

Subd. 2. Beginning with assessments payable by member insurers in 1988, each member insurer must separately state on either a billing notice or policy declaration sent to an insured, the percentage, dollar amount, or both, of the amount contained in the premium to recoup assessments paid by the member insurer in Minnesota.

Sec. 12. AUTHORIZATION FOR STAGGERED TERMS FOR BOARD MEMBERS.

Notwithstanding section 60C.08, subdivision 1, four board members may be appointed for one-year terms beginning on August 1, 1987, to achieve staggered terms under the plan of operation.

Sec. 13. EFFECTIVE DATE CLARIFICATION.

Laws 1987, chapter 337, sections 27, 28, 29, and 30, effective August 1, 1987, apply to delinquency proceedings commencing on or after August 1, 1987.

Sec. 14. REPEALER.

Minnesota Statutes 1987 Supplement, section 60C.06, subdivision 5, is repealed.

Sec. 15. EFFECTIVE DATE.

(a) Sections 1 to 5 and 8 to 10 are effective the day following final enactment and apply to all unsettled current or existing and future claims paid after that date arising out of any past or future member insolvency.

(b) Sections 11, 13, and 14 are effective the day following final enactment.

Approved April 18, 1988

CHAPTER 542—H.F.No. 2063

An act relating to housing; providing a definition; authorizing certain refinancing; providing for grants for housing for low-income persons; providing for reservation of low-income housing credits; amending Minnesota Statutes 1986, sections 462A.03, by adding a subdivision; 462A.05, by adding a subdivision; and 462A.07, subdivisions 14 and 15; Minnesota Statutes 1987 Supplement, sections 462A.05, subdivision 28; and 462A.222, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 469.

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

Section 1. Minnesota Statutes 1986, section 462A.03, is amended by adding a subdivision to read:

Subd. 20. "American Indian" means a person who is a member of an Indian tribe, as the terms "Indian," "Indian tribe," and "tribal organization" are defined in United States Code, title 25, section 450b.

New language is indicated by underline, deletions by ~~strikeout~~.

Sec. 2. Minnesota Statutes 1986, section 462A.05, is amended by adding a subdivision to read:

Subd. 3a. It may refinance the existing indebtedness of nonprofit entities, as defined by the agency, secured by residential housing for occupancy by persons and families of low and moderate income, if refinancing is determined by the agency to be necessary to reduce housing costs to an affordable level or to maintain the supply of affordable low-income housing. The authority granted in this subdivision is in addition to and not in limitation of the authority granted in section 462A.05, subdivision 14.

Sec. 3. Minnesota Statutes 1987 Supplement, section 462A.05, subdivision 28, is amended to read:

Subd. 28. GRANTS FOR HOUSING FOR LOW-INCOME PERSONS LIVING ALONE. The agency may make grants for residential housing to be used by low-income persons living alone whose annual gross income does not exceed 150 percent of the poverty line as updated by the United States Office of Management and Budget. The grants may be made to cities, joint powers boards established by two or more cities, housing and redevelopment authorities created under sections 462.415 to 462.705, ~~or~~ nonprofit entities as defined by the agency, or for-profit entities to the extent necessary to enable the recipient to qualify for low-income housing credits provided under section 42 of the Internal Revenue Code of 1986, as amended through December 31, 1987, provided that the agency determines that the credits will confer a benefit on the residential housing. The occupants of the residential housing must be offered a written lease that complies with section 325G.31, offers the occupants the option to renew, and prohibits eviction of an occupant without good cause. Grants under this subdivision must not exceed 50 percent of the development costs for the residential housing, and must not be made for any residential housing that requires the occupants to accept board as well as lodging. In making grants, the agency shall determine the circumstances, terms, and conditions under which all or part of the grant will be repaid and the appropriate security if repayment is required.

Sec. 4. Minnesota Statutes 1986, section 462A.07, subdivision 14, is amended to read:

Subd. 14. It may engage in housing programs for low and moderate income American Indians, ~~as that term is defined in section 254A.02, subdivision 11,~~ developed and administered separately or in combination by the Minnesota Chippewa tribe, the Red Lake band of Chippewa Indians, and the Sioux communities as determined by such tribe, band, or communities. In developing such housing programs the tribe, band, or communities shall take into account the housing needs of all American Indians residing both on and off reservations within the state. A plan for each such program, which specifically describes the program (a) content, (b) utilization of funds, (c) administration, (d) operation, (e) implementation and other matter, as determined by the agency, must be

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submitted to the agency for its review and approval prior to the making of eligible loans pursuant to section 462A.21. All such programs must conform to rules promulgated by the agency concerning program administration, including but not limited to rules concerning costs of administration; the quality of housing; interest rates, fees and charges in connection with making eligible loans; and other matters determined by the agency to be necessary in order to effectuate the purposes of this subdivision and section 462A.21, subdivisions 4b and 4c. All such programs must provide for a reasonable balance in the distribution of funds appropriated for the purpose of this section between American Indians residing on and off reservations within the state. Nothing in this section shall preclude such tribe, band, or communities from requesting and receiving cooperation, advice, and assistance from the agency as regards program development, operation, delivery, financing, or administration. As a condition to the making of such eligible loans, the Minnesota Chippewa tribe, the Red Lake band of Chippewa Indians and the Sioux communities shall:

(a) enter into a loan agreement and other contractual arrangements with the agency for the purpose of transferring the allocated portion of loan funds as set forth in section 462A.26 and to insure compliance with the provisions of this section and this chapter, and

(b) shall agree that all of their official books and records related to such housing programs shall be subjected to audit by the legislative auditor in the manner prescribed for agencies of state government.

The agency shall submit a biennial report concerning the various housing programs for American Indians, and related receipts and expenditures as provided in section 462A.22, subdivision 9, and such tribe, band, or communities to the extent that they administer such programs, shall be responsible for any costs and expenses related to such administration provided, however, they shall be eligible for payment for costs, expenses and services pursuant to subdivision 12, and section 462A.21. The agency may provide or cause to be provided essential general technical services as set forth in subdivision 2, and general consultative project assistance services, including, but not limited to, management training, and home ownership counseling as set forth in subdivision 3. Members of boards, committees, or other governing bodies of the tribe, band, and communities administering the programs authorized by this subdivision must be compensated for those services as provided in section 15.0575. Rules promulgated under this subdivision may be promulgated as emergency rules under chapter 14.

Sec. 5. Minnesota Statutes 1986, section 462A.07, subdivision 15, is amended to read:

Subd. 15. It may engage in housing programs for low and moderate income American Indians ~~as that term is defined in section 254A.02, subdivision 11,~~ residing in the metropolitan area defined in section 473.121, subdivision 2, and cities with a population greater than 50,000 persons. The programs shall dem-

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onstrate innovative methods of providing housing for urban Indians, may involve the construction, purchase, and rehabilitation of residential housing, and may be administered through any other provision of this chapter. To the extent possible, the programs shall combine appropriated money with other money from both public and private sources, except that interest earned on the portion of an appropriation to be expended for Indian housing programs in the city of Duluth does not have to be combined with money from other sources. Effective June 30, 1985, all money allocated by the agency under this subdivision to programs for urban Indian housing that are not subject to active contracts shall be reallocated by the agency to programs to fulfill the purposes of this subdivision. Members of boards, committees, or other governing bodies of organizations administering the urban Indian programs authorized by this subdivision must be compensated for those services as provided in section 15.0575. The agency shall consult with the advisory council on urban Indians created pursuant to section 3.922, subdivision 8, in the development of programs pursuant to this subdivision.

Sec. 6. Minnesota Statutes 1987 Supplement, section 462A.222, subdivision 2, is amended to read:

Subd. 2. **CREDIT FORMULA.** The agency shall reserve to each eligible city and county an amount equal to the greater of (1) ~~the product obtained by multiplying \$1,6875 by the population of the city or county~~ the product obtained by: (a) deducting from the per capita amount used in determining the annual state ceiling for low-income housing credits provided under section 42 of the Internal Revenue Code of 1986, a percentage portion of the per capita amount equal to the percentage set-aside apportionment for projects involving a qualified nonprofit organization, as provided therein, and (b) multiplying the difference obtained in (a) by the population of the city or county, and (c) multiplying the product obtained under (b) by 1.5, or (2) 90 percent of the total state ceiling for low-income housing credits, multiplied by a fraction that has as its numerator the number of rental units located within the city or county and that has as its denominator the total number of rental units located within the state. For purposes of this subdivision, the state demographer shall provide population and rental unit estimates to the agency.

Sec. 7. **[469.0171] HOUSING PLAN, PROGRAM, AND REVIEW.**

Prior to the issuance of bonds or obligations for a housing development project proposed by an authority under section 469.017, the authority shall prepare a plan meeting the requirements of section 462C.03, subdivision 1, paragraphs (a) to (d); obtain review of the plan in the manner provided in section 462C.04, subdivision 1; and prepare and submit for review a program as defined in section 462C.02, subdivision 3, in the manner provided in section 462C.04, subdivision 2, and section 462C.05, subdivision 5, for the making or purchasing of loans by cities.

Sec. 8. **EFFECTIVE DATE.**

Sections 1 to 6 are effective the day following final enactment. Section 7 is effective August 2, 1988.

Approved April 18, 1988

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