§ 1694. Termination of authority. 1. The authority shall continue to operate and manage each such dormitory until such time as its liabilities thereon have been met and the bonds outstanding against such dormitory have been paid in full or such liabilities or bonds have otherwise been discharged. Thereupon, the jurisdiction of the authority over such dormitory shall cease and all the real and personal property and the title to all of the real and personal property of such dormitory vested in the authority shall pass to the state of New York and the management and authority shall thereafter be under rules and regulations of the commissioner of education approved by the regents.

2. The authority and its corporate existence shall continue until terminated by law, provided, however, that no such law shall take effect so long as the authority shall have bonds, notes and other obligations outstanding, unless adequate provision has been made for the payment thereof. Upon termination of the existence of the authority, all of its rights and properties shall pass to and be vested in the state.