annually from the date of issue;

(b) The annual repayment requirements of supplemental loans shall be governed by provisions of subdivision 3;

(c) Any amount due and payable after the tenth such year of obligation under a supplemental note shall cancel, and shall be paid by the commission from reserves held by the commission;

(d) The commission is hereby authorized to establish repayment schedules for the supplemental loans that satisfy the provisions of subdivision 3.

[1973 c 605 s 11]

136A.17 Program requirements

Subdivision 1. Eligibility of student borrowers: An applicant shall be eligible to apply for a loan under the provisions of sections 136A.14 to 136A.17 if the commission finds that he is an eligible student as defined by this act and is eligible for a loan under federal regulations governing the federally insured student loan program.

[1973 c 605 s 7]

[For text of subd. 2, see M.S.1971]

Subd. 3. The commission may loan and guarantee the loan of money, upon such terms and conditions as the commission may prescribe.

[1973 c 605 s 8]

Subd. 4. No loan or guarantee of a loan shall be made in excess of the maximum provided by pertinent federal laws and regulations and the aggregate unpaid principal amount of loans to any individual student shall not exceed the maximum provided in pertinent federal laws and regulations.

[1973 c 605 s 9]

[For text of subds. 5 to 9, see M.S.1971]

Subd. 10. The commission is authorized to establish variable repayment schedules consistent with the need and anticipated income streams of student borrowers provided that such repayment schedules shall not violate the federal laws and regulations governing federally insured students loan programs.

[1973 c 605 s 10]

[For text of subd. 11, see M.S.1971]

136A.171 Revenue bonds; issuance; proceeds

The higher education coordinating commission is hereby authorized to issue revenue bonds in an aggregate amount not to exceed \$30,000,000 for the pur-

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pose of obtaining funds for loans made in accordance with the provisions of Laws 1973, Chapter 605. Proceeds from the issuance of bonds may be held and invested by the commission pending disbursement in the form of loans. All interest and profits from such investments shall inure to the benefit of the commission and shall be available to the commission for costs incurred in administering loans under Laws 1973, Chapter 605 and for loan reserve funds.

[1973 c 605 s 12]

136A.172 Negotiable notes; issuance; conditions

The commission may from time to time issue negotiable notes for the purpose of Laws 1973, Chapter 605 and may from time to time renew any notes by the issuance of new notes, whether the notes to be renewed have or have not matured. The commission may issue notes partly to renew notes or to discharge other obligations then outstanding and partly for any other purpose. The notes may be authorized, sold, executed and delivered in the same manner as bonds. Any resolution or resolutions authorizing notes of the commission or any issue thereof may contain any provisions which the commission is authorized to include in any resolution or resolutions authorizing revenue bonds of the commission or any issue thereof, and the commission may include in any notes any terms, covenants or conditions which it is authorized to include in any bonds. All such notes shall be payable solely from the revenue of the commission, subject only to any contractual rights of the holders of any of its notes or other obligations then outstanding.

[1973 c 605 s 13]

136A.173 Negotiability; bond anticipation notes; payment; conditions

Subdivision 1. The commission may from time to time issue revenue bonds for purposes of Laws 1973, Chapter 605 and all such revenue bonds, notes, bond anticipation notes or other obligations of the commission issued pursuant to Laws 1973, Chapter 605 shall be and are hereby declared to be negotiable for all purposes notwithstanding their payment from a limited source and without regard to any other law or laws. In anticipation of the sale of such revenue bonds, the commission may issue negotiable bond anticipation notes and may renew the same from time to time, but the maximum maturity of any such note, including renewals thereof, shall not exceed five years from the date of issue of the original note. Such notes shall be paid from any revenues of the commission available therefor and not otherwise pledged, or from the proceeds of sale of the revenue bonds of the commission in anticipation of which they were issued. The notes shall be issued in the same manner as the revenue bonds. Such notes and the resolution or resolutions authorizing the same may contain any provisions, conditions or limitations which a bond resolution or the commission may contain.

Subd. 2. The revenue bonds and notes of every issue shall be payable solely out of revenues of the commission, subject only to any agreements with the holders of particular revenue bonds or notes pledging any particular revenues. Notwithstanding that revenue bonds and notes may be payable from a special fund, they shall be and be deemed to be, for all purposes, negotiable instruments, subject only to the provisions of the revenue bonds.

Subd. 3. The revenue bonds may be issued as serial bonds or as term bonds, or the commission, in its discretion, may issue bonds of both types. The revenue bonds shall be authorized by resolution of the members of the commission 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 commission shall de-

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termine. Pending preparation of the definitive bonds, the commission may issue interim receipts or certificates which shall be exchanged for such definite bonds.

Subd. 4. Any resolution or resolutions authorizing any revenue bonds or any issue of revenue bonds may contain provisions which shall be part of the contract with the holders of the revenue bonds to be authorized as to:

(a) The setting aside of reserves or sinking funds, and the regulation and disposition thereof;

(b) Limitations on the purpose to which the proceeds of sale of any issue of revenue bonds then or thereafter to be issued may be applied and pledging such proceeds to secure the payment of the revenue bonds or any issue of the revenue bonds;

(c) Limitations on the issuance of additional bonds, the terms upon which additional bonds may be issued and secured and the refunding of outstanding bonds;

(d) The procedure, if any, by which the terms of any contract with bondholders may be amended or abrogated, the amount of bonds the holders of which must consent thereto, and the manner in which such consent may be given;

(e) Defining the acts or omissions to act which shall constitute a default in the duties of the commission to holders of its obligations and providing the rights and remedies of such holders in the event of a default.

Subd. 5. Neither the members of the commission nor any person executing the revenue bonds or notes shall be liable personally on the revenue bonds or notes or be subject to any personal liability or accountability by reason of the issuance thereof.

Subd. 6. The commission shall have power out of any funds available therefor to purchase its bonds or notes. The commission may hold, pledge, cancel or resell such bonds, subject to and in accordance with agreements with bondholders.

[1973 c 605 s 14]

136A.174 Security for bonds

In the discretion of the commission any revenue bonds issued under the provisions of Laws 1973, Chapter 605 may be secured by a trust agreement by and between the commission and a corporate trustee or trustees, which may be any trust company or bank having the powers of a trust company within the state. Such trust agreement or the resolution providing for the issuance of such revenue bonds may pledge or assign the revenues to be received or proceeds of any contract or contracts pledged or any portion thereof. Such trust agreement or resolution providing for the issuance of such revenue bonds may contain such provisions for protecting and enforcing the rights and remedies of the bondholders as may be reasonable and proper and not in violation of laws, including particularly such provisions as have hereinabove been specifically authorized to be included in any resolution or resolutions of the commission authorizing revenue bonds thereof. Any bank or trust company incorporated under the laws of the state which may act as depository of the proceeds of bonds or of revenues or other moneys may furnish such indemnifying bonds or pledges such securities as may be required by the commission. Any such trust agreement may set forth the rights and remedies of the bondholders and of the trustee or trustees and may restrict the individual right of action by bondholders. In addition to the foregoing, any such trust agreement or resolution may contain such other provisions as the commission may deem reasonable and proper for the security of the bondholders.

[1973 c 605 s 15]

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136A.175 Refunding revenue bonds; proceeds; investments

Subdivision 1. The commission is hereby authorized to provide for the issuance of revenue bonds of the commission for the purpose of refunding any revenue bonds of the commission then outstanding, including the payment of any redemption premium thereon and any interest accrued or to accrue to the earliest or any subsequent date of redemption, purchase or maturity of such revenue bonds.

Subd. 2. The proceeds of any such revenue bonds issued for the purpose of refunding outstanding revenue bonds may, in the discretion of the commission, be applied to the purchase or retirement at maturity or redemption of such outstanding revenue bonds either on their earliest or any subsequent redemption date or upon the purchase or at the maturity thereof and may, pending such application be placed in escrow to such purchase or retirement at maturity or redemption on such date as may be determined by the commission.

Subd. 3. Any such escrowed proceeds, pending such use, 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 at such time or times as shall be appropriate to assure the prompt payment, as to principal, interest and redemption premium, if any, of the outstanding revenue bonds to be so refunded. The interest, income and profits, if any, earned or realized on any such investment may also be applied to the payment of the outstanding revenue bonds to be so refunded. After the terms of the escrow have been fully satisfied and carried out, any balance of such proceeds and interest, income and profits, if any, earned or realized on the investments thereof may be returned to the commission for use by it in any lawful manner.

Subd. 4. All such revenue bonds shall be subject to the provisions of Laws 1973, Chapter 605 in the same manner and to the same extent as other revenue bonds issued pursuant to Laws 1973, Chapter 605.

[1973 c 605 s 16]

136A.176 Bonds not state obligations

Bonds issued under authority of Laws 1973, Chapter 605 do not, and shall state that they do not, represent or constitute a debt or pledge of the faith and credit of the state, grant to the owners or holders thereof any right to have the state levy any taxes or appropriate any funds for the payment of the principal thereof or interest thereon. Such bonds are payable and shall state that they are payable solely from the rentals, revenues, and other income, charges, and moneys as are pledged for their payment in accordance with the bond proceedings.

[1973 c 605 s 17]

136A.177 Rights of bondholders

Any holder of revenue bonds issued under the provisions of Laws 1973, Chapter 605 or any of the coupons appertaining thereto, and the trustee or trustees under any trust agreement, except to the extent the rights herein given may be restricted by any resolution authorizing the issuance of, or any such trust agreement securing, such bonds, may, either at law or in equity, by suit, action, mandamus, or other proceedings, protect and enforce any and all rights under the laws of the state or granted hereunder or under such resolution or trust agreement, and may enforce and compel the performance of all duties required by Laws 1973, Chapter 605 or by such resolution or trust agreement to be performed by the commission or by any officer, employee or agent thereof, including the fixing, charging and collecting of the rates, rents, fees and charges herein authorized and required by the provisions of such resolution or trust agreement to be fixed, established and collected.

[1973 c 605 s 18]

136A.178 Legal investments; authorized securities

Bonds issued by authority under the provisions of Laws 1973, Chapter 605 are hereby made securities in which all public officers and public bodies of the state and its political subdivisions, all insurance companies, trust companies, banking associations, investment companies, executors, administrators, trustees and other fiduciaries may properly and legally invest funds, including capital in their control or belonging to them; it being the purpose of this section to authorize the investment in such bonds of all sinking, insurance, retirement, compensation, pension and trust funds, whether owned or controlled by private or public persons or officers; provided, however, that nothing contained in this section may be construed as relieving any person, firm, or corporation from any duty of exercising due care in selecting securities for purchase or investment; and provided further, that in no event shall assets of pension funds of public employees of the state of Minnesota or any of its agencies, board or subdivisions, whether publicly or privately administered, be invested in bonds issued under the provisions of Laws 1973, Chapter 605. Such bonds are hereby constituted "authorized securities" within the meaning and for the purposes of Section 50.14. Such bonds are hereby made securities which may properly and legally be deposited with and received by any state or municipal officer or any agency or political subdivision of the state for any purpose for which the deposit of bonds or obligations of the state now or may hereafter be authorized by law.

[1973 c 605 s 19]

136A.179 Public purpose; tax free status

The exercise of the powers granted by Laws 1973, Chapter 605 will be in all respects for the benefit of the people of this state, for the increase of their commerce, welfare and prosperity, and for the improvement of their health and living conditions, and as providing loans by the commission or its agent will constitute the performance of an essential public function, and any bonds issued under the provisions of Laws 1973, Chapter 605, their transfer and the income therefrom including any profit made on the sale thereof, shall at all times be free from taxation of every kind by the state and by the municipalities and other political subdivisions in the state.

[1973 c 605 s 20]

CONTRACTUAL ARRANGEMENTS WITH PRIVATE COLLEGES**136A.231 Post-secondary education; work-study program, policy**

The legislature has found and hereby declares that a state program of work-study grants and scholarships is in the best interests of the state in that such a program can (1) assist in meeting the financial needs of students (2) provide the opportunity for students to obtain valuable learning service experiences and (3) assist governmental and nonprofit service agencies by providing student assistance at low cost.

[1973 c 682 s 1]

136A.232 Administration; agreements with educational facilities

The higher education coordinating commission shall develop and administer a work-study program. The commission shall enter into agreements with students, institutions of post-secondary education, and eligible work-study agencies for conducting such a program.

[1973 c 682 s 2]

136A.233 Student aid

Notwithstanding the provisions of Sections 136A.09 to 136A.13, the higher education coordinating commission may offer work-study scholarships and grants to recipients of state scholarships and grants-in-aid as follows:

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(a) The students selected to receive a state scholarship or state grant-in-aid shall have the option of electing to receive a work-study scholarship or grant equal to approximately 75 percent of his need, but not to exceed 80 percent of his need, provided that the institution of attendance can arrange a suitable work-study experience under rules and regulations adopted by the commission.

(b) The difference between the amount of stipend offered to the student as a grant or a scholarship and the amount of stipend available to the student under a work-study scholarship or grant shall be paid by the agency in which the student obtains the work experience.

(c) Work-study experiences shall be permissible in governmental and non-profit public service agencies approved by the commission, except that institutions of post-secondary education shall not be eligible.

[1973 c 682 s 3]

136A.234 Rules and regulations

The higher education coordinating commission shall adopt rules and regulations concerning agencies eligible to participate in the work-study program, the amount of awards to be made under the work-study program, the amount and nature of service which the student is required to perform under the program, the method of payment of awards and accounting for funds, the nature and amount of supervision required by the college and employing agency and any other matters relating to the program as necessary.

[1973 c 682 s 4]

136A.235 Income tax exemption

The total amount of all payments to the student under the work-study program shall be exempt from state income tax.

[1973 c 682 s 5]

FACILITIES AUTHORITY

136A.26 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.

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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.

[1973 c 758 s 1]

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 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.

[1973 c 758 s 2]

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 shall have the powers and duties set forth in subdivisions 2 to 23 of this section.

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.

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 participate.

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 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.

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

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,

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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 Sections 16.07 or 574.26, or any other public contract or competitive bid law.

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.

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.

Subd. 9. The authority is authorized and empowered to issue revenue bonds whose aggregate principal amount at any time shall not exceed \$62,000,000 and to issue notes, bond anticipation notes, and revenue refunding bonds 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 \$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 deter-

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mined 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.

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.

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.

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.

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.

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.

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.

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.

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 municipality subject to the provisions of sections 466.01 to 466.15.

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 be covered under a surety or fidelity bond in an amount to be determined by the authority. Each such bond shall be conditioned upon the faithful performance of the duties of the office of the 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 section 574.02 and shall be approved by the attorney general and filed in the office of the secretary of state as provided in section 574.02. The cost of each such bond shall be paid by the authority.

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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 authority under authority of sections 136A.25 to 136A.42 and no longer needed for the purposes of such chapter or of the 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 authority in its judgment deems appropriate.

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.

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.

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.

[1973 c 758 s 3]

136A.32 Bonds of the authority

[For text of subds. 1 and 2, see M.S.1971]

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.

[1973 c 758 s 4]

[For text of subds. 4 to 6, see M.S.1971]

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 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.

[1973 c 758 s 5]

136A.34 Revenue refunding bonds

[For text of subds. 1 to 3, see M.S.1971]

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 or deposited in time deposits as provided in section 136A.32, subdivision 7.

[1973 c 758 s 6]

[For text of subd. 5, see M.S.1971]

136A.40 Administration

The administration of sections 136A.25 to 136A.42, shall be under the authority independent of other departments and agencies and notwithstanding chapter 16. The authority shall not be subject to the provisions of 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.

[1973 c 758 s 7]

136A.41 Conflict of interest

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.

[1973 c 758 s 8]

**CHAPTER 138. HISTORICAL SOCIETIES; HISTORIC SITES;
ARCHIVES; FIELD ARCHAEOLOGY**

HISTORICAL SOCIETIES		Sec.	
Sec.		138.55	State historic sites; registry, state owned lands administered by the department of natural resources.
138.025	Transfer of control of certain historic sites.	138.56	State historic sites; registry, lands owned by the cities of St. Paul and Minneapolis and counties of the state of Minnesota.
138.03	Custodian of records.	138.57	State historic sites; registry, federally owned lands.
ARCHIVES		138.58	State historic sites; registry, privately owned lands.
138.17	Public records; administration.	MINNESOTA HISTORIC DISTRICT ACT OF 1971	
138.25	Executive council; administration of federal records legislation [New].	138.73	Designation of historic districts.
HISTORIC SITES ACT OF 1965			
138.53	State historic sites; registry.		
138.54	State historic sites; registry, Fort Snelling state historical park.		

HISTORICAL SOCIETIES

138.025 Transfer of control of certain historic sites

[For text of subds. 1 and 2, see M.S.1971]

Subd. 2a. Camp Coldwater. In accordance with the terms and provisions of this section, the Minnesota historical society shall administer and control this historic site in Hennepin county which is described as follows: Commencing at the southwest corner of Section 17, Township 28 North Range 24 West of the fourth principal meridian, said corner being MCM 107 of the city of Minneapolis and state of Minnesota coordinate grid systems; thence south