

committed for purchase, purchased, or sold by the government national mortgage association pursuant to Section 445 of the Housing and Urban Development Act of 1969; Public Law 91-152; if the charge for any discount points when added to the finance charge does not result in a loan yield in excess of that permitted by subdivision 4. The loan yield shall be computed using the sum resulting when the discount points are so added to the finance charge.

Sec. 7. Minnesota Statutes 1978, Section 47.20, Subdivision 13, is amended to read:

Subd. 13. Any conventional loan having an interest rate or loan yield in excess of the maximum lawful interest rate provided for in subdivision 4 or 4a as applicable shall be usurious and subject to the same penalties as a loan made in violation of section 334.01. Any lender intentionally violating any other provision of this section shall be fined not more than \$100 for each offense.

Sec. 8. Minnesota Statutes 1978, Section 47.20, is amended by adding a subdivision to read:

Subd. 14. (a) A lender requiring or offering private mortgage insurance shall make available to the borrower or other person paying the insurance premium the same premium payment plans as are available to the lender in paying the private mortgage insurance premium.

(b) Any refund or rebate for unearned private mortgage insurance premiums shall be paid to the borrower or other person actually providing the funds for payment of the premium.

Sec. 9. This act is effective the day following final enactment.

Approved May 30, 1979.

CHAPTER 280—H.F.No.597

An act relating to the state transportation system; authorizing the issuance and sale of Minnesota state transportation bonds; authorizing the expenditure of the proceeds for grants for construction and reconstruction of certain bridges and for certain preliminary studies; appropriating money; amending Minnesota Statutes 1978, Section 174.50, by adding a subdivision.

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

Section 1. **STATE TRANSPORTATION BONDS; ISSUANCE AND SALE.** The commissioner of finance shall, upon the request of the commissioner of transportation, issue and sell Minnesota state transportation bonds for the purposes provided in Minnesota Statutes, Section 174.51, Subdivision 1, in the aggregate principal amount of \$52,000,000 in the manner and upon the conditions prescribed in Minnesota Statutes,

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Section 174.51 and in Article XI of the Minnesota Constitution. The proceeds of the bonds, except as provided in Minnesota Statutes, Section 174.51, Subdivision 5, shall be deposited in the Minnesota state transportation fund for expenditure in accordance with section 2, subdivisions 2 and 3; and Minnesota Statutes, Section 174.50.

Sec. 2. APPROPRIATION. Subdivision 1. \$52,000,000, or so much thereof as is determined to be needed, is appropriated from the Minnesota state transportation fund to the department of transportation to be expended for disbursement in the form of grants by the commissioner of transportation for construction and reconstruction of key bridges on the state transportation system and shall be allocated pursuant to subdivisions 2 and 3. The appropriation shall not lapse, but shall remain available until expended.

Subd. 2. \$50,000,000, or so much thereof as is needed, is available for expenditure at a rate not exceeding \$12,500,000 per fiscal year for grants to political subdivisions for construction and reconstruction of key bridges on highways, streets and roads under their jurisdiction. The grants shall not exceed the following aggregate amounts:

- (1) To counties \$8,500,000
- (2) To home rule charter and statutory cities \$1,000,000
- (3) To towns \$21,000,000

Additional grants may be made in an aggregate amount not to exceed \$19,500,000 to the political subdivisions to match federal-aid grants for construction and reconstruction of key bridges under their jurisdiction.

Subd. 3. An additional amount not to exceed \$2,000,000 is available for grants for preliminary engineering and environmental studies pursuant to section 3.

Sec. 3. Minnesota Statutes 1978, Section 174.50, is amended by adding a subdivision to read:

Subd. 6a. The commissioner may make a grant to any political subdivision for preliminary engineering of a river crossing which requires extensive studies and evaluations to determine the environmental impact, location and design features of the crossing. A grant shall not exceed \$300,000 for a single bridge project and shall not be used for the preparation of construction plans or specifications.

Application for a grant shall be made by resolution of the governing body of the subdivision proposing to construct or reconstruct the bridge. A grant under this subdivision is subject to the procedures and criteria provided in subdivisions 4 to 6. A grant shall also be subject to the priority ranking established under the existing rules of the department if the proposed bridge has been ranked under those rules. No new rules are required for the administration of the grant program established by this subdivision.

Sec. 4. EFFECTIVE DATE. This act is effective July 1, 1979.

Approved May 30, 1979.

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