

provisions of this subdivision shall not apply to loans made pursuant to the program authorized by Laws 1981, Chapter 97.

Sec. 2. Minnesota Statutes 1980, Section 48.61, is amended by adding a subdivision to read:

Subd. 4. Any such bank or trust company may make equity or debt investments in corporations or projects designed primarily to promote community welfare, such as the rehabilitation or development of economically depressed residential, commercial, or industrial areas. A bank or trust company investment in any one corporation or project shall not exceed two percent of its capital and surplus and its aggregate investment in all such corporations or projects shall not exceed five percent of its capital and surplus.

Sec. 3. EFFECTIVE DATE.

Sections 1 and 2 are effective the day following final enactment.

Approved March 23, 1982

CHAPTER 633 — H.F.No. 2000

An act relating to state government; strengthening qualifications for persons controlling, administering, or managing nursing homes; requiring review of reimbursement for substandard care; requiring license revocation in certain situations; clarifying certain provisions of the general assistance program; revising a penalty; enhancing the state's ability to fund health and welfare programs by strengthening tax collection efforts; supplementing appropriations for the department of revenue; reappropriating money; amending Minnesota Statutes 1980, Sections 144A.01, Subdivision 7; 144A.04, Subdivisions 4 and 6; 144A.08, Subdivision 3; 144A.10, Subdivision 4; 144A.11, Subdivision 2, and by adding a subdivision; and Minnesota Statutes 1981 Supplement, Section 256D.05, Subdivision 1, and by adding a subdivision.

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

Section 1. Minnesota Statutes 1980, Section 144A.01, Subdivision 7, is amended to read:

Subd. 7. "Uncorrected violation" means (a) a violation of a statute or rule or any other deficiency for which a notice of noncompliance has been issued and fine assessed and allowed to be recovered pursuant to section 144A.10, subdivision 6, or (b) the issuance of two or more correction orders, within a 12-month period, for a violation of the same provision of a statute or rule.

Sec. 2. Minnesota Statutes 1980, Section 144A.04, Subdivision 4, is amended to read:

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

Subd. 4. The controlling persons of a nursing home may not include any person who was a controlling person of another nursing home during any period of time in the previous two year period:

(a) during which time of control that other nursing home incurred the following number of uncorrected violations for which violations a fine was assessed and allowed to be recovered:

~~(a) (1)~~ (1) two or more uncorrected violations which created an imminent risk of harm to a nursing home resident to direct resident care or safety; or

~~(b) Ten (2)~~ five or more uncorrected violations of any nature for which the fines are in the two highest daily fine categories prescribed in rule; or

(b) who was convicted of a felony that relates to operation of the nursing home or directly affects resident safety or care, during that period.

The provisions of this subdivision shall not apply to any controlling person who had no legal authority to affect or change decisions related to the operation of the nursing home which incurred the uncorrected violations.

Sec. 3. Minnesota Statutes 1980, Section 144A.04, Subdivision 6, is amended to read:

Subd. 6. A nursing home may not employ as a managerial employee or as its licensed administrator any person who was a managerial employee or the licensed administrator of another facility during any period of time in the previous two year period:

(a) During which time of employment that other nursing home incurred the following number of uncorrected violations which were in the jurisdiction and control of the managerial employee or the administrator and for which violations a fine was assessed and allowed to be recovered:

(a) (1) two or more uncorrected violations which created an imminent risk of harm to a nursing home resident to direct resident care or safety; or

~~(b) Ten (2)~~ five or more uncorrected violations of any nature for which the fines are in the two highest daily fine categories prescribed in rule; or

(b) who was convicted of a felony that relates to operation of the nursing home or directly affects resident safety or care, during that period.

Sec. 4. Minnesota Statutes 1980, Section 144A.08, Subdivision 3, is amended to read:

Subd. 3. **PENALTY.** Any controlling person who establishes, conducts, manages or operates a nursing home which incurs the following number of uncorrected violations, in any two year period, for which violations a fine was assessed and allowed to be recovered:

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(a) Two or more uncorrected violations which created an imminent risk of harm to a nursing home resident; or

(b) ~~Ten~~ Five or more uncorrected violations of any nature, is guilty of a misdemeanor.

The provisions of this subdivision shall not apply to any controlling person who had no legal authority to affect or change decisions as to the operation of the nursing home which incurred the uncorrected violations.

Sec. 5. Minnesota Statutes 1980, Section 144A.10, Subdivision 4, is amended to read:

Subd. 4. **CORRECTION ORDERS.** Whenever a duly authorized representative of the commissioner of health finds upon inspection of a nursing home, that the facility or a controlling person or an employee of the facility is not in compliance with sections 144.651, 144A.01 to 144A.17, or 626.557 or the rules promulgated thereunder, a correction order shall be issued to the facility. The correction order shall state the deficiency, cite the specific rule or statute violated, state the suggested method of correction, and specify the time allowed for correction. The commissioner of health by rule shall establish a schedule of allowable time periods for correction of nursing home deficiencies. If the commissioner finds that the nursing home had uncorrected violations and that two or more of the uncorrected violations create a risk to resident care, safety, or rights, the commissioner shall notify the commissioner of public welfare who shall review reimbursement to the nursing home to determine the extent to which the state has paid for substandard care.

Sec. 6. Minnesota Statutes 1980, Section 144A.11, Subdivision 2, is amended to read:

Subd. 2. **MANDATORY PROCEEDINGS.** The commissioner of health shall initiate proceedings to suspend or revoke a nursing home license or shall refuse to renew a license if within the preceding two years the nursing home has incurred the following number of uncorrected violations ~~for which violations a fine was assessed and allowed to be recovered:~~

(a) (1) two or more uncorrected violations which created an imminent risk of harm to a nursing home resident to direct resident care or safety, violated the patients' bill of rights section 144.651, or violated the vulnerable adults reporting act, section 626.557; or

~~(b) Ten~~ (2) five or more uncorrected violations of any nature for which the fines are in the two highest daily fine categories prescribed in rule.

Sec. 7. Minnesota Statutes 1980, Section 144A.11, is amended by adding a subdivision to read:

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Subd. 3a. MANDATORY REVOCATION. Notwithstanding the provisions of subdivision 3, the commissioner shall revoke a nursing home license if a controlling person is convicted of a felony that relates to operation of the nursing home or directly affects resident safety or care. The commissioner shall notify the nursing home 30 days in advance of the date of revocation.

Sec. 8. Minnesota Statutes 1981 Supplement, Section 256D.05, Subdivision 1, is amended to read:

Subdivision 1. **STANDARDS.** Each person or family whose income and resources are less than the standard of assistance established by the commissioner, and who is not eligible for the federally aided assistance programs of emergency assistance or aid to families with dependent children, or any successor to those programs, shall be eligible for and entitled to general assistance if the person or family is:

(a) A person suffering from an illness, injury, or incapacity which is both medically certified and prevents the individual from engaging in suitable employment, if a plan for rehabilitation approved by the local agency through its director or designated representative is being followed when the situation is certified as temporary;

(b) A person whose presence in the home on a substantially continuous basis is required because of the certified illness or incapacity of another member of the household;

(c) A person who has been placed in a licensed or certified facility for purposes of physical or mental health or rehabilitation, if the placement is based on illness or incapacity, and is pursuant to a plan developed or approved by the local agency through its director or designated representative;

(d) A person who resides in a shelter facility described in subdivision 3;

(e) A person who is or may be eligible for displaced homemaker services, programs, or assistance under section 4.40. In determining eligibility of the person for general assistance, income received as a stipend shall be disregarded as provided in section 4.40;

(f) A person who is unable to secure suitable employment due to inability to communicate in the English language, and who, if assigned to a language skills program by the local agency, is participating in that program;

(g) A person not described in clause (a) or (c) who is diagnosed by a licensed physician or licensed consulting psychologist as mentally ill; or

(h) A person who is unable to secure suitable employment due to a lack of marketable skills as determined by the local agency, and who, if assigned to a vocational counseling, vocational rehabilitation, or work training program by the local agency, is participating in that program. Eligibility for general assistance

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under clause (h) of this subdivision is limited to five weeks per calendar year; provided that no individual shall be eligible for general assistance if the individual is eligible for any of the following federally aided assistance programs: emergency assistance, aid to families with dependent children, or any successor to the above.

Sec. 9. Minnesota Statutes 1980, Section 256D.05, is amended by adding a subdivision to read:

Subd. 1a. TEMPORARY STANDARDS. Notwithstanding the provisions of subdivision 1, from the day following final enactment of this act until June 30, 1983, each person or family whose income and resources are less than the standard of assistance established by the commissioner, and who is not eligible for the federally aided assistance programs of emergency assistance or aid to families with dependent children, or any successor to those programs, shall be eligible for and entitled to general assistance if the person or family is:

(a) A person who is suffering from a permanent or temporary illness, injury, or incapacity which is both medically certified and prevents the person from engaging in suitable employment, and who, if the medical certification establishes that the illness, injury, or incapacity is temporary and recommends a reasonable plan for rehabilitation, is following the plan;

(b) A person whose presence in the home on a substantially continuous basis is required because of the certified illness or incapacity of another member of the household;

(c) A person who has been placed in a licensed or certified facility for purposes of physical or mental health or rehabilitation, if the placement is based on illness or incapacity, and is pursuant to a plan developed or approved by the local agency through its director or designated representative;

(d) A person who resides in a shelter facility described in subdivision 3;

(e) A person who is or may be eligible for displaced homemaker services, programs, or assistance under section 4.40. In determining eligibility of the person for general assistance, income received as a stipend shall be disregarded as provided in section 4.40;

(f) A person who is unable to secure suitable employment due to inability to communicate in the English language, and who, if assigned to a language skills program by the local agency, is participating in that program;

(g) A person not described in clause (a) or (c) who is diagnosed by a licensed physician or licensed consulting psychologist as mentally ill or mentally retarded;

(h) A person who is unable to secure suitable employment due to a lack of marketable skills and who, if assigned to a vocational counseling, vocational rehabilitation, or work training program by the local agency, is participating in

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that program. Eligibility for general assistance under clause (h) of this subdivision is limited to five weeks per calendar year;

(i) A person who has an application pending for the program of supplemental security income for the aged, blind and disabled or has been terminated from that program and has an appeal from that termination pending, and who has executed an interim assistance authorization agreement pursuant to the provisions of section 256D.06, subdivision 5; or

(j) A person who is unable to secure suitable employment because his advanced age significantly affects his ability to engage in substantial work. This clause is effective January 1, 1983.

This subdivision is repealed July 1, 1983.

Sec. 10. APPROPRIATIONS.

\$12,000 is reappropriated from Laws 1981, Chapter 360, Article I, Section 2, to the commissioner of public welfare for the purposes of the statewide hearing impaired program.

Sec. 11. REVENUE; APPROPRIATION.

Subdivision 1. APPROPRIATION. There is appropriated from the general fund to the department of revenue, for the fiscal year indicated, to implement the administrative and auditing responsibilities of a unitary large scale audit unit.

<u>Fiscal Year 1982</u>	<u>-0-</u>
<u>Fiscal Year 1983</u>	<u>\$900,000</u>

The approved complement of the department is increased by three positions in fiscal year 1982 and 23 additional positions in fiscal year 1983.

Subd. 2. COMPUTER DESIGN. In the development of the computer system for corporate taxation, the department of revenue shall include a method for identifying funds collected as a result of direct department auditing efforts.

Subd. 3. AUDIT REQUESTED. The legislative auditor, as approved by the legislative audit commission, shall conduct audits of the fair share and unitary tax collection programs of the department of revenue.

Subd. 4. REPORT TO THE LEGISLATURE. The commissioner of revenue shall report to the chairmen of the house appropriations, house tax, senate finance, and senate tax committees by March 1, 1983. The report shall contain the tax collections realized through the unitary large scale audit program; an estimate of potential tax collections; and recommendations about the level of staffing necessary to maximize collections.

Sec. 12. EFFECTIVE DATE.

Sections 1 to 9 and 11 are effective the day following final enactment. Section 10 is effective July 1, 1982.

Approved March 23, 1982

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