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State of Minnesota  
HOUSE OF REPRESENTATIVES

EIGHTY-NINTH SESSION

H. F. No. 3550

03/23/2016 Authored by Johnson, S.,  
The bill was read for the first time and referred to the Committee on Transportation Policy and Finance  
03/24/2016 By motion, recalled and re-referred to the Committee on Veterans Affairs Division

1.1 A bill for an act  
1.2 relating to veterans; providing an interim housing facility for certain veterans;  
1.3 appropriating money; amending Minnesota Statutes 2014, sections 198.001, by  
1.4 adding subdivisions; 198.003, subdivisions 1, 3, 7; 198.007; 198.022; 198.045;  
1.5 198.05; 198.075; 198.16; 198.23; 198.231; 198.261; 198.265; 198.266; 198.33;  
1.6 198.34; Minnesota Statutes 2015 Supplement, section 198.01; proposing coding  
1.7 for new law in Minnesota Statutes, chapter 198.

1.8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.9 Section 1. Minnesota Statutes 2014, section 198.001, is amended by adding a  
1.10 subdivision to read:

1.11 Subd. 2a. **Client.** "Client" means a person admitted to reside at an interim housing  
1.12 facility.

1.13 Sec. 2. Minnesota Statutes 2014, section 198.001, is amended by adding a subdivision  
1.14 to read:

1.15 Subd. 8a. **Interim housing facility.** "Interim housing facility" means a facility for  
1.16 housing veterans who are on a waiting list for residency at a home until space is available  
1.17 at a home.

1.18 Sec. 3. Minnesota Statutes 2014, section 198.003, subdivision 1, is amended to read:

1.19 Subdivision 1. **Policy; rules.** The commissioner shall determine policy and, subject  
1.20 to chapter 14, adopt, amend, and repeal rules for the governance of the homes and interim  
1.21 housing facilities. With respect to residents' and clients' administrative appeal time periods  
1.22 that are not established by statute, the commissioner may create by rule reasonable time  
1.23 periods within which a resident or client must appeal an administrative determination to

2.1 the next administrative level. If the determination is not appealed within the time set  
2.2 by rule, the determination becomes final.

2.3 The commissioner shall take other action as provided by law.

2.4 Sec. 4. Minnesota Statutes 2014, section 198.003, subdivision 3, is amended to read:

2.5 Subd. 3. **Use of campus.** The commissioner may allow veterans organizations or  
2.6 public or private social service, educational, or rehabilitation agencies or organizations  
2.7 and ~~their clients~~ the people they represent to use surplus space on a ~~home's campus of a~~  
2.8 home or interim housing facility, staff, and other resources of the commissioner and may  
2.9 require the participating agencies or organizations to pay for that use.

2.10 Sec. 5. Minnesota Statutes 2014, section 198.003, subdivision 7, is amended to read:

2.11 Subd. 7. **Use of Medicare Part D for pharmacy costs.** (a) The commissioner shall  
2.12 maximize the use of Medicare Part D to pay pharmacy costs for eligible veterans residing  
2.13 at the veterans homes and interim housing facilities.

2.14 (b) The commissioner shall encourage eligible veterans to participate in the  
2.15 Medicare Part D program and assist veterans in obtaining Medicare Part D coverage.

2.16 (c) The commissioner shall take any necessary steps to prevent an eligible veteran  
2.17 participating in Medicare Part D from receiving fewer benefits under Medicare Part D  
2.18 than they would have received under their existing Veterans Administration benefits.

2.19 Sec. 6. Minnesota Statutes 2014, section 198.007, is amended to read:

2.20 **198.007 QUALITY ASSURANCE.**

2.21 Each home and interim housing facility shall have a utilization review committee  
2.22 comprised of the appropriate professionals employed by or under contract to the home or  
2.23 interim housing facility. The committee shall use a patient classification system approved  
2.24 by the commissioner to assess the appropriateness and quality of care and services  
2.25 provided residents of the homes and interim housing facilities.

2.26 Each home and interim housing facility shall have an admissions committee  
2.27 comprised of the appropriate professionals employed by or under contract to each home  
2.28 and interim housing facility and adopt a preadmission screening program for all applicants  
2.29 for admission to the homes and interim housing facilities who may require nursing or  
2.30 boarding care, taking into account the eligibility requirements in section 198.022, the  
2.31 admissions criteria established by rules adopted under this chapter, and the availability of  
2.32 space in the homes and interim housing facilities.

3.1 Sec. 7. Minnesota Statutes 2015 Supplement, section 198.01, is amended to read:

3.2 **198.01 VETERANS HOME; INTERIM HOUSING FACILITY; ELIGIBILITY**  
 3.3 **OF VETERANS.**

3.4 The Minnesota veterans homes and interim housing facilities shall provide nursing  
 3.5 care and related health and social services for veterans and their spouses who meet  
 3.6 eligibility and admission requirements of the Minnesota veterans homes and interim  
 3.7 housing facilities. The commissioner may not close a veterans home unless closure of the  
 3.8 home is specifically authorized or required by a law enacted after July 1, 2015. The word  
 3.9 "veteran" as used in this section has the meaning provided in section 197.447.

3.10 Sec. 8. Minnesota Statutes 2014, section 198.022, is amended to read:

3.11 **198.022 ELIGIBILITY OF SPOUSES AND SURVIVING SPOUSES.**

3.12 The commissioner is authorized to admit eligible spouses of those veterans who are  
 3.13 or if living would be, eligible for admission to the homes and interim housing facilities.

3.14 (1) Except as provided in section 198.03, all applicants for admission to one of the  
 3.15 Minnesota veterans homes and interim housing facilities must be without adequate means  
 3.16 of support and unable by reason of wounds, disease, old age, or infirmity to properly  
 3.17 maintain themselves.

3.18 (2) Veterans must have served in a Minnesota regiment or have been credited to the  
 3.19 state of Minnesota, or have been a resident of the state in accordance with rules adopted  
 3.20 under this chapter preceding the date of application for admission.

3.21 (3) Spouses and surviving spouses of eligible veterans must be at least 55 years of  
 3.22 age, have been residents of the state of Minnesota in accordance with rules adopted under  
 3.23 this chapter preceding the date of application for admission, and meet the criteria for  
 3.24 admission to a home or interim housing facility established in the rules of the home or  
 3.25 interim housing facility in accordance with this chapter and the applicable statutes and  
 3.26 rules of the Department of Health.

3.27 Sec. 9. Minnesota Statutes 2014, section 198.045, is amended to read:

3.28 **198.045 REMOVAL.**

3.29 If a resident or client who is ordered discharged from a home or interim housing  
 3.30 facility refuses to leave the home or interim housing facility, the administrator of the  
 3.31 home or interim housing facility may apply to the district court for an order enforcing the  
 3.32 administrative order of discharge. The district court shall order the sheriff of the county  
 3.33 in which the home or interim housing facility is located to remove the resident or client

4.1 from the home or interim housing facility and authorize the administrator to remove  
 4.2 the resident's or client's property from the resident's or client's room and hold it until it  
 4.3 can be returned to the resident or client.

4.4 Sec. 10. Minnesota Statutes 2014, section 198.05, is amended to read:

4.5 **198.05 NEW BUILDINGS.**

4.6 The Department of Administration shall have and exercise full authority in the  
 4.7 erection and construction of new buildings at the veterans homes and interim housing  
 4.8 facilities. When new buildings are to be erected and constructed by authority of the state  
 4.9 or old buildings to be remodeled it shall be the duty of the Department of Administration  
 4.10 to cause to be prepared plans and specifications for the same, but in so doing it shall  
 4.11 consult with the commissioner in respect to these plans and specifications and shall adopt  
 4.12 and carry out, so far as it deems practicable, their requests and desires in the matter.

4.13 Sec. 11. Minnesota Statutes 2014, section 198.075, is amended to read:

4.14 **198.075 EMPLOYEES OF MINNESOTA VETERANS HOME EMPLOYEES**  
 4.15 **HOMES AND INTERIM HOUSING FACILITIES; EXCLUDED FROM**  
 4.16 **COMMISSARY PRIVILEGES.**

4.17 Except as provided in this section, no commissary privileges including food, laundry  
 4.18 service, janitorial service, and household supplies shall be furnished to any employee  
 4.19 of the Minnesota veterans homes or interim housing facilities. An employee of the  
 4.20 Minnesota veterans homes or interim housing facilities who works a second shift that is  
 4.21 consecutive with a regularly scheduled shift may be allowed one free meal at the veterans  
 4.22 home or interim housing facility on the day of that extra shift.

4.23 Sec. 12. Minnesota Statutes 2014, section 198.16, is amended to read:

4.24 **198.16 PLANNED GIVING.**

4.25 The commissioner is authorized to accept on behalf of the state any gift, grant,  
 4.26 bequest, or devise made for the purposes of this chapter, and administer the same as  
 4.27 directed by the donor. All proceeds therefrom including money derived from the sale of  
 4.28 any real or personal property must be deposited in the state treasury, invested by the State  
 4.29 Board of Investment in accordance with sections 11A.24 and 11A.25, and credited to the  
 4.30 Minnesota veterans home endowment, bequest, and devises fund. That fund consists of  
 4.31 separate accounts for investing general and restricted gifts, money, and donations received  
 4.32 and for any currently expendable proceeds.

5.1 The commissioner shall maintain records of all gifts received, clearly showing  
 5.2 the identity of the donor, the purpose of the donation, and the ultimate disposition of  
 5.3 the donation. Each donation must be duly receipted and must be expended or used  
 5.4 by the commissioner as nearly in accordance with the condition of the gift or donation  
 5.5 as is compatible with the best interests of the residents of the homes and clients of the  
 5.6 interim housing facilities. Money in the fund is appropriated to the commissioner for the  
 5.7 purposes for which it was received. Disbursements from this fund shall be made in the  
 5.8 manner provided for the issuance of other state warrants.

5.9 Whenever the commissioner shall deem it advisable, in accordance with law, to sell  
 5.10 or otherwise dispose of any real or personal property thus acquired, the commissioner of  
 5.11 administration upon the request of the commissioner shall sell or otherwise dispose of  
 5.12 said property in the manner provided by law for the sale or disposition of other state  
 5.13 property by the commissioner of administration.

5.14 Sec. 13. Minnesota Statutes 2014, section 198.23, is amended to read:

5.15 **198.23 PERSONAL PROPERTY OF RESIDENTS; WILLS.**

5.16 Upon the decease of any resident of the homes or client of the interim housing  
 5.17 facilities, the commissioner shall cause such of the resident's or client's personal estate  
 5.18 as may be left in the resident's or client's possession to be disposed of pursuant to the  
 5.19 resident's will, if any. All property of the deceased resident of the home or client of the  
 5.20 interim housing facility not so bequeathed by will, and remaining at a home or interim  
 5.21 housing facility, unclaimed, for one year after the resident's death, shall be inventoried,  
 5.22 appraised, and sold, and the proceeds thereof paid into the state treasury to the credit of  
 5.23 the Minnesota veterans homes endowment, bequest and devises fund.

5.24 Sec. 14. Minnesota Statutes 2014, section 198.231, is amended to read:

5.25 **198.231 PERSONAL PROPERTY OF DISCHARGED RESIDENTS.**

5.26 Personal property of discharged residents of the veterans homes or clients of the  
 5.27 interim housing facilities that remains unclaimed for one year after discharge may be  
 5.28 inventoried, appraised, and sold. The proceeds from the sale must be deposited into the  
 5.29 state treasury. Proceeds from the sale of personal property and any funds held on behalf of  
 5.30 the resident or client in the member's depository accounts must be credited to a separate  
 5.31 state account and disposed of in accordance with sections 345.41 to 345.43.

6.1 Sec. 15. Minnesota Statutes 2014, section 198.261, is amended to read:

6.2 **198.261 CANTEEN, COFFEE SHOP, WOOD SHOP, AND OTHER WORK**  
 6.3 **THERAPY PROGRAMS.**

6.4 Any profits derived from the operation of canteens, coffee shops, wood shops, and  
 6.5 other work therapy programs at the Minnesota veterans homes or interim housing facilities  
 6.6 shall be used by the commissioner only for the direct benefit of the residents of the homes  
 6.7 or clients of the interim housing facilities.

6.8 Sec. 16. Minnesota Statutes 2014, section 198.265, is amended to read:

6.9 **198.265 DEPOSIT ACCOUNTS.**

6.10 The commissioner may accept money from residents or clients for safekeeping  
 6.11 purposes to be returned to the residents or clients on demand. Sufficient money must be  
 6.12 retained at the homes and interim housing facilities to satisfy normal demand withdrawal  
 6.13 requests of the residents and other anticipated needs. Residents' or clients' accounts must  
 6.14 be deposited and maintained in the state treasury in a separate interest-bearing investment  
 6.15 account provided by the commissioner of management and budget, which must be  
 6.16 invested by the State Board of Investment in accordance with sections 11A.24 and 11A.25.  
 6.17 Residents' and clients' money on deposit at the homes or interim housing facilities may be  
 6.18 placed in a depository account only after the resident ~~or~~ resident's representative, client,  
 6.19 or client's representative has signed an agreement that the resident or client is willing to  
 6.20 have the money in an account maintained by the homes or interim housing facilities.

6.21 Residents' and clients' accounts of \$100 or more must be credited with interest  
 6.22 earned from the investment of resident and client accounts. Interest must be credited to  
 6.23 each resident's or client's account on a quarterly basis. The commissioner is not required  
 6.24 to pay interest on any resident or client accounts less than \$100.

6.25 There is annually appropriated from the account established by this section a  
 6.26 sufficient amount to return to the Minnesota veterans homes and interim housing facilities,  
 6.27 upon written request, sufficient money to satisfy the demand of residents and clients for  
 6.28 the return of their money and other requirements.

6.29 Sec. 17. Minnesota Statutes 2014, section 198.266, is amended to read:

6.30 **198.266 IMPREST CASH FUNDS.**

6.31 The commissioner may establish an imprest cash fund in accordance with section  
 6.32 15.191, subdivision 2. The purpose of the fund is to maintain sufficient money to satisfy  
 6.33 normal demand withdrawal requests from residents of the veterans homes and clients of

7.1 the interim housing facilities as provided for in section 198.265. The fund may also be  
 7.2 utilized for the payment of costs for residents and clients to participate in on campus  
 7.3 work therapy programs.

7.4 Sec. 18. Minnesota Statutes 2014, section 198.33, is amended to read:

7.5 **198.33 PRIVACY OF RESIDENTS AND CLIENTS; SEARCH AND SEIZURE**  
 7.6 **LIMITED TO CRIMINAL WARRANT.**

7.7 Subdivision 1. **Searches prohibited.** Residents of the Minnesota veterans homes  
 7.8 and clients of the interim housing facilities have the right to a legitimate expectation of  
 7.9 privacy in their persons and property against unreasonable searches and seizures. A search  
 7.10 of a resident's or client's room or property may be conducted only when necessary to  
 7.11 protect the residents and clients from weapons, illegal drugs, or alcohol, if possession is  
 7.12 prohibited by the commissioner, and is subject to the following:

7.13 (a) Prior to conducting a search of a resident's or client's room or property, the  
 7.14 administrator or the administrator's designee shall provide written authorization to conduct  
 7.15 the search. This authorization must identify the resident or client whose room or property  
 7.16 is to be searched, state the nature of the risk to the health or safety of that resident, client,  
 7.17 or to other individuals in the home or interim housing facility, set forth the facts which  
 7.18 establish that the risk exists and the source of those facts, and particularly describe the area  
 7.19 to be searched and the property to be seized. A separate authorization must be completed  
 7.20 for each resident and client whose room or property is to be searched.

7.21 (b) The resident or client shall be informed of the reasons necessitating a search of  
 7.22 the room or property and shall be present during the conduct of the search if the resident  
 7.23 or client requests to be present. A copy of the written authorization to conduct the search  
 7.24 must be given to the resident or client.

7.25 (c) If property or other items are taken, a written receipt describing the property or  
 7.26 items taken must be given to the resident or client.

7.27 (d) The provisions of this section do not restrict the entry by employees of the home  
 7.28 or interim housing facility into a resident's or client's room or into areas where the personal  
 7.29 possessions of residents and clients are stored for the purpose of providing care or services  
 7.30 to the resident and client or for housekeeping and maintenance purposes. The provisions  
 7.31 of this section do not apply to inspections conducted by governmental agencies for the  
 7.32 purpose of assessing compliance with state or federal laws and regulations.

7.33 (e) Unauthorized searches or seizures by employees of the Minnesota veterans  
 7.34 homes and interim housing facilities may be grounds for dismissal.

8.1 Subd. 2. **Waiver prohibited.** The Minnesota veterans homes and interim housing  
8.2 facilities may not require a resident or client to waive protection against unreasonable  
8.3 searches and seizures as a condition of eligibility for admission or continuing residence  
8.4 at a home or interim housing facility. A search conducted under a waiver obtained in  
8.5 violation of this section is an unlawful search and seizure and the person aggrieved may  
8.6 move the district court for return of the property under section 626.21.

8.7 Sec. 19. Minnesota Statutes 2014, section 198.34, is amended to read:

8.8 **198.34 DEPOSIT OF RECEIPTS.**

8.9 Federal money received by the commissioner for the care of veterans in a veterans  
8.10 home and interim housing facility must be deposited into a dedicated account in the state  
8.11 treasury and is appropriated to the commissioner for the operational needs of the veterans  
8.12 homes, interim housing facilities, and the commissioner. Money paid to the commissioner  
8.13 by a veteran or by another person on behalf of a veteran for care in a veterans home or  
8.14 interim housing facility must be deposited in the state treasury in a dedicated account and  
8.15 is appropriated to the commissioner for the operational needs of the veterans homes,  
8.16 interim housing facilities, and the commissioner.

8.17 Sec. 20. **[198.40] INTERIM HOUSING OPERATION; REPORTING; AUDITS.**

8.18 The commissioner of veterans affairs may contract with the Minnesota Veterans  
8.19 Housing Corporation to manage and operate a housing facility for disabled veterans who are  
8.20 on the commissioner's waiting list for a bed in a state-operated veterans home. The facility  
8.21 must be operated on a nonprofit basis. The Minnesota Veterans Housing Corporation must  
8.22 report annually on its finances, including operational expenses and revenues, and must  
8.23 permit the commissioner of veterans affairs to inspect and audit its accounting records as  
8.24 they pertain to the interim veterans housing facility at any time without notice.

8.25 Sec. 21. **INTERIM HOUSING FOR DISABLED VETERANS.**

8.26 Subdivision 1. Land transfer. The commissioner of transportation shall convey  
8.27 to the commissioner of veterans affairs for no consideration the land described in  
8.28 subdivision 2 for the purpose of constructing and operating an interim housing facility for  
8.29 disabled veterans who are waiting for a residency in a state-operated veterans home. The  
8.30 conveyance must be in a form approved by the attorney general. The attorney general may  
8.31 make changes to the land description to correct errors and ensure accuracy.

9.1            Subd. 2. **Property description.** The land to be transferred under subdivision 1 is  
9.2            located in Minneapolis and is described as a triangular parcel bounded by 42nd Street East  
9.3            on the west, 32nd Avenue South on the north, and Hiawatha Avenue on the south and east.

9.4            Sec. 22. **APPROPRIATION.**

9.5            \$..... in fiscal year 2017 is appropriated from the general fund to the commissioner  
9.6            of administration to design and construct an interim housing facility on the property  
9.7            described under section 21, for the purposes set forth in Minnesota Statutes, section 198.40.