

of the lessee, to be audited and allowed by the county board as in case of other claims against the county. The county auditor, with the approval of the county board is authorized to grant permits, licenses, and leases to tax-forfeited lands for the depositing of stripping, lean ores, tailings, or waste products from mines or ore milling plants, upon such conditions and for such consideration and for such period of time, not exceeding 15 years, as the county board may determine; said permits, licenses, or leases to be subject to approval by the commissioner of natural resources. Any person who removes any timber from tax-forfeited land before said timber has been scaled and fully paid for as provided in this subdivision is guilty of a misdemeanor. The county auditor may, with the approval of the county board and the commissioner of natural resources, and without first offering at public sale, grant leases, for a term not exceeding 25 years, for the removal of peat from tax-forfeited lands upon such terms and conditions as the county board may prescribe.

Provided, however, that no lease for the removal of peat shall be made by the county auditor pursuant to this section without first holding a public hearing on his intention to lease. One printed notice in a legal newspaper in the county at least ten days before the hearing, and posted notice in the courthouse at least 20 days before the hearing shall be given of the hearing.

Sec. 13. MEETINGS IN 1981.

Notwithstanding any contrary provision in section 2, in 1981 the meetings required by that section shall be held not later than July 1, 1981.

Sec. 14. EFFECTIVE DATE.

Sections 2, 11 and 13 are effective the day following final enactment. The remaining sections of this act are effective August 1, 1981.

Approved May 29, 1981

CHAPTER 306 — H.F.No. 1005

An act relating to housing; authorizing municipalities under 2,500 population to elect that the state building code not apply within their jurisdictions; permitting certain investments by the Minneapolis retirement board; authorizing temporary rulemaking power for the housing finance agency to define certain terms; providing for the continuation of staff complement; providing for changes in the assumability of agency loans; making non-citizen veterans eligible for certain loans; permitting certain loans; permitting the transfer of certain funds; providing for a revolving account; restricting the use of municipal housing revenue bonds in redevelopment areas; eliminating restrictions on the issuance of certain bonds exempted by federal law; appropriating money; amending Minnesota Statutes 1980, Sections 422A.05, by adding a subdivision;

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462A.03, Subdivision 10; 462A.04, Subdivision 8; 462A.05, Subdivisions 17 and 19, and by adding subdivisions; 462A.07, by adding a subdivision; 462A.20, Subdivision 3; 462A.21, Subdivision 8, and by adding a subdivision; 462A.22, Subdivision 9; 462C.03, by adding a subdivision; 462C.05, Subdivision 3; 462C.07, Subdivision 2; proposing new law coded in Minnesota Statutes, Chapters 16 and 462C; repealing Minnesota Statutes 1980, Section 462A.21, Subdivision 11.

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

Section 1. [16.869] STATE BUILDING CODE IN MUNICIPALITIES UNDER 2,500; LOCAL OPTION.

Notwithstanding any other provision of law to the contrary, the governing body of a municipality whose population is less than 2,500 may provide that the state building code, except the requirements for handicapped persons, will not apply within the jurisdiction of the municipality, if the municipality is located in whole or in part within a county exempted from its application pursuant to section 16.868. If more than one municipality has jurisdiction over an area, the state building code continues to apply unless all municipalities having jurisdiction over the area have provided that the state building code, except the requirements for handicapped persons, will not apply within their respective jurisdictions.

Sec. 2. Minnesota Statutes 1980, Section 422A.05, is amended by adding a subdivision to read:

Subd. 7. The board may invest funds with the Minneapolis/Saint Paul family housing fund or any successor to its functions for the purpose of allowing the Minneapolis/Saint Paul family housing fund or any successor to its functions to make loans to purchasers of dwelling units which the purchaser intends to occupy as the purchaser's place of residence. The investment shall be evidenced by a loan agreement which shall provide the terms and conditions for repayment of the investment.

Sec. 3. Minnesota Statutes 1980, Section 462A.03, Subdivision 10, is amended to read:

Subd. 10. "Persons and families of low and moderate income" means persons and families, irrespective of race, creed, national origin or sex, determined by the agency to require such assistance as is made available by sections 462A.01 to 462A.24 on account of personal or family income not sufficient to afford adequate housing. In making such determination the agency shall take into account the following: (a) The amount of the total income of such persons and families available for housing needs, (b) the size of the family, (c) the cost and condition of housing facilities available, (d) the eligibility of such persons and families to compete successfully in the normal housing market and to pay the amounts at which private enterprise is providing sanitary, decent and safe housing. In the case of federally subsidized mortgages with respect to which

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income limits have been established by any agency of the federal government having jurisdiction thereover for the purpose of defining eligibility of low and moderate income families, the limits so established shall govern under the provision of sections 462A.01 to 462A.24. In all other cases income limits for the purpose of defining low or moderate income persons shall be established by the agency ~~in its~~ by temporary or permanent rules.

Sec. 4. Minnesota Statutes 1980, Section 462A.04, Subdivision 8, is amended to read:

Subd. 8. The agency shall be under the administrative control of an executive director which office is established. He shall be appointed by the governor under the provisions of section 15.06.

The executive director may appoint a deputy director. The executive director may further appoint such permanent and temporary employees as he deems necessary subject to the approval of the commissioner of employee relations. All permanent employees of the agency, except the executive director, deputy director, and five additional positions reporting directly to the director are in the classified civil service. Notwithstanding section 16A.752 or any other provision of law to the contrary, any approved complement established by law for the agency shall not be reduced as a result of vacancies in approved positions. The five additional unclassified positions permitted by this subdivision shall only be filled in the manner and pursuant to the procedures and conditions specified in section 43.09, subdivision 2a; provided, that no additional deputy commissioner positions may be created.

Sec. 5. Minnesota Statutes 1980, Section 462A.05, is amended by adding a subdivision to read:

Subd. 14a. It may make loans to persons and families of low and moderate income to rehabilitate or to assist in rehabilitating existing residential housing owned and occupied by those persons or families. No loan shall be made unless the agency determines that the loan will be used primarily for rehabilitation work necessary for health or safety, essential accessibility improvements, or to improve the energy efficiency of the dwelling. No loan for rehabilitation of owner occupied residential housing shall be denied solely because the loan will not be used for placing the residential housing in full compliance with all state, county or municipal building, housing maintenance, fire, health or similar codes and standards applicable to housing. The amount of any loan shall not exceed the lesser of (a) \$6,000, or (b) the actual cost of the work performed, or (c) that portion of the cost of rehabilitation which the agency determines cannot otherwise be paid by the person or family without the expenditure of an unreasonable portion of the income of the person or family. In making loans, the agency shall determine the circumstances under which and the terms and conditions under which all or any portion of the loan will be repaid and shall determine the appropriate security for the repayment of

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the loan. Loans pursuant to this subdivision may be made with or without interest or periodic payments. No loan under this subdivision shall be denied solely on the basis of the inability of the applicant to make periodic loan payments. Loans made without interest or periodic payments need not be repaid by the borrower if the property for which the loan is made has not been sold, transferred or otherwise conveyed nor has it ceased to be the principal place of residence of the borrower, within ten years after the date of the loan.

Sec. 6. Minnesota Statutes 1980, Section 462A.05, Subdivision 17, is amended to read:

Subd. 17. The agency may make conventional loans, as defined in and in accordance with the conditions and limitations prescribed in section 47.20. ~~Notwithstanding section 47.20, the agency may make or purchase conventional loans which limit or prohibit assumption of the loans or which include any other terms inconsistent with section 47.20 when necessary to maintain the tax exempt status of agency notes or bonds pursuant to state or federal laws or regulations conventional loans owned by the agency on the effective date of this subdivision 17 or thereafter made or purchased may contain provisions which limit, condition, or prohibit assumption of the loans.~~

Sec. 7. Minnesota Statutes 1980, Section 462A.05, Subdivision 19, is amended to read:

Subd. 19. It may make no interest loans of up to \$4,000 to persons and families of low and moderate income who are veterans or veterans' dependents to assist in making down payments to enable them to purchase new or existing housing to be used as their principal place of residence. To be eligible, the veterans or veteran's dependent must be a first time home owner, and must enter into an agreement with the agency, with appropriate security as determined by the agency, to repay the loan amount in full when the property is sold, transferred, or otherwise conveyed, or ceases to be the recipient's principal place of residence. For the purpose of this subdivision, "veteran" means a person residing in Minnesota who has been separated under honorable conditions from any branch of the armed forces of the United States after having served on active duty for 181 consecutive days or by reason of disability incurred while serving on active duty, and who is a citizen of the United States, and who served at any time during the period from August 5, 1964 to May 7, 1975; and "veteran's dependent" means a person residing in Minnesota who is the unmarried surviving spouse of a veteran.

Sec. 8. Minnesota Statutes 1980, Section 462A.05, is amended by adding a subdivision to read:

Subd. 21. The agency may make or purchase loans to owners of rental property that is occupied or intended for occupancy primarily by low and moderate income tenants and which does not comply with the standards

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established in section 116H.129, subdivision 3, for the purpose of energy improvements necessary to bring the property into compliance with these standards. For property which meets the other requirements of this subdivision and, in addition, is at least 15 years old, a loan may also be used for moderate rehabilitation of the property. The authority granted in this subdivision is in addition to and not in limitation of any other authority granted to the agency in this chapter. The limitations on eligible mortgagors contained in section 462A.03, subdivision 13, do not apply to loans under this subdivision.

Sec. 9. Minnesota Statutes 1980, Section 462A.07, is amended by adding a subdivision to read:

Subd. 16. It may establish cooperative relationships with municipal housing and redevelopment authorities and municipalities to develop priorities for the use of agency resources and assistance within municipalities, and to consider municipal housing plans and programs in the process of setting the priorities.

Sec. 10. Minnesota Statutes 1980, Section 462A.20, Subdivision 3, is amended to read:

Subd. 3. Whenever any moneys are appropriated by the state to the agency solely for a specified purpose or purposes, the agency shall establish a separate bookkeeping account or accounts in the housing development fund to record the receipt and disbursement of such moneys and of the income, gain, and loss from the investment and reinvestment thereof. The agency may transfer unencumbered balances from one appropriated account to another, provided that (1) no moneys appropriated for the purpose of agency loan programs may be transferred to an account to be used for making grants, and (2) moneys appropriated for the purpose of section 462A.21, subdivisions 4a, 4f, and 4g, may only be transferred for the purpose of section 12.

Sec. 11. Minnesota Statutes 1980, Section 462A.21, Subdivision 8, is amended to read:

Subd. 8. It may establish a home ownership assistance fund, on terms and conditions it deems advisable, to assist persons and families of low and moderate income in making down payments and paying installments of eligible loans for the purchase of affordable residential housing and may use the assistance payments funds to provide additional security for eligible loans or to pay costs associated with or provide additional security for bonds issued by the agency. Any assistance in making down payments shall not exceed \$1,000 and shall be repaid in full without interest. Any assistance for payment of installments of an eligible loan shall not exceed \$75 per month; shall be applied against the monthly installments of the eligible loan; shall decrease over the term of the assistance payments, which shall not exceed 15 years; and shall be repaid in full without interest not later than the date on which the eligible loan is fully repaid.

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Sec. 12. Minnesota Statutes 1980, Section 462A.21, is amended by adding a subdivision to read:

Subd. 4i. It may establish a revolving loan fund for the purpose of section 5 and may pay the costs and expenses necessary and incidental to the development and operation of the loan program authorized therein.

Sec. 13. Minnesota Statutes 1980, Section 462A.22, Subdivision 9, is amended to read:

Subd. 9. The agency shall also submit a biennial report of its activities, projected activities, receipts, and expenditures for the next biennium, to the governor and the legislature on or before January 15 in each odd-numbered year. The report shall include the distribution of money under each agency program by county, except for counties containing a city of the first class, where the distribution shall be reported by municipality. ~~Within cities of the first class, the distribution of agency money shall be reported by census tract.~~

In addition, the report shall include the cost to the agency of the issuance of its bonds for each issue in the biennium, along with comparable information for other state housing finance agencies.

Sec. 14. Minnesota Statutes 1980, Section 462C.03, is amended by adding a subdivision to read:

Subd. 10. Notwithstanding any provision of this chapter, not more than 20 percent of the aggregate dollar amount of bond proceeds and any other funds appropriated by any city within any calendar year to make or purchase loans providing single family housing or dwelling units for sale within multifamily housing developments described in section 462C.05, subdivision 3, shall be appropriated to provide single family housing for persons or families whose gross income exceeds the limit in section 462C.03, subdivision 2. If 20 percent of the total amount of funds so appropriated by the city in any calendar year is expended for housing not within the limit, no additional funds may be expended pursuant to any other similar appropriation until the remaining 80 percent is expended for housing within the limit.

Sec. 15. Minnesota Statutes 1980, Section 462C.05, Subdivision 3, is amended to read:

Subd. 3. A development may be located within a redevelopment project area established pursuant to chapter 462 or within a development district established pursuant to chapter 472A or within an industrial development district established pursuant to section 458.191 without regard to the limitations and conditions set forth in ~~section 462C.03 and in~~ subdivision 2, and without regard to those set forth in section 462C.03 except section 14, except that in no case shall the maximum purchase price or appraised value for a dwelling unit in the multifamily housing development exceed four times the

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income limit established by section 462C.03, subdivision 2, unless the development is in a building officially built before 1900, designated as an historical structure under state, local, or national procedures.

Sec. 16. Minnesota Statutes 1980, Section 462C.07, Subdivision 2, is amended to read:

Subd. 2. The aggregate principal amount of revenue bonds or other obligations issued by a city pursuant to this section shall not exceed an amount equal to \$1,000 times its population for the first 50,000 persons, plus \$500 times its population in excess of 50,000, until otherwise provided by law, except that the aggregate amount of revenue bonds or other obligations issued by a city for rental projects shall be excluded from the maximum amount provided for in this subdivision. Its population shall be determined by the last federal census, or by the last official estimate of the metropolitan council, for a city in the metropolitan area, whichever is greater.

Sec. 17. **[462C.09] ALLOCATION OF QUALIFIED MORTGAGE BONDS.**

The applicable limit for the Minnesota housing finance agency, pursuant to section 103A (g) of the Internal Revenue Code of 1954 as amended through December 31, 1980, for any calendar year commencing with calendar year 1981, shall be 100 percent of the state ceiling for that year, reduced only by any amounts of bonds which have been or may be allocated by law to specified cities.

By July 1 of each year, any city which has received by law an allocation of the state ceiling shall certify to the agency the amount of bonds subject to the state ceiling which the city intends to issue during the calendar year. If the amount certified is less than the amount allocated by law to the city, the applicable limit for the agency shall be increased by the difference between the amount allocated by law to the city, and the amount certified by the city, to the agency.

Sec. 18. **[462C.10] OFFICIAL ACTION EXCEPTION.**

Bonds or other obligations which were approved by official action of a city before April 25, 1979, and exempted from the provisions of the Mortgage Subsidy Bond Tax Act of 1980, P.L. 96-499, pursuant to section 1104(b) may be issued without regard to the restrictions of section 462C.07, subdivision 2, except that for the purpose of subsequent bond issues, the exempted issues shall count against the cap provided in section 462C.07, subdivision 2.

Sec. 19. **EXEMPTION.**

The provisions of sections 14 and 15 shall not apply to any programs which were approved or are considered approved pursuant to section 462C.04,

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subdivision 2, by the Minnesota housing finance agency on or before the day of final enactment.

Sec. 20. REPEALER.

Minnesota Statutes 1980, Section 462A.21, Subdivision 11, is repealed.

Sec. 21. APPROPRIATION.

The sum of \$21,587,300 is appropriated from the general fund to the housing development fund created in section 462A.20, for the purposes specified in this section and for the payment of related costs and expenses.

(a) For making rehabilitation loans to persons and families of low and moderate income, as provided in section 11..... \$3,500,000.

The authority granted to the agency by section 10 to transfer moneys among appropriated accounts shall not apply to the appropriation in this paragraph (a).

(b) For making low interest rate rehabilitation loans to persons and families of low and moderate income, as provided in section 462A.21, subdivisions 4b and 7 and for the home ownership assistance fund provided in section 462A.21, subdivision 8..... \$14,407,300.

(c) For making grants to sponsors or builders of multi-unit residential housing for occupancy by persons and families of low and moderate income, as provided in section 462A.21, subdivision 4e.....\$200,000.

(d) For the American Indians revolving fund created in section 462A.21, subdivision 4c.....\$3,480,000.

Sec. 22. EFFECTIVE DATE.

Sections 1. to 20 are effective the day after enactment.

Approved May 29, 1981

CHAPTER 307 — H.F.No. 1048

An act relating to insurance; removing insurance solicitors from insurance licensing provisions; prescribing certain fees; providing for licensing of certain legal entities as agents; providing for the licensing of other insurance agents; providing for examinations; providing exceptions to the licensing requirements; authorizing temporary licenses; providing for appointment of agents by insurers; prohibiting certain persons from obtaining an agent's license; providing for the revocation or suspension of licenses upon specified conditions; providing for the surrender, loss, or destruction of licenses; prescribing certain powers of the commissioner; authorizing the sale of contracts on a

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