

ments and benefits in connection with an acquisition has been procured or committed pursuant to section 2 of this act and has then been withdrawn by the United States, unless the acquiring authority subsequently determines to proceed with the acquisition in question using non-federal funds.

Sec. 4. [117.53] AUTHORIZATION. All acquiring authorities are hereby authorized to do any acts and take all actions necessary to carry out the provisions of this act, including the acquisition, rehabilitation and relocation of existing housing and the construction of new housing in accordance with the provisions of the Federal Aid Highway Act of 1970, 84 Stat. 1713 (1971), 23 United States Code, Section 101, et seq., and any other federal and state laws, where projects cannot proceed to construction because replacement housing cannot be made available.

Sec. 5. [117.54] NO ADDITIONAL DAMAGES CREATED. Nothing in this act shall be construed as creating in any condemnation proceedings brought by any acquiring authority under the power of eminent domain, any element of damages not recognized on August 22, 1968.

Sec. 6. [117.55] PAYMENTS NOT CONSIDERED INCOME FOR TAX OR PUBLIC ASSISTANCE PURPOSES. No payments received under this act shall be considered as income for the purposes of Minnesota Statutes, Chapter 290, or for purposes of determining the eligibility or the extent of eligibility of any person for public assistance based on need under the laws of the state of Minnesota.

Sec. 7. [117.56] INAPPLICABILITY TO HAZARDOUS AND SUBSTANDARD BUILDING PROCEEDINGS. The provisions of this act shall not apply to any proceedings brought by a governmental subdivision under Minnesota Statutes, Sections 463.15 to 463.26.

Sec. 8. REPEALER. Minnesota Statutes 1971, Section 117.095, is repealed.

Approved May 23, 1973.

CHAPTER 605—H.F.No.701

[Coded in Part]

An act relating to education; authorizing and directing the higher education coordinating commission to establish and supervise

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a student loan program; providing for the issuance of revenue bonds; amending Minnesota Statutes 1971, Sections 136A.14; 136A.15, Subdivisions 5 and 7; 136A.16, Subdivisions 3 and 8; and 136A.17, Subdivisions 1, 3, 4 and 10.

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

Section 1. [136A.14] EDUCATION; 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.

Sec. 2. Minnesota Statutes 1971, Section 136A.14, is amended to read:

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 National Vocational Student Loan Insurance Act of 1965 and the Higher Education Act of 1965, both of which provide interest subsidies on student loans which are guaranteed by a state program.~~

Sec. 3. Minnesota Statutes 1971, Section 136A.15, Subdivision 5, is amended to read:

Subd. 5. ~~"Eligible institution" in the case of loans for vocational instruction means a business or trade school, or technical institution or other technical or vocational school, in any state, which is approved by the U.S. commissioner of education in accordance with requirements set forth in the National Vocational Student Loan Insurance Act of 1965. In the case of loans for higher education, "eligible institution" means any educational institution offering at least a two-year program acceptable for full credit toward a baccalaureate degree, and any graduate professional school, including any 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.~~

Sec. 4. Minnesota Statutes 1971, Section 136A.15, Subdivision 7, is amended to read:

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

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

Sec. 5. Minnesota Statutes 1971, Section 136A.16, Subdivision 3, is amended to read:

Subd. 3. The commission shall be authorized to make or to guarantee loans in amounts not to exceed ~~\$1,500 in any academic year or its equivalent to residents of this state who are attending or accepted for enrollment at eligible institutions, both public and private~~ 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.

Sec. 6. Minnesota Statutes 1971, Section 136A.16, Subdivision 8, is amended to read:

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 ~~state board of investment at the request of 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. ~~The state treasurer shall be the custodian of all securities purchased under the conditions of this subdivision.~~

Sec. 7. Minnesota Statutes 1971, Section 136A.17, Subdivision 1, is amended to read:

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.

~~(a) is a citizen of the United States~~

~~(b) is a resident of the state of Minnesota~~

~~(c) has been accepted for enrollment at an eligible institution or, in the case of a student already attending such institution, is in good standing there as determined by the institution~~

~~(d) is carrying at least one half of the normal full time workload as determined by the institution.~~

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Sec. 8. Minnesota Statutes 1971, Section 136A.17, Subdivision 3, is amended to read:

Subd. 3. The commission may loan and guarantee the loan of money, upon such terms and conditions as the commission may prescribe; ~~provided that the total amount of outstanding guaranteed loans at any one time may not exceed 15 times the amount of the reserve funds on deposit at that time for the purposes of guaranteeing loans.~~

Sec. 9. Minnesota Statutes 1971, Section 136A.17, Subdivision 4, is amended to read:

Subd. 4. No loan or guarantee of a loan shall be made in excess of \$1,500 for any academic year or its equivalent. ~~The aggregate insured unpaid principal amount of insured loans for vocational study made to any student shall not at any time exceed \$2,000. The aggregate insured unpaid principal amount of insured loans for higher education made to any student shall not at any time exceed \$7,500 in the case of any graduate or professional student, including any such insured loans made to such person before he became a graduate or professional student, or \$5,000 in the case of any other student 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.~~

Sec. 10. Minnesota Statutes 1971, Section 136A.17, Subdivision 10, is amended to read:

Subd. 10. All moneys received by the commission, regardless of the source, shall be deposited in the state treasury and are hereby appropriated to it annually for the purpose for which such funds are received. 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.

Sec. 11. [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 Minnesota Statutes, 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 Minnesota Statutes, Sections 136A.14 to 136A.17.

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Subd. 3. Any student who was a Minnesota resident at the time of securing a loan under Minnesota Statutes, 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 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 Minnesota Statutes, 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 Minnesota Statutes, 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.

Sec. 12. [136A.171] REVENUE BONDS; ISSUANCE; PROCEEDS. The higher education coordinating commission is hereby authorized to issue revenue bonds in an aggregate amount not to

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exceed \$30,000,000 for the purpose of obtaining funds for loans made in accordance with the provisions of this act. 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 this act and for loan reserve funds.

Sec. 13. [136A.172] **NEGOTIABLE NOTES; ISSUANCE; CONDITIONS.** The commission may from time to time issue negotiable notes for the purpose of this act 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.

Sec. 14. [136A.173] **NEGOTIABILITY; BOND ANTICIPATION NOTES; PAYMENT; CONDITIONS.** Subdivision 1. The commission may from time to time issue revenue bonds for purposes of this act and all such revenue bonds, notes, bond anticipation notes or other obligations of the commission issued pursuant to this act 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

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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 determine. 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.

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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.

Sec. 15. [136A.174] SECURITY FOR BONDS. In the discretion of the commission any revenue bonds issued under the provisions of this act 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.

Sec. 16. [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

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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 this act in the same manner and to the same extent as other revenue bonds issued pursuant to this act.

Sec. 17. [136A.176] BONDS NOT STATE OBLIGATIONS. Bonds issued under authority of this act 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.

Sec. 18. [136A.177] RIGHTS OF BONDHOLDERS. Any holder of revenue bonds issued under the provisions of this act 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 this act 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.

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Sec. 19. **[136A.178] LEGAL INVESTMENTS; AUTHORIZED SECURITIES.** Bonds issued by authority under the provisions of this act 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 this act. Such bonds are hereby constituted "authorized securities" within the meaning and for the purposes of Minnesota Statutes, 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.

Sec. 20. **[136A.179] PUBLIC PURPOSE; TAX FREE STATUS.** The exercise of the powers granted by this act 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 this act, 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.

Sec. 21. **[136A.142] ADMINISTRATOR.** The administrator of this act shall be under the commission independent of other authority and notwithstanding Minnesota Statutes, Chapter 16.

Sec. 22. **APPROPRIATION.** Such amounts as may be necessary from the appropriation made for the purposes of this act may be used by the commission for costs incurred in administering the provisions of this act. The balance of the appropriation not required for administrative costs shall constitute a reserve fund which may be invested by the commission. Any interest which accrues on such investment shall inure to the commission and shall be available for either administrative costs or additions to the

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reserve fund at the discretion of the commission. The reserve fund shall not cancel and shall be available to the commission for as long as the programs provided by the provisions of this act are in effect. The commission may use the reserve fund established by the appropriation for fulfilling the income contingent provisions of this act as well as for the general purposes of the reserve fund in accordance with the provisions of this act.

Approved May 23, 1973.

CHAPTER 606—H.F.No.702

An act relating to probate proceedings; partition of property in probate decree; amending Minnesota Statutes 1971, Section 525.485.

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

Section 1. Minnesota Statutes 1971, Section 525.485, is amended to read:

525.485 PROBATE CODE; PARTITION OF PROPERTY.

When upon the hearing of any petition for the distribution of any ~~personal~~ property in any estate of any decedent, it appears to the court that two or more distributees are entitled to the distribution of undivided interests in such property, the court, upon petition of the representative of said estate, may issue its decree dividing such property, designating particular assets to each distributee, and allocating and distributing like or unlike property, or shares thereof, in accordance with their respective rights to share in said estate; provided that each such distributee has filed his written consent thereto. If no such consent is given, the court may nevertheless make such decree dividing such property but then only upon a separate hearing held for such purpose on 14 days mailed notice to all interested heirs or next of kin. Upon the hearing, the court shall partition the property in the same manner as provided for in civil actions in partition.

Sec. 2. This act shall be effective upon passage.

Approved May 23, 1973.

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