

levied for that purpose in 1976, payable in 1977. For the purpose of this special levy, the estimated receipts expected from the state of Minnesota pursuant to sections 69.011 to 69.031 or any other state aid expressly intended for the support of public pension funds shall be considered as a deduction in determining the required levy for the normal costs of the public pension funds. No amount of these aids shall be considered as a deduction in determining the governmental subdivision's required levy for the reduction of the unfunded accrued liability of public pension funds;

(p) the amounts allowed under section 174.27 to establish and administer a commuter van program;

(q) pay the costs of financial assistance to local governmental units and certain administrative, engineering, and legal expenses pursuant to Laws 1979, chapter 253, section 3;

(r) compensate for revenue lost as a result of abatements or court action pursuant to sections 270.07, 270.17 or 278.01 due to a reassessment ordered by the commissioner of revenue pursuant to section 270.16;

(s) pay the total operating cost of a county jail as authorized in section 641.01. If the county government utilizes this special levy, then any amount levied by the county government in the previous year for operating its county jail and included in its previous year's levy limitation computed pursuant to section 275.51 shall be deducted from the current levy limitation.

Sec. 2. EFFECTIVE DATE.

Section 1 is effective for taxes levied in 1983 and thereafter, payable in 1984 and thereafter.

Approved May 19, 1983

CHAPTER 185 — H.F.No. 441

An act relating to the housing finance agency; increasing the maximum permissible return to certain mortgagors; increasing the maximum rehabilitation loan amount; combining certain bonding categories; clarifying other agency duties and powers; modifying certain duties and powers of issuers of local housing revenue bonds; amending Minnesota Statutes 1982, sections 462A.03, subdivision 13; 462A.05, subdivisions 4, 9, 14a and 18, and by adding a subdivision; 462A.06, subdivision 8; 462A.09; 462A.21, subdivision 4b, and by adding a subdivision; 462A.22, subdivisions 1 and 5; 462C.05, subdivision 7; and 462C.07, subdivision 1; repealing Minnesota Statutes 1982, section 462A.22, subdivision 1a.

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

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

Section 1. Minnesota Statutes 1982, section 462A.03, subdivision 13, is amended to read:

Subd. 13. "Eligible mortgagor" means a nonprofit or cooperative housing corporation, limited profit entity or a builder as defined by the agency in its rules, which sponsors or constructs residential housing as defined in subdivision 7, or a natural person of low or moderate income, except that the return to a limited dividend entity shall not exceed ~~six~~ ten percent of the capital contribution of the investors or such lesser percentage as the agency shall establish in its rules. Owners of existing residential housing occupied by renters shall be eligible for rehabilitation loans, only if, as a condition to the issuance of the loan, the owner agrees to conditions established by the agency in its rules relating to rental or other matters that will insure that the housing will be occupied by persons and families of low or moderate income. The agency shall require by rules that the owner give preference to those persons of low or moderate income who occupied the residential housing at the time of application for the loan.

Sec. 2. Minnesota Statutes 1982, section 462A.05, subdivision 4, is amended to read:

Subd. 4. It may purchase and enter into commitments for the purchase of eligible securities, certificates of deposit, time deposits, or existing mortgage loans from banks, savings and loan associations, insurance companies, or other financial intermediaries, provided that the agency shall first determine that the proceeds of such ~~securities instruments~~ instruments will be utilized for the purpose of making loans for residential housing for occupancy by persons or families of low and moderate income as defined in section 462A.03, subdivision 7.

Sec. 3. Minnesota Statutes 1982, section 462A.05, subdivision 9, is amended to read:

Subd. 9. It may invest any funds not required for immediate disbursement in ~~direct obligations of the United States government or in obligations the principal of and interest on which are guaranteed by the United States government or an agency thereof~~ accordance with the provisions of section 462A.18, subdivision 2.

Sec. 4. Minnesota Statutes 1982, section 462A.05, subdivision 14a, is amended 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

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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 \$7,500, 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 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. 5. Minnesota Statutes 1982, section 462A.05, subdivision 18, is amended to read:

Subd. 18. It may make loans solely to "nonprofit" sponsors as defined by the agency, with or without interest, and with such security for repayment, if any, as the agency determines reasonably necessary and practicable, solely from the housing development fund in accordance with the provisions of section 462A.21, subdivision 9, to encourage innovations in the development or rehabilitation of single and multifamily residential housing including the demonstration of new techniques for energy efficient construction. It may make loans to for-profit sponsors pursuant to this subdivision, provided that the agency shall make the loan with interest at a rate determined by the agency.

It shall promulgate rules, in accordance with the provisions of sections 14.01 to 14.70, relating to the administration of the loans authorized by this subdivision. The rules may define types of projects eligible for loans, criteria for selecting between eligible loans, terms of the loans including interest rates and loan periods, and other characteristics that the agency deems necessary to administer the program.

Sec. 6. Minnesota Statutes 1982, section 462A.05, is amended by adding a subdivision to read:

Subd. 22. It may make or participate in the making and enter into commitments for the making of loans to any banking institution, savings and loan association, or other lender approved by the members, organized under the laws of this or any other state or of the United States having an office in this state, notwithstanding the provisions of section 462A.03, subdivision 13, if it first

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determines that the proceeds of such loans will be utilized for the purpose of making loans to or for the benefit of eligible persons and families as provided and in accordance with sections 462A.01 to 462A.24. Loans pursuant to this subdivision shall be secured, repaid and bear interest at the rate as determined by the members.

Sec. 7. Minnesota Statutes 1982, section 462A.06, subdivision 8, is amended to read:

Subd. 8. It may sell, at public or private sale, any note, mortgage or other instrument or obligation evidencing or securing a loan, including a certificate evidencing an interest in one or more loans. The agency may, in connection with such a sale, retain the right or obligation to collect the principal and interest on the loan, to enter into commitments for timely remittance of the principal and interest, or to provide any other services as described in the certificate.

Sec. 8. Minnesota Statutes 1982, section 462A.09, is amended to read:

462A.09 BONDS AND NOTES; RESOLUTIONS AUTHORIZING, ADDITIONAL TERMS, SALE.

The notes and bonds of the agency shall be authorized by a resolution or resolutions adopted by the agency, shall bear such date or dates, shall mature at such time or times, shall bear interest at such rate or rates, be in such denominations, be in such form, 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 within or without the state, and be subject to such terms of redemption prior to maturity as such resolutions or certificates may provide. If, for any reason, whether existing at the date of issue of any bonds or notes or at the date of making or purchasing any loan or securities from the proceeds or thereafter, the interest on any bonds or notes shall be or become subject to federal income taxation, this shall not impair or affect the validity or the provisions made for the security of the bonds or notes. The agency may make such covenants and take or cause to be taken such actions as are in its judgment necessary or desirable to comply with conditions established by federal law or regulations for the exemption of interest on its obligations. The agency may refrain from compliance with such conditions if in its judgment this would serve the purposes and policies set forth in this chapter with respect to any particular issue of bonds or notes, unless this would violate covenants made by the agency. No note shall mature more than ten years from its date or from the date of any note refunded thereby. The maximum maturity of any bond, whether or not issued for the purpose of refunding, shall be 50 years from its date. The notes and bonds of the agency may be sold at public or private sale, at such price or prices as the agency shall determine; provided that in no event shall the net proceeds to the agency of any issuance of bonds be less than 97.5 percent of the face amount of the bonds. Prior to the sale of notes and bonds, the agency shall consult with the executive director of the state board of investment on the terms and conditions of the bonds

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and appropriate underwriting fees. The executive director of the state board of investment shall participate in the negotiations for the sale of bonds of the agency (i) the aggregate price at which an issue of notes or bonds is initially offered by underwriters to investors, as set forth in the agency's official statement with respect to the offering, shall not exceed by more than three percent the aggregate price paid by the underwriters to the agency at the time of delivery; (ii) the commission paid by the agency to an underwriter or agent for placing an issue of notes or bonds with investors shall not exceed three percent of the aggregate price at which the issue is offered to investors as set forth in the agency's offering statement; and (iii) the spread or commission shall be an amount determined by the agency to be reasonable in the light of the risk assumed and the expenses of issuance, if any, required to be paid by the underwriters or agent.

Sec. 9. Minnesota Statutes 1982, section 462A.21, subdivision 4b, is amended to read:

Subd. 4b. It may establish loan funds and may make eligible loans from them, at rates of interest and with security as the agency deems advisable, if each loan is determined by the agency to be necessary to permit the occupant of residential housing financed wholly or in part by the loan to meet his housing costs without expending an unreasonable portion of his income on them. It may combine loan funds established pursuant to legislative appropriations with loan funds established for the same or similar purposes pursuant to the sale of its notes or bonds, and such combined funds may be deposited with a trustee. Portions of these funds derived from appropriations or the sale of its notes or bonds may be set aside as reserves against losses on loans to be made from the combined funds. Each combined fund, including loan and investment principal and income received therefrom, shall be administered, disbursed, and collected as provided in the appropriation act and the resolution or indenture securing the bonds or notes.

Sec. 10. Minnesota Statutes 1982, section 462A.21, is amended by adding a subdivision to read:

Subd. 8a. It may establish a multifamily development assistance fund, on terms and conditions it deems advisable, to be used in connection with the financing of multifamily developments (a) to make loans, with or without interest, pursuant to section 462A.05, subdivisions 1 and 3, or (b) to make payments into accounts of the agency for the purpose of making payments required by a resolution for the issuance of its notes or bonds, as permitted by section 462A.10, subdivision 4.

Sec. 11. Minnesota Statutes 1982, section 462A.22, subdivision 1, is amended to read:

Subdivision 1. The aggregate principal amount of bonds and notes which are outstanding at any time, excluding the principal amount of any bonds and

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notes refunded by the issuance of new bonds or notes, shall not exceed the sum of:

(a) \$225,000,000 issued for the purpose of providing funds for rehabilitation loans, or refunding bonds or notes issued for this purpose, plus

(b) \$1,325,000,000 issued for other purposes specified in section 462A.08 \$1,550,000,000.

Sec. 12. Minnesota Statutes 1982, section 462A.22, subdivision 5, is amended to read:

Subd. 5. Moneys in any debt service reserve fund not required for immediate use or disbursement may be invested in obligations of the state or the United States of America, or obligations the principal and interest of which are guaranteed by the state or the United States of America. In computing the amount of any debt service reserve fund for the purpose of this section, securities in which all or a portion of the fund are invested shall be valued at par or, if purchased at less than par, at their cost to the agency accordance with the provisions of section 462A.18, subdivision 2.

Sec. 13. Minnesota Statutes 1982, section 462C.05, subdivision 7, is amended to read:

Subd. 7. A development may consist of a combination of a multifamily housing development and a new or existing health care facility, as defined by section 474.02, if the following conditions are satisfied:

(a) The multifamily housing development is designed and intended to be used for rental occupancy;

(b) The multifamily housing development is designed and intended to be used primarily by elderly or physically handicapped persons; and

(c) Nursing, medical, personal care, and other health related assisted living services are available on a 24-hour basis in the development to the residents.

The limitations of section 462C.04, subdivision 2, clause (c), shall not apply to projects defined in this subdivision and approved by the Minnesota housing finance agency before July October 1, 1983. ~~The limitations of section 462C.07, subdivision 2, shall not apply to bonds issued for projects defined in this subdivision.~~

The Minnesota housing finance agency shall provide, in the annual report required by section 462C.04, subdivision 2, information on the costs incurred for the issuance of bonds for projects defined in this subdivision. The report shall also include the Minnesota housing finance agency's recommendations for the regulation of costs of issuance for future issues.

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Sec. 14. Minnesota Statutes 1982, section 462C.07, subdivision 1, is amended to read:

Subdivision 1. To finance programs or developments described in any plan the city may, upon approval of the program as provided in section 462C.04, subdivision 2, issue and sell revenue bonds or obligations which shall be payable exclusively from the revenues of the programs or developments. In the purchase or making of single family housing loans and the purchase or making of multifamily housing loans and the issuance of revenue bonds or other obligations the city may exercise within its corporate limits, any of the powers the Minnesota housing finance agency may exercise under chapter 462A, without limitation under the provisions of chapter 475, ~~and the revenue bonds or other obligations may be sold at 97 percent or more of their principal amount, notwithstanding the provisions of section 462A.09.~~

Sec. 15. **REPEALER.**

Minnesota Statutes 1982, section 462A.22, subdivision 1a, is repealed.

Sec. 16. **EFFECTIVE DATE.**

This act is effective the day following final enactment.

Approved May 19, 1983

CHAPTER 186 — H.F.No. 462

An act relating to St. Louis county; limiting compensation of elected county officers; providing that the county board set the fees for tax search certificates; providing for reimbursement of certain expenses of county commissioners; allowing the county board to designate a clerk other than the auditor; amending Laws 1951, chapter 391, section 2; Laws 1955, chapter 633, section 1, subdivision 2, as amended; and Laws 1959, chapter 301, section 1, as amended.

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

Section 1. **ST. LOUIS COUNTY; ELECTED OFFICIALS; COMPENSATION.**

An elected officer of St. Louis county shall not be entitled to payment for accumulated vacation or sick leave days upon leaving office. This section supersedes any contrary provision of other law or ordinance.

Sec. 2. Laws 1955, chapter 633, section 1, subdivision 2, as amended by Laws 1978, chapter 468, section 1, is amended to read:

Subd. 2. **FEES.** For such certificate the county shall receive a compensation of \$2 not to exceed the fee established by Minnesota Statutes, section

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