

Sec. 11. [402.045] FUNCTION OF STATE PLANNING OFFICER. The state planning officer shall have authority for human services development. He may appoint professional and clerical staff as he deems necessary. The positions shall be established in the unclassified civil service pursuant to section 43.05, for a period not to exceed two years.

Sec. 12. [402.046] REPOSITORY OF ORIGINAL FILES; CONTINUATION OF ADMINISTRATIVE FUNCTION. The state planning officer shall be the repository for all files, reports, documents, information and property acquired by or otherwise considered the property of the office of human services created pursuant to Laws 1975, Chapter 434, Section 2, Subdivision 24, except property which was loaned by other state agencies. The state planning officer shall assume ongoing or continuing duties of the office of human services, including, but not limited to:

(1) Support for the development of human services boards created pursuant to Minnesota Statutes, Chapter 402, and ongoing technical assistance to the boards;

(2) Disbursement and monitoring grants pursuant to sections 402.01, clause (3), and 402.06, clause (2);

(3) Receiving and coordinating the review of annual plans required by section 402.06; and

(4) Cooperating with other state departments and agencies in assisting local human services integration projects. Any unexpended funds from the appropriation established pursuant to Laws 1975, Chapter 434, Section 2, Subdivision 24, shall not cancel and shall be reappropriated for the purposes of this section.

Sec. 13. Minnesota Statutes 1976, Sections 402.08 and 402.09, are repealed.

Sec. 14. This act shall be effective July 1, 1977.

Approved June 2, 1977.

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CHAPTER 412—H.F.No.1054

[Coded in Part]

*An act relating to welfare; aid to families with dependent children; changing certain eligibility qualifications; amending Minnesota Statutes 1976, Sections 256.73, Subdivisions 1, 2, 4, and by adding subdivisions; and 256.79.*

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

Section 1. Minnesota Statutes 1976, Section 256.73, Subdivision 1, is amended to read:

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256.73 WELFARE; A.D.C.; ELIGIBILITY QUALIFICATIONS; ASSISTANCE, RECIPIENTS. Subdivision 1. DEPENDENT CHILDREN. Assistance shall be given under sections 256.72 to 256.87 to or on behalf of any dependent child who:

(1) Resides in Minnesota;

(2) ~~Is living in a suitable home conducted by a family having as far as practicable the same religious faith as the family of the child and meeting the standards of care and health fixed by the laws of this state and rules and regulations of the state agency thereunder~~ Is otherwise eligible; the child shall not be denied aid because of conditions of the home in which the child resides.

Sec. 2. Minnesota Statutes 1976, Section 256.73, Subdivision 2, is amended to read:

Subd. 2. ALLOWANCE BARRED BY OWNERSHIP OF PROPERTY. The ownership by father, mother, child, children, or any combination thereof, of property as follows shall be a bar to any allowance under sections 256.72 to 256.87:

(1) Real estate used as a home the market value of which less encumbrances exceeds \$7,500; provided that real estate used as a home in excess of this amount will not be a bar to eligibility where the county welfare board determines that ~~such~~ the real estate is not available for support of the family.

(2) Personal property of a reasonable market value in excess of \$300 for a one child recipient or \$500 for more than one child recipient; ~~exclusive of personal property used as the home, insurance carried by a parent which does not exceed a cash surrender value of \$500, appropriate clothing and necessary household furniture and equipment, and of such tools, implements, and domestic animals as in the opinion of the county agency it is expedient to retain for the purpose of reducing the expense or increasing the income of the family, and exceeding the amounts established by the commissioner in conformance with federal regulations, excluding the earnings of a dependent child which are placed in a savings account to be used for a future purpose approved by the county agency in accordance with the rules and regulations of the commissioner of public welfare and~~ any property that produces a net income applicable to the family's needs; or

(3) Real estate not used as a home, ~~provided that if such real estate does not produce net income sufficient to meet the family budget and there is no available market for the sale of such property, or if the price which can be obtained on the prevailing market is not fair and reasonable considering the applicant's interest therein and the possibilities of sale of said property for a greater amount within a reasonable length of time thereafter then in that event, in the discretion of the county agency, ownership of the same which produces net income applicable to the family's needs or which the family is making a continuing effort to sell at a fair and reasonable price shall not be a bar to an allowance under sections 256.72 to 256.87. Net income shall be the residue after payment from gross income of taxes, insurance, maintenance, and interest on encumbrances, if any, on the property, provided that in computing net income the gross income shall not be charged with any expenses toward betterment of the property as improvements or by payment on the principal of a mortgage; provided, that~~ The net income thus derived shall

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be applied on the family budget.

Sec. 3. Minnesota Statutes 1976, Section 256.73, is amended by adding a subdivision to read:

Subd. 3a. PERSONS INELIGIBLE. No assistance shall be given under sections 256.72 to 256.87 on behalf of any person who is receiving supplemental security income under title XVI of the social security act unless permitted by federal regulations.

Sec. 4. Minnesota Statutes 1976, Section 256.73, Subdivision 4, is amended to read:

Subd. 4. RESIDENCE, COUNTY OF FINANCIAL RESPONSIBILITY. The county responsible of financial responsibility for the payment of assistance under sections 256.72 to 256.87 shall be the county in which said the child has resided for the year preceding the application for assistance; provided, that if said child has not resided continually in any one county for the year preceding said application, then the county in which said child has resided for the longest period of time during said year shall be responsible for the payment of assistance under sections 256.72 to 256.87, subject to the provisions of section 256.79. The time during which a child has been an inmate of a hospital, a home of detention, a licensed boarding or foster home, or of any public or private institution, shall be excluded in determining the time of residence of such child is residing at the time of application for the assistance.

Sec. 5. Minnesota Statutes 1976, Section 256.73, is amended by adding a subdivision to read:

Subd. 6. REPORTS BY RECIPIENT. Each recipient shall complete reports as requested by the local or state agency. All net earned or unearned income not specifically disregarded by the social security act, the code of federal regulations, or state law, rules and regulations, shall be income applicable to the budgetary needs of the family. If any amount of aid to families with dependent children assistance is paid to a recipient thereof in excess of the payment due it shall be recoverable by the local agency. If the agency notifies the recipient in writing of an overpayment due solely to local agency error within three months after the overpayment, the agency may commence recovery of the overpayment during the year after the notification is received by the recipient. The written notice shall inform the recipient of the agency's intention to recover the overpayment. The recipient may appeal the agency's determination that an overpayment has occurred in accordance with section 256.045.

Sec. 6. Minnesota Statutes 1976, Section 256.79, is amended to read:

256.79 REMOVAL TO ANOTHER COUNTY. Any child qualified for and receiving assistance pursuant to the provisions in sections 256.72 to 256.87 in any county in this state, who moves or is taken to another county in this state shall be entitled to continue to receive assistance from the county from which he has moved or has been taken until he shall have resided for one year two months in the county to which he has moved. When he has resided one year two months in the county to which he has moved, or has been taken, the county local agency of the county from which he has moved shall

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transfer all necessary records relating to the child to the county agency of the county to which he has moved.

The county of financial responsibility shall not change as a result of successive placements in one or more counties pursuant to a plan of treatment for health, rehabilitation, foster care, child care or training, nor as a result of placement in any correctional program.

Approved June 2, 1977.

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CHAPTER 413—H.F.No.1060

*An act relating to education; loans to medical students; changing requirements for loan forgiveness and limitations on loan amounts; amending Minnesota Statutes 1976, Sections 147.30 and 147.31.*

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

Section 1. Minnesota Statutes 1976, Section 147.30, is amended to read:

**147.30 EDUCATION; LOANS TO MEDICAL AND OSTEOPATHY STUDENTS WHO AGREE TO PRACTICE IN RURAL COMMUNITIES.** The state of Minnesota may provide loans to students for the cost of the education and living expenses during the time the recipient is enrolled in an accredited medical school in the state of Minnesota, or accredited school of osteopathy the graduates of which are eligible for licensure in Minnesota, and to students domiciled in Minnesota and enrolled in an accredited medical school or school of osteopathy located outside the state, if the recipient agrees in writing to practice medicine or osteopathy in a rural community in Minnesota designated as an area in need of medical doctors or osteopaths by the higher education coordinating board. In selecting recipients, the higher education coordinating board shall not discriminate against any applicant based on residence in an urban area prior to or at the time of application. In selecting medical students priority shall be given to students enrolled in schools in Minnesota. Each recipient shall execute a note to the state payable on demand for the principal amount of the loan with interest at not more than eight percent per annum the rate applicable to any particular note to be determined by the board. Interest shall run on the principal balance from the date of the loan until the principal sum is paid said interest to be payable when the principal sum is paid; provided that the obligation to repay the principal and interest on any such loan shall be forgiven if the recipient has practiced medicine or osteopathy for a period of 18 months for each initial or renewal period of the loan, or five years, whichever is less, in an area in need of medical doctors or osteopaths as designated by the higher education coordinating board; provided further that if a student received a loan pursuant to this section prior to June 1, 1975, the obligation to repay the principal and interest on any such loan made before or after that date shall be forgiven if the recipient has practiced medicine or osteopathy for three years in an area in need of medical doctors or osteopaths as designated by the higher education coordinating board. If the recipient fails to fulfill the

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