

Sec. 114. Laws 1983, chapter 17, section 12, is amended to read:

Sec. 12. **TRUNK HIGHWAY BONDS.**

The commissioner of finance is authorized and directed, on request of the commissioner of transportation, to issue and sell Minnesota trunk highway bonds under the provisions of Minnesota Statutes, sections 167.50 to 167.52 and of the Minnesota Constitution, article XI, sections 4 to 6, and article XIV, section 11, at the time and in the amounts requested by the commissioner of transportation. Bonds issued under this section are authorized in an aggregate principal amount of \$56,000,000. The proceeds of the bonds shall be deposited in a separate capital improvement account in the trunk highway fund and are appropriated to the commissioner of transportation for capital improvements on the trunk highway system, including interstate routes.

Sec. 115. **REPEALER.**

Minnesota Statutes 1982, sections 21.47; 21.48; 21.49; 21.50; 21.502; 21.503; 21.51; 21.52; 21.53; 21.54; 21.55; 21.56; 21.57; 21.58; 24.24; 24.25; 24.26; 24.27; 24.28; 24.29; 24.30; 24.31; 160.26, subdivision 3; 174A.07; 299C.37, subdivision 4; 326.54; 326.541; 326.542; 326.543; 326.544; 326.545; 326.546; and 326.547, are repealed.

Sec. 116. **EFFECTIVE DATE.**

Sections 104 to 106 are effective the day following final enactment in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sections 29, and 111 to 114 are effective the day following final enactment. Section 61 is effective January 1, 1984. Sections 85 and 86 are effective July 1, 1985.

Approved June 7, 1983

CHAPTER 294 — S.F.No. 1151

An act relating to taxation; imposing or altering certain income tax, withholding tax, sales, and excise tax penalties; extending the time limitations within which certain indictments may be filed; providing for apportionment of property taxes payable with respect to certain claims for property tax refunds; requiring a study; amending Minnesota Statutes 1982, sections 290.53, subdivision 4, and by adding a subdivision; 290.92, subdivision 15; 290A.03, subdivisions 8 and 13; 290A.05; 290A.11, subdivision 2; 297A.08; 297A.39, subdivision 4, and by adding a subdivision; and 297B.10.

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 290.53, subdivision 4, is amended to read:

Subd. 4. **FAILURE TO FILE, FILING FALSE OR FRAUDULENT RETURN; INTENT TO EVADE TAX; CRIMINAL PROVISIONS.** In addition to the ~~any other~~ penalties hereinbefore prescribed, (a) any person required by this chapter to make a return, who knowingly fails to make such a return it at the time required by law, shall be is guilty of a gross misdemeanor; (b) any person who ~~willfully~~ willfully makes and subscribes any return, statement, or other document, ~~which contains or is verified by a written declaration that it is made under the penalties of perjury, and which he knows to be false and untrue as to any material matter, shall be~~ is guilty of a felony; (c) any person who willfully attempts in any manner to evade or defeat any tax imposed by this chapter is guilty of a felony; and (d) any person who willfully fails to pay the tax at the time required by law, with the intent to evade or defeat the tax, is guilty of a gross misdemeanor unless the tax involved exceeds \$300, in which event he is guilty of a felony. Notwithstanding the provisions of section 628.26, or any other provision of the criminal laws of this state, an indictment may be found and filed upon any criminal offense specified in this subdivision, in the proper court within six years and six months after the commission of the offense. The term "person" as used in this subdivision includes any officer or employee of a corporation or a member or employee of a partnership who as ~~such an~~ officer, member or employee is under a duty to perform the act in respect to which the violation occurs.

Sec. 2. Minnesota Statutes 1982, section 290.53, is amended by adding a subdivision to read:

Subd. 11. **ASSISTING IN FRAUD AND FALSE STATEMENTS; CRIMINAL PROVISIONS.** Any person who willfully aids or assists in, or procures, counsels, or advises the preparation or presentation under, or in connection with any matter arising under this chapter, of a return, affidavit, claim, or other document, which is fraudulent or false as to any material matter, where the falsity or fraud is with the knowledge or consent of the person authorized or required to present the return, affidavit, claim, or document, is guilty of a gross misdemeanor unless the tax involved exceeds \$300, in which event he is guilty of a felony. Any criminal offense under this subdivision may be prosecuted in the same manner and within the same period of limitations provided in subdivision 4.

Sec. 3. Minnesota Statutes 1982, section 290.92, subdivision 15, is amended to read:

Subd. 15. **PENALTIES.** (1) If any tax required to be deducted and withheld under subdivision 2a or subdivision 3, or any portion thereof of it, is not

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paid to or deposited with the commissioner within the time specified in subdivision 6 for ~~the its~~ payment ~~thereof~~, there shall be added ~~thereto~~ to it a penalty equal to ten percent of the amount ~~so~~ remaining unpaid. ~~Such~~ The penalty shall be collected as part of ~~said~~ the tax, and the amount of ~~said~~ the tax not timely paid, together with ~~said~~ the penalty, shall bear interest at the rate specified in section 270.75 from the time ~~such~~ the tax should have been paid or deposited until paid. Where an extension of time for payment has been granted under the provisions of subdivision 6, interest shall be paid at the rate specified in section 270.75 from the date when ~~such~~ the payment or deposit should have been made if no extension had been granted, until ~~such~~ the tax is paid. If payment is not made at the expiration of the extended period the penalties provided in this subdivision shall apply.

(2) In the case of any failure to withhold a tax on wages, make and file quarterly returns or make payments to or deposits with the commissioner of amounts withheld, as required by this section, within the time prescribed by law, there shall be added to the tax in lieu of the penalty provided in paragraph (1) a penalty equal to ten percent of the amount of tax that should have been properly withheld and paid over to or deposited with the commissioner if the failure is for not more than 30 days with an additional five percent for each additional 30 days or fraction thereof during which ~~such~~ the failure continues, not exceeding 25 percent in the aggregate. The amount of the tax together with this amount shall bear interest at the rate specified in section 270.75 from the time the tax should have been paid until paid. The amount ~~so~~ added to the tax shall be collected at the same time and in the same manner and as a part of the tax unless the tax has been paid before the discovery of the negligence, in which case the amount ~~so~~ added shall be collected in the same manner as the tax.

(3) If any employer required to withhold a tax on wages, make deposits, make and file quarterly returns and make payments to the commissioner of amounts withheld, as required by sections 290.92 to 290.97, ~~wilfully~~ willfully fails to withhold ~~such~~ a the tax or make ~~such~~ the deposits, files a false or fraudulent return, ~~wilfully~~ willfully fails to make ~~such~~ a the payment or deposit, or ~~wilfully~~ willfully attempts in any manner to evade or defeat ~~any~~ such the tax or the payment or deposit ~~thereof~~ of it, there shall also be imposed on ~~such~~ the employer as a penalty an amount equal to 50 percent of the amount of tax ~~to~~ less any amount paid or deposited by ~~such~~ the employer on the basis of ~~such~~ the false or fraudulent return or deposit, that should have been properly withheld and paid over or deposited with the commissioner. The amount of the tax together with this amount shall bear interest at the rate specified in section 270.75 from the time the tax should have been paid until paid. The penalty imposed by this paragraph shall be collected as a part of the tax, and shall be in addition to any other penalties civil and criminal, prescribed by this subdivision.

(4) If any person required under the provisions of subdivision 7 to furnish a statement to an employee or payee and a duplicate statement to the commis-

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sioner, or to furnish a reconciliation of ~~such~~ the statements (and quarterly returns), to the commissioner, ~~willfully~~ willfully furnishes a false or fraudulent statement to an employee or payee or a false or fraudulent duplicate statement or reconciliation of statements (and quarterly returns), to the commissioner, or ~~willfully~~ willfully fails to furnish a statement or ~~such~~ the reconciliation in the manner, at the time, and showing the information required by the provisions of subdivision 7, or ~~regulations~~ rules prescribed by the commissioner thereunder, there shall be imposed on ~~such a~~ the person a penalty of \$10 for each such act or failure to act. The penalty imposed by this paragraph shall ~~become~~ is due and payable within ten days after the mailing of a written demand therefor, and may be collected in the manner prescribed in subdivision 6, paragraph (8).

(5) In addition to ~~the~~ any other penalties ~~hereinbefore~~ prescribed, any person required to withhold a tax on wages, make and file quarterly returns and make payments or deposits to the commissioner of amounts withheld, as required by this section, who ~~willfully~~ willfully fails to withhold ~~such a~~ the tax or truthfully make and file ~~such a~~ the quarterly return or make ~~such a~~ the payment or deposit, shall be or attempts to evade or defeat the tax is guilty of a gross misdemeanor unless the tax involved exceeds \$300, in which event he is guilty of a felony.

(6) In lieu of any other penalty provided by law, except the penalty provided by paragraph (4), any person required under the provisions of subdivision 7 to furnish a statement of wages to an employee and a duplicate statement to the commissioner, who ~~willfully~~ willfully furnishes a false or fraudulent statement of wages to an employee or a false or fraudulent duplicate statement of wages to the commissioner, or who ~~willfully~~ willfully fails to furnish ~~such a~~ the statement in the manner, at the time, and showing the information required by the provisions of subdivision 7, or ~~regulations~~ rules prescribed by the commissioner thereunder, shall be is guilty of a gross misdemeanor.

(7) Any employee required to supply information to his employer under the provisions of subdivision 5, who ~~willfully~~ willfully fails to supply information or willfully supplies false or fraudulent information thereunder which would require an increase in the tax to be deducted and withheld under subdivision 2a or subdivision 3, shall be is guilty of a gross misdemeanor.

(8) The term "person," as used in this section, includes an officer or employee of a corporation, or a member or employee of a partnership, who as ~~such~~ an officer, employee, or member is under a duty to perform the act in respect of which the violation occurs.

(9) All payments received may, in the discretion of the commissioner of revenue, be credited first to the oldest liability not secured by a judgment or lien, but in all cases shall be credited first to penalties, next to interest, and then to the tax due.

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(10) In addition to any other penalty provided by law, any employee who furnishes a withholding exemption certificate to his employer which the employee has reason to know contains a materially incorrect statement ~~shall be~~ is liable to the commissioner of revenue for a penalty of \$500 for each instance. The penalty ~~shall be~~ is immediately due and payable and may be collected in the same manner as any delinquent income tax.

(11) In addition to any other penalty provided by law, any employer who fails to submit a copy of a withholding exemption certificate required by section 26, clause (1)(a), (1)(b), or (2) ~~shall be~~ is liable to the commissioner of revenue for a penalty of \$50 for each instance. The penalty ~~shall be~~ is immediately due and payable and may be collected in the manner provided in subdivision 6, paragraph (8).

(12) Any person who willfully aids or assists in, or procures, counsels, or advises the preparation or presentation under, or in connection with any matter arising under this section, of a return, affidavit, claim, or other document, which is fraudulent or false as to any material matter, where the falsity or fraud is with the knowledge or consent of the person authorized or required to present the return, affidavit, claim, or document, is guilty of a gross misdemeanor, unless the tax involved exceeds \$300, in which event he is guilty of a felony.

(13) Notwithstanding the provisions of section 628.26, or any other provision of the criminal laws of this state, an indictment may be found and filed, upon any criminal offense specified in this subdivision, in the proper court within six years after the commission of the offense.

Sec. 4. Minnesota Statutes: 1982, section 290A.03, subdivision 8, is amended to read:

Subd. 8. CLAIMANT. "Claimant" means a person, other than a dependent, who filed a claim authorized by sections 290A.01 to 290A.20 and who was domiciled in this state during the calendar year for which the claim for relief was filed. In the case of a claim relating to rent constituting property taxes, the claimant shall have resided in a rented or leased unit on which ad valorem taxes or payments made in lieu of ad valorem taxes, including payments of special assessments imposed in lieu of ad valorem taxes, are payable at some time during the calendar year covered by the claim. "Claimant" shall not include a resident of a nursing home, intermediate care facility, or long-term residential facility whose rent constituting property taxes is paid pursuant to the supplemental security income program under title XVI of the Social Security Act, the Minnesota supplemental aid program under sections 256D.35 to 256D.41, the medical assistance program pursuant to title XIX of the Social Security Act, or the general assistance medical care program pursuant to section 256D.03, subdivision 3. If only a portion of the rent constituting property taxes is paid by these programs, the resident shall be a claimant for purposes of this chapter, but the refund calculated pursuant to section 290A.04 shall be multiplied by a fraction,

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the numerator of which is income as defined in subdivision 3 reduced by the total amount of income from the above sources other than vendor payments under the medical assistance program or the general assistance medical care program and the denominator of which is income as defined in subdivision 3 plus vendor payments under the medical assistance program or the general assistance medical care program, to determine the allowable refund pursuant to this chapter. In the case of a claim for rent constituting property taxes of a part year resident, the income and rental reflected in this computation shall be for the period of Minnesota residency only. Any rental expenses paid which may be reflected in arriving at federal adjusted gross income cannot be utilized for this computation. ~~When two individuals of a household are able to meet the qualifications for a claimant, they may determine among them as to who the claimant shall be. If they are unable to agree, the matter shall be referred to the commissioner of revenue and his decision shall be final.~~ If a homestead property owner was a part year resident, the income reflected in the computation made pursuant to section 290A.04 shall be for the entire calendar year, including income not assignable to Minnesota.

Except as provided in section 290A.05, if a homestead is occupied by two or more renters or joint tenants or tenants in common, who are not husband and wife, the rent or property taxes shall be deemed to be paid equally by each, and separate claims shall be filed by each. The income of each shall be his household income for purposes of computing the amount of credit to be allowed.

Sec. 5. Minnesota Statutes 1982, section 290A.03, subdivision 13, is amended to read:

Subd. 13. **PROPERTY TAXES PAYABLE.** "Property taxes payable" means the property tax exclusive of special assessments, penalties, and interest payable on a claimant's homestead before reductions made pursuant to section 273.13, subdivisions 6, 7 and 14a, but after deductions made pursuant to sections 124.2137, 273.115, 273.116, 273.135, 273.139, and 273.1391 in any calendar year. No apportionment or reduction of the "property taxes payable" shall be required for the use of a portion of the claimant's homestead for a business purpose if the claimant does not deduct any business depreciation expenses for the use of a portion of the homestead in the determination of federal adjusted gross income. For homesteads which are manufactured homes as defined in section 168.011, subdivision 8, "property taxes payable" shall also include 23 percent of gross rent paid in the preceding year for the site on which the homestead is located, exclusive of charges for utilities or services. ~~When a homestead is owned by two or more persons as joint tenants or tenants in common, such tenants shall determine between them which tenant may claim the property taxes payable on the homestead. If they are unable to agree, the matter shall be referred to the commissioner of revenue and his decision shall be final.~~ Property taxes are considered payable in the year prescribed by law for payment of the taxes.

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In the case of a claim relating to "property taxes payable," the claimant must have owned and occupied the homestead on January 2 of the year in which the tax is payable and (i) the property must have been classified as homestead property pursuant to section 273.13, subdivisions 6, 7, or 14a on or before June 1 of the year in which the "property taxes payable" were levied; or (ii) the claimant must provide documentation from the local assessor that application for homestead classification has been made prior to July 1 of the year in which the "property taxes payable" were payable and that the assessor has approved the application.

For property taxes levied in 1981, payable 1982, "property taxes payable" shall be limited to that portion of the property taxes eligible for the homestead credit as determined pursuant to section 273.13, subdivision 15b.

Sec. 6. Minnesota Statutes 1982, section 290A.05, is amended to read:

290A.05 COMBINED HOUSEHOLD INCOME; RENTERS AND LESSEES.

If a person occupies a homestead with another person or persons not related to the person as husband and wife, excluding dependents, joint tenants or tenants in common who are also claimants, roomers or boarders on contract, and has property tax payable with respect to the homestead, the household income of the claimant or claimants for the purpose of computing the refund allowed by section 290A.04 shall include the total income received by the other persons residing in the homestead. If a person occupies a homestead with another person or persons not related as husband and wife or as dependents, and who are residing at the homestead under rental or lease agreement, the property tax payable or rent constituting property tax shall be reduced as follows:

If the other person or persons are residing at the homestead under rental or lease agreement, the amount of property tax payable or rent constituting property tax shall be that portion not covered by the rental agreement.

Sec. 7. Minnesota Statutes 1982, section 290A.11, subdivision 2, is amended to read:

Subd. 2. **FRAUDULENT CLAIM; PENALTY.** In any case in which it is determined that the claim is or was excessive and was filed with fraudulent intent, the claim shall be disallowed in full. If the claim has been paid, the amount disallowed shall be recovered by assessment and collection in the manner provided in chapter 290 for collection of income tax. The assessment shall bear interest from the date the claim is paid by the state until the date of repayment by the claimant, at the rate specified in section 270.75. ~~The claimant, and any person who assisted in the preparation of filing of the excessive claim or supplied information upon which the excessive claim was prepared, with fraudulent intent, is guilty of a misdemeanor.~~

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Any person who knowingly prepares, assists in preparing, or files false or excessive claims with the intent of defrauding the state of Minnesota of \$2,500 or more, aggregated within any 12 month period, is guilty of a felony an offense and upon conviction may be sentenced to imprisonment for not more than ten years or to payment of a fine of not more than \$10,000, or both as follows:

(1) to imprisonment for not more than ten years or to payment of a fine of not more than \$10,000; or both, if the amount of the claims, aggregated within any 12-month period, exceeds \$2,500; or

(2) to imprisonment for not more than five years or to payment of a fine of not more than \$5,000; or both, if the amount of the claims, aggregated within any 12-month period, is more than \$300, but not more than \$2,500; or

(3) to imprisonment for not more than one year or to payment of a fine of not more than \$1,000; or both, if the amount of the claims does not exceed \$300.

Notwithstanding the provisions of section 628.26, or any other provisions of the criminal laws of this state, an indictment may be found and filed upon any criminal offense specified in this subdivision, in the proper court within six years after the commission of the offense.

Sec. 8. Minnesota Statutes 1982, section 297A.08, is amended to read:

297A.08 SALES WITHOUT PERMITS, VIOLATIONS.

A person who engages in the business of making retail sales in Minnesota without the required permit or permits, and each officer of any corporation which so engages in business, ~~shall be~~ is guilty of a gross misdemeanor.

Any person who engages in the business of making retail sales in Minnesota after revocation of the permit under section 297A.07, when the commissioner has not issued a new permit, is guilty of a felony.

Sec. 9. Minnesota Statutes 1982, section 297A.39, subdivision 4, is amended to read:

Subd. 4. **PENALTIES; FAILURE TO FILE OR PAY.** In addition to the ~~any other~~ penalties ~~hereinbefore~~ prescribed, any person who ~~wilfully~~ willfully fails to make a return or ~~wilfully~~ willfully makes a false return or ~~wilfully~~ willfully fails to pay over taxes imposed by this chapter collected for or on behalf of the state, with intent to evade any tax imposed by sections 297A.01 to 297A.44, ~~shall be or attempts in any manner to evade or defeat the taxes imposed by this chapter~~ is guilty of a gross misdemeanor unless the amount of the tax involved exceeds \$100 \$300, in which event he shall be is guilty of a felony. The term "person" as used in this subdivision includes any officer or employee of a corporation or a member or employee of a partnership who as ~~such an~~ an officer, member or employee is under a duty to perform the act in respect to which the violation occurs. Notwithstanding the provisions of section 628.26, or any other

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provision of the criminal laws of this state, an indictment may be found and filed, upon any criminal offense specified in this subdivision, in the proper court within six years after the commission of the offense.

Sec. 10. Minnesota Statutes 1982, section 297A.39, is amended by adding a subdivision to read:

Subd. 8. PENALTY; FALSE CLAIM. Any person who willfully aids or assists in, or procures, counsels, or advises the preparation or presentation under, or in connection with any matter arising under this section, of a return, affidavit, claim, or other document, which is fraudulent or false as to any material matter, where the falsity or fraud is with the knowledge or consent of the person authorized or required to present the return, affidavit, claim, or document, is guilty of a gross misdemeanor unless the tax involved exceeds \$300, in which event he is guilty of a felony. Any criminal offense under this subdivision may be prosecuted in the same manner and within the same period of limitations provided in subdivision 4.

Sec. 11. Minnesota Statutes 1982, section 297B.10 is amended to read:
297B.10 PENALTIES.

(1) Any person, including persons other than the purchaser, who shall complete or submit prepares, completes or submits a false or fraudulent motor vehicle purchaser's certificate with intent to defeat or evade the tax imposed under Laws 1971, chapter 853, shall be is guilty of a gross misdemeanor and for each such offense shall be fined not to exceed \$500 or shall be imprisoned in the county jail not to exceed one year, or shall be subject to both such fine and imprisonment, in the discretion of the court unless the tax involved exceeds \$300, in which event he is guilty of a felony. The term "person" as used in this section includes any officer or employee of a corporation or a member or employee of a partnership who as an officer, member or employee is under a duty to perform the act with respect to which the violation occurs. Notwithstanding the provisions of section 628.26 or any other provision of the criminal laws of this state, an indictment may be found and filed, upon any criminal offense specified in this section, in the proper court within six years after the commission of the offense.

(2) Any person who shall violate violates any of the provisions of Laws 1971, chapter 853 shall, unless the violation be of the type referred to in clause (1), be is guilty of a misdemeanor and shall be punished by a fine of not less than \$50 nor more than \$100 or by imprisonment in the county jail for not less than 30 days, or both such fine and imprisonment.

Sec. 12. **STUDY.**

The commissioner of revenue and the commissioner of economic security shall prepare a report to be given to the chairmen of the senate committees on taxes and tax laws, employment, and governmental operations, and the house

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committees on taxes, labor-management relations, and governmental operations. The report shall contain recommendations from the commissioners on possible functions of each agency which could be combined or performed jointly to achieve economy in the budgets of the agencies and/or reduce paperwork for taxpayers. The report shall include proposed legislation to accomplish the recommendations of the commissioners. The report shall be submitted by January 15, 1984, to the legislative committee chairmen.

Sec. 13. EFFECTIVE DATE.

Sections 1 to 3 and 7 to 11 are effective the day after final enactment and applies to offenses committed on or after that date. Sections 4 to 6 are effective for claims based on property taxes payable in 1984 and thereafter. Section 12 is effective the day after final enactment.

Approved June 7, 1983

CHAPTER 295 — S.F.No. 1003

An act relating to public welfare; establishing a medical assistance social health maintenance organization demonstration project; proposing new law coded in Minnesota Statutes, chapter 256B.

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

Section 1. [256B.71] SOCIAL HEALTH MAINTENANCE ORGANIZATION DEMONSTRATION.

Subdivision 1. PURPOSE. The commissioner of public welfare may participate in social health maintenance organization demonstration projects to determine if prepayment combined with the delivery of alternative services is an effective method of delivering services while containing costs.

Subd. 2. CASE MANAGEMENT. Each participating provider approved by the commissioner shall serve as case manager for recipients enrolled in its plan. The participating provider shall authorize and arrange for the provision of all needed health services including but not limited to the full range of services listed in section 256B.02, subdivision 8, in order to ensure that appropriate health care is delivered to enrollees.

Subd. 3. ENROLLMENT OF MEDICAL ASSISTANCE RECIPIENTS. Medical assistance recipients may voluntarily enroll in the social health maintenance organization projects. However, once a recipient enrolls in a project, he or she must remain enrolled for a period of six months.

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