

(f) A foreclosure sale, judgment or decree in any action, proceeding or suit brought under this section shall include costs and reasonable attorney's fees for the prevailing party.

(g) The association shall furnish to a unit owner or his authorized agent upon written request of the unit owner or his authorized agent a recordable statement setting forth the amount of unpaid assessments currently levied against his unit. The statement shall be furnished within ten business days after receipt of the request and is binding on the association and every unit owner.

Sec. 15. **EFFECTIVE DATE.**

Sections 11 to 13 are effective January 1, 1986.

Approved May 29, 1985

**CHAPTER 252 — S.F.No. 916**

*An act relating to human services; authorizing the commissioner to establish a state advisory planning council; requiring counties to contract with nonprofit organizations; changing set aside project amounts; revising procedures and requirements under the aid to families with dependent children, medical assistance, and general assistance programs; appropriating money; amending Minnesota Statutes 1984, sections 245.70, subdivision 1; 245.71; 245.711, subdivision 2; 245.713, subdivision 2; 256.12, subdivision 20; 256.73, subdivisions 2, 3a, and 6; 256.736, subdivisions 3 and 4; 256.74, subdivisions 1, 1a, and 2; 256.76, subdivision 1; 256.78; 256.79; 256.871, subdivision 3; 256.99; 256B.02, subdivisions 2 and 3; 256B.06, subdivision 1; 256B.07; 256B.17, subdivision 6; 256D.01, subdivision 1a; and 256D.06, by adding a subdivision.*

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

Section 1. Minnesota Statutes 1984, section 245.70, subdivision 1, is amended to read:

Subdivision 1. **MENTALLY RETARDED AND MENTALLY ILL.** The commissioner of human services is designated the state agency to establish and administer a state-wide plan for the ~~construction, equipment, maintenance, and operation of any facilities~~ for the care, treatment, diagnosis, or rehabilitation, of the ~~mentally retarded or mentally ill~~ which are or may be required as a condition for eligibility for benefits under any federal law and in particular under the Federal Mental Retardation Facilities and Community Mental Health Centers Construction Act of 1963 (P.L. 88-164) Alcohol, Drug Abuse and Mental Health Block Grant Law, United States Code, title 42, sections 300X to 300X-9. The commissioner of human services is authorized and directed to receive, administer,

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and expend any funds that may be available under any federal law or from any other source, public or private, for such purposes.

Sec. 2. Minnesota Statutes 1984, section 245.71, is amended to read:

**245.71 CONDITIONS TO FEDERAL AID FOR MENTALLY ILL AND MENTALLY RETARDED.**

Subdivision 1. The commissioner of human services is authorized and empowered to may comply with all conditions and requirements necessary to receive federal aid or block grants with respect to the establishment, construction, maintenance, equipment or operation, for all the people of this state, of adequate facilities and services as specified in section 245.70, including the authority:

(a) ~~To designate or establish a state advisory council, with representation as required as a condition of eligibility for benefits under any federal law, to consult with him in carrying out the purposes of this act;~~

(b) ~~To provide an inventory of existing facilities or a particular category thereof, and to survey the need for additional facilities;~~

(c) ~~To develop and administer a construction program or programs which, in conjunction with existing facilities will afford adequate facilities to serve the people of this state;~~

(d) ~~To provide for priority of projects or facilities;~~

(e) ~~To provide to applicants an opportunity for a hearing before him;~~

(f) ~~To prescribe and require compliance with such standards of maintenance and operation applicable to such facilities as are reasonably necessary to protect the public health, welfare, and safety;~~

(g) ~~To promulgate emergency and permanent rules prescribing methods of administration, reporting, financial and program audits, and any other requirements of federal law which are necessary conditions of qualifying for available federal funds.~~

Subd. 2. The commissioner may establish a state mental health services planning council to advise on matters relating to coordination of mental health services among state agencies, the unmet needs for services, including services for minorities or other underserved groups, and the allocation and adequacy of mental health services within the state. The commissioner may establish special committees within the planning council authority to address the needs of special population groups. Members of a state advisory planning council must be broadly representative of other state agencies involved with mental health, service providers, advocates, consumers, local elected officials, age groups, underserved and minority groups, and geographic areas of the state.

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Sec. 3. Minnesota Statutes 1984, section 245.711, subdivision 2, is amended to read:

Subd. 2. **GRANTS BY COUNTIES.** The county boards may make grants for comprehensive programs for prevention, care, and treatment of mentally ill individuals. Grants utilizing money under section 245.713 may be made for the cost of these comprehensive programs and services whether provided directly by county boards, by individuals pursuant to contract, or by other public and private not for profit agencies and organizations, ~~both profit and nonprofit.~~ When only state and county money is involved, county boards may make comprehensive program grants to profit or not for profit agencies and organizations. Nothing in this section shall prevent the commissioner from entering into contracts with, and making grants to, other state agencies for the purpose of providing specific services and programs. With approval of the county board, the commissioner may make grants or contracts for research or demonstration projects specific to needs within that county.

Sec. 4. Minnesota Statutes 1984, section 245.713, subdivision 2, is amended to read:

Subd. 2. **TOTAL FUNDS AVAILABLE; REDUCTIONS.** The amount of funds available for allocation to counties for use by qualified community mental health centers shall be the total amount of funds granted to the state by the federal government under United States Code, Title 42, Sections 300X to 300X-9 each federal fiscal year for mental health services reduced by the sum of the following:

(a) Any amount set aside by the commissioner of human services for Indian tribal organizations within the state, which funds shall not duplicate any direct federal funding of Indian tribal organizations and which funds shall not exceed ~~five~~ 12 percent of the total block grant allocation to the state for mental health services; and, money from this source may be used for special committees to advise the commissioner on mental health programs and services for American Indians and other minorities or underserved groups; and,

(b) Any amount calculated into the base of the block grant that is made available by the commissioner for qualified community mental health centers that were receiving grants for operations or other continuing grant obligations defined in United States Code, Title 42, Sections 300X to 300X-9 immediately prior to its enactment; ~~and,~~

(c) An amount not to exceed ten percent of the total allocation for mental health services to be retained by the commissioner for administration; ~~and,~~

(d) Any amount permitted under federal law which the commissioner approves for demonstration or research projects for severely disturbed children and adolescents, the underserved, special populations or multiply disabled mentally ill persons. The groups to be served, the extent and nature of services to be

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provided, the amount and duration of any grant awards are to be based on criteria set forth in the Alcohol, Drug Abuse and Mental Health Block Grant Law, United States Code, title 42, sections 300X to 300X-9, and on state policies and procedures determined necessary by the commissioner. Grant recipients must comply with applicable state and federal requirements and demonstrate fiscal and program management capabilities that will result in provision of quality, cost-effective services.

(e) The amount required under federal law, for federally mandated expenditures.

Sec. 5. Minnesota Statutes 1984, section 256.12, subdivision 20, is amended to read:

Subd. 20. **ASSISTANCE UNIT.** "Assistance unit" means the group of individuals who are applying for or receiving assistance and whose needs or income, or both, are taken into account included in determining eligibility for or the amount of a grant of assistance as determined under sections 256.72 to 256.87.

Sec. 6. Minnesota Statutes 1984, section 256.73, subdivision 2, is amended to read:

Subd. 2. **ALLOWANCE BARRED BY OWNERSHIP OF PROPERTY.** Ownership by ~~the father, mother, child, children, or any combination,~~ an assistance unit of property as follows is a bar to any allowance under sections 256.72 to 256.87:

(1) The value of real property other than the homestead, which when combined with other assets exceeds the limits of paragraph (2), unless the assistance unit is making a good faith effort to sell the nonexcludable real property. The time period for disposal must not exceed nine months and the assistance unit shall execute an agreement to dispose of the property to repay assistance received during the nine months up to the amount of the net sale proceeds. The payment must be made when the property is sold. If the property is not sold within the required time or the assistance unit becomes ineligible for any reason the entire amount received during the nine months is an overpayment and subject to recovery. For the purposes of this section "homestead" means the house owned and occupied by the child, relative or other member of the assistance unit as his dwelling place, together with the land upon which it is situated and in an area no greater than two contiguous lots in a platted or laid out city or town or 80 contiguous acres in unplatted land rural areas; or

(2) Personal property of an equity value in excess of \$1,000 for the entire assistance unit, exclusive of personal property used as the home, one motor vehicle of an equity value not exceeding \$1,500, one burial plot for each member of the assistance unit, one prepaid burial contract with an equity value of no more

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than \$1,000 for each member of the assistance unit, clothing and necessary household furniture and equipment and other basic maintenance items essential for daily living, in accordance with rules promulgated by and standards established by the commissioner of human services.

Sec. 7. Minnesota Statutes 1984, section 256.73, subdivision 3a, is amended to read:

Subd. 3a. **PERSONS INELIGIBLE.** No assistance shall be given under sections 256.72 to 256.87:

(1) On behalf of any person who is receiving supplemental security income under title XVI of the social security act unless permitted by federal regulations;

(2) For any month in which the assistance unit's gross income, without application of deductions or disregards, exceeds ~~150~~ 185 percent of the standard of need for a family of the same size and composition; except that the earnings of a dependent child who is a full-time student may be disregarded for six calendar months per year and the earnings of a dependent child who is a full-time student that are derived from the jobs training and partnership act may be disregarded for six calendar months per year. If a stepparent's income is taken into account in determining need, the disregards specified in section 256.74, subdivision 1a shall be applied to determine income available to the assistance unit before calculating the unit's gross income for purposes of this paragraph;

(3) To any assistance unit for any month in which any caretaker relative with whom the child is living is, on the last day of that month, participating in a strike;

(4) On behalf of any other individual in the assistance unit, nor shall the individual's needs be taken into account, for any month in which, on the last day of the month, the individual is participating in a strike;

(5) To an assistance unit if its eligibility is based on a parent's unemployment and the parent who is the principal earner, without good cause, fails or refuses to seek work, to participate in the work incentive program under section 256.736, if this program is available, to accept employment, or to register with a public employment office, unless the principal earner is exempt from these work requirements.

Sec. 8. Minnesota Statutes 1984, section 256.73, subdivision 6, is amended to read:

Subd. 6. **REPORTS BY RECIPIENT.** Each recipient shall complete reports as requested by the local or state agency. An assistance unit with a recent work history or with earned income shall report monthly to the local agency on income received and other circumstances affecting eligibility or assistance amounts. All other assistance units shall report on income and other circumstances affecting eligibility and assistance amounts at less frequent inter-

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vals, as specified by the state agency. All 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. The agency shall give written notice to the recipient of its intention to recover the overpayment. Overpayments to a current assistance unit shall be recovered either through repayment by the individual in part or in full or by reducing the amount of aid payable to the assistance unit of which the individual is a member. For any month in which an overpayment must be recovered, recoupment may be made by reducing the grant but only if the reduced assistance payment, together with the assistance unit's liquid assets and total income after deducting actual work expenses equals at least 95 percent of the standard of need for the assistance unit, except that if the overpayment is due solely to agency error, this total after deducting actual work expenses shall equal at least 99 percent of the standard of need. In cases when there is both an overpayment and underpayment the local agency shall offset one against the other in correcting the payment. The local agency shall make reasonable efforts to recover overpayments made to persons no longer on assistance in accordance with standards established by the commissioner of human services. The local agency need not attempt to recover overpayments of less than \$35 paid to an individual no longer on assistance if the individual does not receive assistance again within three years, unless the individual has been convicted of fraud under section 256.98. The recipient may appeal the agency's determination that an overpayment has occurred in accordance with section 256.045. The county agency shall promptly repay the recipient for any underpayment and shall disregard that payment when determining the assistance unit's income and resources in the month when the payment is made and the following month.

Sec. 9. Minnesota Statutes 1984, section 256.736, subdivision 3, is amended to read:

Subd. 3. **OPERATION OF PROGRAM.** To determine who shall be designated as an appropriate individual for certification to the commissioner of economic security, the commissioner of human services shall provide standards for county welfare agencies and human services boards consistent with the standards promulgated by the secretary of health and human services. County welfare agencies shall certify appropriate individuals to the commissioner of economic security and shall require that every individual, as a condition of receiving aid to families with dependent children, register for employment services, training, and employment, unless such individual is:

(1) a child who is under age 16, a child age 16 or 17 who is attending elementary or secondary school or a secondary level vocational or technical school full time, or a full-time student age 18 who is attending a secondary school

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or a secondary level vocational or technical program and who is expected to complete the school or program before reaching age 19;

(2) a person who is ill, incapacitated or of advanced age;

(3) a person so remote from a work incentive project that his effective participation is precluded;

(4) a person whose presence in the home is required because of illness or incapacity of another member of the household;

(5) a parent or other caretaker relative of a child under the age of six who personally provides full-time care for the child;

(6) a parent or other caretaker if another adult relative in the house assistance unit is registered and has not, without good cause, failed or refused to participate or accept employment; ~~or~~

(7) a parent who is not the principal earner if the parent who is the principal earner is not exempt under clauses (1) to (6); or

(8) a woman in her last trimester of pregnancy.

Any individual referred to in clause (5) shall be advised of the option to register for employment services, training, and employment if the individual so desires, and shall be informed of the child care services, if any, which will be available if the individual decides to register.

If, after planning with a recipient, a decision is made that the recipient must register for employment services, training, and employment, the county welfare department shall give notice in writing to the recipient stating that he or she must register with the commissioner of economic security for participation in a work incentive program and that the recipient has a right to a fair hearing under section 256.045 with respect to the appropriateness of the registration.

Sec. 10. Minnesota Statutes 1984, section 256.736, subdivision 4, is amended to read:

Subd. 4. **CONDITIONS OF CERTIFICATION.** The commissioner of human services shall:

(1) Arrange for or provide any relative or child certified to the commissioner of economic security pursuant to this section with child-care services and other necessary family services;

(2) Pay ten percent of the cost of programs of training and employment established by the commissioner of economic security for persons certified hereunder;

(3) Provide that in determining a recipient's needs any monthly incentive training payment made to the recipient by the department of economic security is

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disregarded and the additional expenses attributable to his participation in a program are taken into account in grant determination; and

(4) Provide that when it has been certified by the commissioner of economic security, certification to be binding upon the commissioner of human services, that a relative or child certified under the work incentive program to the commissioner of economic security has been found by the commissioner, after a hearing conducted in the manner prescribed by section 268.10, subdivision 3, with the right of review in accordance with the provisions of section 268.10, subdivision 8, to have refused without good cause to participate under a work incentive program or to have refused without good cause to accept a bona fide offer of public or other employment, the county welfare departments shall provide that:

(a) If the relative makes the refusal, the relative's needs shall not be taken into account in making the grant determination, and aid for any dependent child in the family will be made in the form of protective or vendor payments, except that when protective payments are made, the local agency may continue payments to the relative if a protective payee cannot reasonably be found.

(b) Aid with respect to a dependent child will be denied if a child who makes the refusal is the only child receiving aid in the family.

(c) If there is more than one child receiving aid in the family, aid for the child who makes the refusal will be denied and his needs will not be taken into account in making the grant determination. If the assistance unit's eligibility is based on the nonexempt principal earner's unemployment and ~~the~~ this principal earner fails or refuses without good cause to participate or to accept employment, the entire assistance unit is ineligible for benefits under sections 256.72 to 256.87.

Sec. 11. Minnesota Statutes 1984, section 256.74, subdivision 1, is amended to read:

Subdivision 1. **AMOUNT.** The amount of assistance which shall be granted to or on behalf of any dependent child and mother or other needy eligible relative caring for the dependent child shall be determined by the county agency in accordance with rules promulgated by the commissioner and shall be sufficient, when added to all other income and support available to the child, to provide the child with a reasonable subsistence compatible with decency and health. The amount shall be based on the method of budgeting required in Public Law No. 97-35, Section 2315, 42 U.S.C. 602, as amended and federal regulations at 45 C.F.R. Section 233. Nonrecurring lump sum income received by an assistance unit must be budgeted in the normal retrospective cycle. The number of months of ineligibility is determined by dividing the amount of the lump sum income and all other income, after application of the applicable disregards, by the standard of need for the assistance unit. An amount remaining after this calculation is income in the first month of eligibility. If the total monthly income including

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the lump sum income is larger than the standard of need for a single month the first month of ineligibility is the payment month that corresponds with the budget month in which the lump sum income was received. In making its determination the county agency shall disregard the following from family income:

(1) All of the earned income of each dependent child receiving aid to families with dependent children who is a full-time student or part-time student, and not a full-time employee, attending a school, college, or university, or a course of vocational or technical training designed to fit him for gainful employment as well as all the earned income derived from the job training and partnership act (JTPA) for a dependent child for six calendar months per year, together with unearned income derived from the job training and partnership act;

(2) All educational grants and loans awarded pursuant to a federal law when public assistance was considered in making the award and the award was made on the basis of financial need; and that part of any other educational grant or loan which is used for educational purposes, such as tuition, fees, equipment, transportation and child care expenses necessary for school attendance;

(3) The first \$75 of each individual's earned income. ~~In the case of an individual not engaged in full-time employment or not employed throughout the month the commissioner shall prescribe by rule a lesser amount to be disregarded.~~ For self-employed persons, the expenses directly related to producing goods and services and without which the goods and services could not be produced shall be disregarded pursuant to rules promulgated by the commissioner;

(4) An amount equal to the actual expenditures but not to exceed \$160 for the care of each dependent child or incapacitated individual living in the same home and receiving aid. In the case of a person not engaged in full-time employment or not employed throughout the month, the commissioner shall prescribe by rule a lesser amount to be disregarded; and

(5) Thirty dollars plus one-third of the remainder of each individual's earned income not already disregarded for individuals found otherwise eligible to receive aid or who have received aid in one of the four months before the month of application. With respect to any month, the county welfare agency shall not disregard under this clause any earned income of any person who has:

(a) Reduced his earned income without good cause within 30 days preceding any month in which an assistance payment is made; or

(b) Refused without good cause to accept an offer of suitable employment;  
or

(c) Left employment or reduced his earnings without good cause and applied for assistance so that he might later return to employment with the advantage of the income disregard; or

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(d) Failed without good cause to make a timely report of earned income in accordance with rules promulgated by the commissioner of human services.

Persons who are already employed and who apply for assistance shall have their needs computed with full account taken of their earned and other income. If earned and other income of the family is less than need, as determined on the basis of public assistance standards, the county agency shall determine the amount of the grant by applying the disregard of income provisions. The county agency shall not disregard earned income for persons in a family if the total monthly earned and other income exceeds their needs, unless for any one of the four preceding months their needs were met in whole or in part by a grant payment.

The disregard of \$30 and one-third of the remainder of earned income described in clause (5) shall be applied to the individual's income for a period not to exceed four consecutive months. Any month in which the individual loses this disregard because of the provisions of clause (5)(a) to (5)(d) shall be considered as one of the four months. An additional \$30 work incentive must be available for an eight-month period beginning in the month following the last month of the combined \$30 and one-third work incentive. This period must be in effect whether or not the person has earned income or is eligible for AFDC. To again qualify for this the earned income disregard disregards under clause (d), the individual must not be a recipient of aid for a period of 12 consecutive months. If When an individual assistance unit becomes ineligible for aid because this earned income disregard has been applied to income for four consecutive months and will due to the fact that these disregards are no longer be applied to income, the local agency shall inform the individual of the medical assistance program, its standards of eligibility, and the circumstances under which the individual would the assistance unit shall be eligible for medical assistance. benefits for a 12-month period beginning with the first month of AFDC ineligibility;

(6) The commissioner shall increase the standard of need for persons with earned income in effect on January 1, 1982, by 35 percent for each assistance unit. The maximum amount paid to an assistance unit shall be no more than 74 percent of the increased standard of need. Whenever the commissioner increases the maximum payment amount for all assistance units, the commissioner shall increase the maximum standard of need by an equal percentage.

To determine the amount of assistance to be paid to an assistance unit, net income shall be determined in a manner consistent with this chapter and applicable federal law. Net earned income shall be subtracted from the increased standard of need for an assistance unit of the appropriate size and composition to determine the grant amount, except that the grant shall not exceed the standard of need in effect on January 1, 1982 for an assistance unit of the same size and composition. Unearned income shall be subtracted from the maximum payment

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amount for an assistance unit of the appropriate size and composition to determine the grant amount.

Medical assistance eligibility for medically needy persons who are eligible for aid to families with dependent children shall be determined according to the standard of need in effect on January 1, 1982. The first \$50 per assistance unit of the monthly support obligation collected by the support and recovery (IV-D) unit; and

(7) Insurance settlements to pay medical bills, to compensate a member of an assistance unit for partial or permanent loss of function or a body part, or to repair or replace insured property.

Sec. 12. Minnesota Statutes 1984, section 256.74, subdivision 1a, is amended to read:

Subd. 1a. **STEPPARENT'S INCOME.** In determining income available, the county agency shall take into account the remaining income of the dependent child's stepparent who lives in the same household after disregarding:

(1) The first \$75 of the stepparent's gross earned income. The commissioner shall prescribe by rule lesser amounts to be disregarded for stepparents who are not engaged in full-time employment or not employed throughout the month;

(2) An amount for support of the stepparent and any other individuals whom the stepparent claims as dependents for tax purposes and who live in the same household but whose needs are not considered in determining eligibility for assistance under sections 256.72 to 256.87. The amount equals the standard of need for a family with no earned income of the same composition as the stepparent and these other individuals;

(3) Amounts the stepparent actually paid to individuals not living in the same household but whom the stepparent claims as dependents for tax purposes; and

(4) Alimony or child support, or both, paid by the stepparent for individuals not living in the same household.

Sec. 13. Minnesota Statutes 1984, section 256.74, subdivision 2, is amended to read:

Subd. 2. **APPLICATION.** Application for assistance under sections 256.72 to 256.87 shall be made to the county agency of the county in which the dependent child is residing ~~lives~~. If the child is not residing ~~living~~ within the state at the time of application but is eligible for assistance, the application may be made to the agency of the county where the child is present and forwarded to the agency of the county where the child last resided ~~lived~~. The application shall be in writing or reduced to writing in the manner and upon the form prescribed

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by the state agency and verified by the oath of the applicant or in lieu thereof shall contain the following declaration which shall be signed by the applicant: "I declare that this application has been examined by me and to the best of my knowledge and belief is a true and correct statement of every material point". The application shall be made by the person with whom the child will live and contain information as to the age and residence of the child and such other information as may be required by the rules and regulations of the state agency. One application may be made for several children of the same family if they reside live with the same person.

Sec. 14. Minnesota Statutes 1984, section 256.76, subdivision 1, is amended to read:

Subdivision 1. Upon the completion of such investigation the county agency shall decide whether the child is eligible for assistance under the provisions of sections 256.72 to 256.87, determine the amount of such assistance, and the date on which such assistance shall begin. Notwithstanding section 393.07, the county agency shall not delay approval or issuance of assistance pending formal action of the county board of commissioners. The first month's grant shall be based upon that portion of the month from the date of application, or from the date that the applicant meets all eligibility factors, whichever occurs later, provided that on the date that assistance is first requested, the local agency shall inquire and determine whether the person requesting assistance is in immediate need of food, shelter, clothing, or other emergency assistance. If an emergency need is found to exist, the applicant shall be granted assistance pursuant to section 256.871 within a reasonable period of time. It shall make a grant of assistance which shall be binding upon the county and be complied with by the county until such grant is modified or vacated. If the applicant is subsequently found to have been eligible for assistance under sections 256.72 to 256.87, assistance rendered under section 256.871 must be considered as a regular AFDC payment and not a payment under section 256.871. The county agency shall notify the applicant of its decision in writing. Such assistance shall be paid monthly to the applicant or to the vendor of medical care upon order of the county agency from funds appropriated to the county agency for this purpose. The county agency shall, upon the granting of assistance under these sections, file an order on the form to be approved by the state agency with the auditor of the county and thereafter warrants shall be drawn and payments made only in accordance with this order to or for recipients of this assistance or in accordance with any subsequent order.

Sec. 15. Minnesota Statutes 1984, section 256.78, is amended to read:

**256.78 ASSISTANCE GRANTS RECONSIDERED.**

All assistance granted under sections 256.72 to 256.87 shall be reconsidered as frequently as may be required by the rules of the state agency. After such further investigation as the county agency may deem necessary or the state

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agency may require, the amount of assistance may be changed or assistance may be entirely withdrawn if the state or county agency find that the child's circumstances have altered sufficiently to warrant such action. The period of ineligibility for AFDC which results when an assistance unit receives lump sum income must be reduced when:

(1) the assistance unit's standard of need increases due to changes in state law or due to changes in the size or composition of the assistance unit, so that the amount of aid the assistance unit would have received would have increased had it not become ineligible;

(2) the lump sum income, or a portion of it becomes unavailable to the assistance unit due to expenditures to avoid a life-threatening circumstance, theft, or dissipation which is beyond the family's control by a member of the family who is no longer part of the assistance unit when the lump sum income is not used to meet the needs of members of the assistance unit; or

(3) the assistance unit incurs and pays medical expenses for care and services specified in section 256B.02, subdivision 8.

The county agency may for cause at any time revoke, modify, or suspend any order for assistance previously made. When assistance is thus revoked, modified, or suspended the county agency shall at once report to the state agency such decision together with supporting evidence required by the rules of the state agency. All such decisions shall be subject to appeal and review by the state agency as provided in section 256.045.

Sec. 16. Minnesota Statutes 1984, 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~~ the child has moved or has been taken until ~~he~~ the child shall have resided for two months in the county to which ~~he~~ the child has moved. When ~~he~~ the child has resided two months in the county to which ~~he~~ the child has moved, or has been taken, the local agency of the county from which ~~he~~ the child has moved shall transfer all necessary records relating to the child to the county agency of the county to which ~~he~~ the child has moved. Where the child's assistance is terminated for 30 days or less before a reapplication is made, that assistance must continue to be the financial obligation of the county from which the child has moved until the two-month residence requirement has been met.

Notwithstanding the provisions of section 256.73, subdivision 4, the county of financial responsibility shall not change because application for assistance is not made prior to initial placement, or when living in a battered woman's

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shelter or maternity shelter, or 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. In the case of a child who has no established county of residence prior to placement, the county of financial responsibility is the county in which the child resides at the time the application is made and the applicable eligibility criteria are met.

Sec. 17. Minnesota Statutes 1984, section 256.871, subdivision 3, is amended to read:

Subd. 3. **COUNTY OF RESPONSIBILITY.** No state or county durational residence is required to qualify for such assistance. The county which shall be financially responsible and grant assistance shall be the county wherein the child resides lives who is found to be in emergency need. ~~Such county may obtain reimbursement from another county wherein the child has residence as provided in section 256.73.~~

Sec. 18. Minnesota Statutes 1984, section 256.99, is amended to read:

**256.99 REVERSE MORTGAGE PROCEEDS DISREGARDED.**

All reverse mortgage loan proceeds received pursuant to section 47.58, including interest or earnings thereon, shall be disregarded and shall not be considered available to the borrower for purposes of determining initial or continuing eligibility for, or amount of, medical assistance, Minnesota supplemental assistance, general assistance, general assistance medical care, or a federal or state low interest loan or grant. This section applies regardless of the time elapsed since the loan was made or the disposition of the proceeds.

For purposes of medical assistance eligibility provided under section 256B.06, proceeds from a reverse mortgage must be disregarded as income in the month of receipt but are a resource if retained after the month of receipt.

Sec. 19. Minnesota Statutes 1984, section 256B.02, subdivision 2, is amended to read:

Subd. 2. "Excluded time" means any period of time an applicant spends in a hospital, sanatorium, nursing home, boarding home, shelter, halfway house, correctional facility, foster home, semi-independent living domicile, residential facility offering care, board and lodging facility offering 24-hour care or supervision of mentally ill, mentally retarded, or physically disabled persons, or other institution for the hospitalization or care of human beings, as defined in sections 144.50, 144A.01, or 245.782, subdivision 6.

Sec. 20. Minnesota Statutes 1984, section 256B.02, subdivision 3, is amended to read:

Subd. 3. "County of financial responsibility" means:

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

(a) for an applicant who resides in the state and is not in a facility described in subdivision 2, the county in which he or she resides at the time of application;

(b) for an applicant who resides in a facility described in subdivision 2, the county in which he or she resided immediately before entering the facility; and

(c) for an applicant who has not resided in this state for any time other than the excluded time, the county in which the applicant resides at the time of making application. For this limited purpose, an infant who has resided only in an excluded time facility is the responsibility of the county which would have been responsible for the infant if eligibility could have been established with the birth mother under section 256B.06, subdivision 1, clause (9).

Notwithstanding clauses (a) to (c), the county of financial responsibility for medical assistance recipients is the same county as that from which a recipient is receiving a maintenance grant or money payment under the program of aid to families with dependent children. There can be a redetermination of the county of financial responsibility for former recipients of the medical assistance program who have been ineligible for at least one month, so long as that redetermination is in accord with the provisions of this subdivision.

Sec. 21. Minnesota Statutes 1984, section 256B.06, subdivision 1, is amended to read:

Subdivision 1. Medical assistance may be paid for any person:

(1) Who is a child eligible for or receiving adoption assistance payments under Title IV-E of the Social Security Act, United States Code, title 42, sections 670 to 676 under Minnesota Statutes, section 259.40 or 259.431; or

(2) Who is a child eligible for or receiving foster care maintenance payments under Title IV-E of the Social Security Act, United States Code, title 42, sections 670 to 676; or

(3) Who is eligible for or receiving public assistance under the aid to families with dependent children program, the Minnesota supplemental aid program; or

(4) Who is a pregnant woman, as certified in writing by a physician or nurse midwife, and who (a) meets the other eligibility criteria of this section, and (b) would be categorically eligible for assistance under the aid to families with dependent children program if the child had been born and was living with the woman; or

(5) Who is a pregnant woman, as certified in writing by a physician or nurse midwife, who meets the other eligibility criteria of this section and whose unborn child would be eligible as a needy child under clause (9) of this subdivision if born and living with the woman; or

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(6) Who meets the categorical eligibility requirements of the supplemental security income program and the other eligibility requirements of this section; or

(6) (7) Who, except for the amount of income or resources, would qualify for supplemental security income for the aged, blind and disabled, or aid to families with dependent children, and who meets the other eligibility requirements of this section; or

(7) (8) Who is under 21 years of age and in need of medical care that neither he nor his relatives responsible under sections 256B.01 to 256B.26 are financially able to provide; or

(9) Who is an infant less than one year of age born on or after October 1, 1984, whose mother was eligible at the time of birth and who remains in the mother's household. Eligibility under this clause is concurrent with the mother's and does not depend on the father's income except as the income affects the mother's eligibility; or

(8) (10) Who is residing in a hospital for treatment of mental disease or tuberculosis and is 65 years of age or older and without means sufficient to pay the per capita hospital charge; and

(9) (11) Who resides in Minnesota, or, if absent from the state, is deemed to be a resident of Minnesota in accordance with the regulations of the state agency; and

(10) (12) Who alone, or together with his spouse, does not own real property other than the homestead. For the purposes of this section, "homestead" means the house owned and occupied by the applicant or recipient as his primary place of residence, together with the contiguous land upon which it is situated. The homestead shall continue to be excluded for persons residing in a long-term care facility if it is used as a primary residence by the spouse, minor child, or disabled child of any age; or the applicant/recipient is expected to return to the home as a principal residence within six calendar months of entry to the long-term care facility. Certification of expected return to the homestead shall be documented in writing by the attending physician. Real estate not used as a home may not be retained unless it produces net income applicable to the family's needs or the family is making a continuing effort to sell it at a fair and reasonable price or unless the commissioner determines that sale of the real estate would cause undue hardship or unless the equity in the real estate when combined with the equity in the homestead totals \$15,000 or less; and

(11) (13) Who individually does not own more than \$3,000 in cash or liquid assets, or if a member of a household with two family members (husband and wife, or parent and child), does not own more than \$6,000 in cash or liquid assets, plus \$200 for each additional legal dependent. Cash and liquid assets may include a prepaid funeral contract and insurance policies with cash surrender value. The value of the following shall not be included:

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



(a) the homestead, and (b) one motor vehicle licensed pursuant to chapter 168 and defined as: (1) passenger automobile, (2) station wagon, (3) motorcycle, (4) motorized bicycle or (5) truck of the weight found in categories A to E, of section 168.013, subdivision 1e; and

~~(12)~~ (14) Who has or anticipates receiving an annual income not in excess of the income standards by family size used in the aid to families with dependent children program, or who has income in excess of these maxima and in the month of application, or during the three months prior to the month of application, incurs expenses for medical care that total more than one-half of the annual excess income in accordance with the regulations of the state agency. In computing income to determine eligibility of persons who are not residents of long term care facilities, the commissioner shall disregard increases in income due solely to increases in federal retiree, survivor's, and disability insurance benefits, veterans administration benefits, and railroad retirement benefits in the percentage amount established in the biennial appropriations law unless prohibited by federal law or regulation. If prohibited, the commissioner shall first seek a waiver. In excess income cases, eligibility shall be limited to a period of six months beginning with the first of the month in which these medical obligations are first incurred; and

~~(13)~~ (15) Who has continuing monthly expenses for medical care that are more than the amount of his excess income, computed on a monthly basis, in which case eligibility may be established before the total income obligation referred to in the preceding paragraph is incurred, and medical assistance payments may be made to cover the monthly unmet medical need. In licensed nursing home and state hospital cases, income over and above that required for justified needs, determined pursuant to a schedule of contributions established by the commissioner of human services, is to be applied to the cost of institutional care. The commissioner of human services may establish a schedule of contributions to be made by the spouse of a nursing home resident to the cost of care; and

~~(14)~~ (16) Who has applied or agrees to apply all proceeds received or receivable by him or his spouse from automobile accident coverage and private health care coverage to the costs of medical care for himself, his spouse, and children. The state agency may require from any applicant or recipient of medical assistance the assignment of any rights accruing under private health care coverage. Any rights or amounts so assigned shall be applied against the cost of medical care paid for under this chapter. Any assignment shall not be effective as to benefits paid or provided under automobile accident coverage and private health care coverage prior to receipt of the assignment by the person or organization providing the benefits.

Sec. 22. Minnesota Statutes 1984, section 256B.07, is amended to read:

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

### 256B.07 EXCEPTIONS IN DETERMINING RESOURCES.

A local agency may, within the scope of regulations set by the commissioner of human services, waive the requirement of liquidation of excess assets when the liquidation would cause undue hardship. When an undue hardship waiver is granted due to excess assets created through a transfer of property under section 256B.17, subdivision 1, a cause of action exists against the person to whom the assets were transferred for that portion of medical assistance granted within 24 months of the transfer, or the amount of the uncompensated transfer, whichever is less, together with the costs incurred due to the action. The action may be brought by the state or county agency responsible for providing medical assistance under section 256B.02, subdivision 3. Household goods and furniture in use in the home, wearing apparel, and personal property used as a regular abode by the applicant or recipient and a lot in a burial plot shall not be considered as resources available to meet medical needs.

Sec. 23. Minnesota Statutes 1984, section 256B.17, subdivision 6, is amended to read:

Subd. 6. **PROHIBITED TRANSFERS OF EXCLUDED RESOURCES.** Any individual who is an inpatient in a skilled nursing facility or an intermediate care facility who, at any time during or after the 24-month period immediately prior to application for medical assistance, disposed of a homestead for less than fair market value shall be ineligible for medical assistance in accordance with subdivisions 1 to 4. An individual shall not be ineligible for medical assistance if one of the following conditions applies to the homestead transfer:

(1) a satisfactory showing is made that the individual can reasonably be expected to return to the homestead as a permanent residence;

(2) title to the homestead was transferred to the individual's spouse, child who is under age 21, or blind or permanently and totally disabled child as defined in the supplemental security income program;

(3) a satisfactory showing is made that the individual intended to dispose of the homestead at fair market value or for other valuable consideration; or

(4) the local agency ~~determines that grants a waiver of the excess resources created by the uncompensated transfer because denial of eligibility would cause undue hardship for the individual, based on imminent threat to the individual's health and well-being.~~

When a waiver is granted, a cause of action exists against the person to whom the homestead was transferred for that portion of medical assistance granted within 24 months of the transfer or the amount of the uncompensated transfer, whichever is less, together with the costs incurred due to the action.

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The action may be brought by the state or the county agency responsible for providing medical assistance under section 256B.02, subdivision 3.

Sec. 24. Minnesota Statutes 1984, section 256D.01, subdivision 1a, is amended to read:

Subd. 1a. **STANDARDS.** A principal objective in providing general assistance is to provide for persons ineligible for federal programs who are unable to provide for themselves. To achieve these aims, the commissioner shall establish minimum standards of assistance for general assistance. The minimum standard of assistance determines the total amount of the general assistance grant without separate standards for shelter, utilities, or other needs and shall not be less than the combined total of the minimum standards of assistance for shelter and basic needs in effect on February 1, 1983. The standards of assistance shall not be lower for a recipient sharing a residence with another person unless that person is a responsible relative.

The standards shall be lowered for recipients who share a residence with a responsible relative who also receives general assistance or who receives AFDC. If the responsible relative is receiving AFDC then the amount payable to the general assistance recipient must not exceed the amount that would be attributable to him if he were included in the AFDC grant.

For recipients who are not exempt from registration with the department of economic security pursuant to section 256D.111, subdivision 2, clauses (a), (f), (g), and (h), and who share a residence with a responsible relative who is not eligible for general assistance, the standards shall be lowered, subject to these limitations:

(a) The general assistance grant shall be in an amount such that total household income is equal to the AFDC standard for a household of like size and composition, except that the grant shall not exceed that paid to a general assistance recipient living independently.

(b) Benefits received by a responsible relative under the supplemental security income program, the social security retirement program if the relative was receiving benefits under the social security disability program at the time he or she became eligible for the social security retirement program or if the relative is a person described in section 256D.111, subdivision 2, clause (a), (f), or (h), the social security disability program, a workers' compensation program, the Minnesota supplemental aid program, or on the basis of the relative's disability, must not be included in the household income calculation.

Sec. 25. Minnesota Statutes 1984, section 256D.06, is amended by adding a subdivision to read:

Subd. 1b. EARNED INCOME SAVINGS ACCOUNT. In addition to the \$50 disregard required under subdivision 1, the local agency shall disregard

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an additional earned income up to a maximum of \$150 per month for persons residing in facilities licensed under Minnesota Rules, parts 9520.0500 to 9520.0690, and for whom discharge and work are part of a treatment plan. The additional amount disregarded must be placed in a separate savings account by the eligible individual, to be used upon discharge from the residential facility into the community. A maximum of \$1,000, including interest, of the money in the savings account must be excluded from the resource limits established by section 256D.08, subdivision 1, clause (1). Amounts in that account in excess of \$1,000 must be applied to the resident's cost of care. If excluded money is removed from the savings account by the eligible individual at any time before the individual is discharged from the facility into the community, the money is income to the individual in the month of receipt and a resource in subsequent months. If an eligible individual moves from a community facility to an inpatient hospital setting, the separate savings account is an excluded asset for up to 18 months. During that time, amounts that accumulate in excess of the \$1,000 savings limit must be applied to the patient's cost of care. If the patient continues to be hospitalized at the conclusion of the 18-month period, the entire account must be applied to the patient's cost of care.

Approved May 29, 1985

#### CHAPTER 253 — H.F.No. 186

*An act relating to mental health services; authorizing interstate contracts for mental health services; proposing coding for new law in Minnesota Statutes, chapter 245.*

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

#### Section 1. [245.50] INTERSTATE CONTRACTS FOR MENTAL HEALTH SERVICES.

Subdivision 1. DEFINITIONS. For purposes of this section, the following terms have the meanings given them.

(a) "Bordering state" means Iowa, North Dakota, South Dakota, or Wisconsin.

(b) "Agency or facility" means a public or private hospital, mental health center, or other person or organization authorized by a state to provide mental health services.

Subd. 2. AUTHORITY. Unless prohibited by another law and subject to the exceptions listed in subdivision 3, a county board may contract with an agency or facility in a bordering state for mental health services for residents of Minnesota, and a Minnesota mental health agency or facility may contract to

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