

(3) maintenance as defined in section 518.54, subdivision 3.

(b) "disposable earnings" means that part of the earnings of an individual remaining after the deduction from those earnings of amounts required by law to be withheld;

(c) "employee" means an individual who performs services subject to the right of the employer to control both what is done and how it is done; and

(d) "employer" means a person for whom an individual performs services as an employee.

Sec. 19. Minnesota Statutes 1996, section 571.921, is amended to read:

571.921 DEFINITIONS.

For purposes of sections 571.921 to 571.926, the following terms have the meanings given them:

(a) "Earnings" means:

(1) compensation paid or payable to an employee for personal service whether denominated as wages, salary, commissions, bonus, or otherwise, and includes periodic payments pursuant to a pension or retirement program; or

(2) compensation paid or payable to the producer for the sale of agricultural products; livestock or livestock products; milk or milk products; or fruit or other horticultural products produced when the producer is operating a family farm, a family farm corporation, or an authorized farm corporation, as defined in section 500.24, subdivision 2; or

(3) maintenance as defined in section 518.54, subdivision 3.

(b) "Disposable earnings" means that part of the earnings of an individual remaining after the deduction from those earnings of amounts required by law to be withheld.

(c) "Employee" means an individual who performs services subject to the right of the employer to control both what is done and how it is done.

(d) "Employer" means a person for whom an individual performs services as an employee.

Sec. 20. EFFECTIVE DATE.

Sections 1 to 17 are effective the day following final enactment.

Presented to the governor April 10, 1998

Signed by the governor April 20, 1998, 11:25 a.m.

CHAPTER 383—H.F.No. 3862

An act relating to tornado and other natural disaster relief; providing for temporary waivers of certain programs and other relief; appropriating money; amending Minnesota Statutes 1996, section 268.38, by adding a subdivision; Minnesota Statutes 1997 Supplement, sections 41B.043, subdivision 2a; 168.16; and 273.124, subdivision 14; Laws 1997, chapter 203, article 1, sections 15 and

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17, as added; proposing coding for new law in Minnesota Statutes, chapters 12; and 41B; repealing Laws 1997, chapter 203, article 1, section 16, as added.

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

Section 1. **APPROPRIATIONS.**

The sums in the column under "APPROPRIATIONS" are appropriated from the general fund to be spent for tornado relief, as specified in this act, in the area designated under Presidential Declaration of Major Disaster, DR1212, whether included in the original declaration or added later by federal government action. The appropriations are available until June 30, 1999, unless otherwise specified. If there is a shortage of funds in any of the programs under section 2, 3, 4, or 5, unused funds in any of the other programs under these sections may be transferred by interagency agreement to cover the shortfall.

SUMMARY

PUBLIC SAFETY	\$ 8,800,000
HOUSING FINANCE AGENCY	4,000,000
TRADE AND ECONOMIC DEVELOPMENT	5,950,000
AGRICULTURE	4,000,000
REVENUE	500,000
HUMAN SERVICES	400,000
CHILDREN, FAMILIES, AND LEARNING	250,000
MINNESOTA HISTORICAL SOCIETY	1,000,000
FINANCE	2,700,000
TOTAL	\$ 27,600,000

APPROPRIATIONS

\$

Sec. 2. PUBLIC SAFETY

Subdivision 1. To the commissioner of public safety for the purposes of this section

8,800,000

Subd. 2. Disaster Assistance Match

8,000,000

For the state and local match of federal disaster assistance funds under Minnesota Statutes, section 12.221. This appropriation is available to fund 100 percent of the state and local match obligations incurred through the receipt of federal disaster assistance. This appropriation is also available as a match for eligible state agency expenditures.

Subd. 3. Increases In Services

300,000

To provide for the cost of increases in services by the division of emergency management to respond to the tornado disaster.

Subd. 4. Grants To Farmers

500,000

For grants to counties for costs related to the burial and removal of debris from rural residences and farms from the March 29, 1998, tornado and storm damage. The commissioner may require documentation of costs. Grants are available for debris removal and burial costs not covered by private insurance or federal reimbursement.

Sec. 3. HOUSING FINANCE

Subdivision 1. For transfer to the housing development fund for the programs specified in this section

4,000,000

Subd. 2. Affordable Rental
Investment Fund

500,000

For the affordable rental investment fund under Minnesota Statutes, section 462A.21, subdivision 8b, to be used for rental housing. Notwithstanding Minnesota Statutes, section 462A.21, subdivision 8b, assistance provided from this appropriation for the rehabilitation of existing rental housing may be in the form of forgivable loans. In making forgivable loans from this appropriation, the agency shall determine the circumstances, terms, and conditions under which all or any portion of the grant shall be repaid. This appropriation is available until expended.

Subd. 3 Community
Rehabilitation Fund Program

3,500,000

For the community rehabilitation fund program under Minnesota Statutes, section 462A.206. This appropriation is available until spent.

Subd. 4 Transfers

Money appropriated under this section may be transferred between the affordable rental investment fund account and the community rehabilitation fund account.

Sec. 4. TRADE AND ECONOMIC
DEVELOPMENT

Subdivision 1. To the commissioner of trade and economic development for purposes of this section

5,950,000

Subd. 2. Minnesota Investment Fund

4,800,000

To the Minnesota investment fund for grants to local units of government for locally administered operating loan programs for businesses and farms directly and adversely affected by the tornadoes. Loan criteria and requirements must be locally established with approval by the department. For the purposes of this appropriation, Minnesota Statutes, sections 116J.8731, subdivisions 3, 4, 5, and 7, and 116J.991, are waived. Businesses that receive grants or loans from this appropriation shall set goals for jobs retained and wages paid within the area designated under Presidential Declaration of Major Disaster, DR1212, whether included in the original declaration or added later by federal government action.

Subd. 3. Public Infrastructure

1,000,000

For grants to local units of government to assist with the cost of repair and replacement of publicly owned buildings; storm sewers, wastewater and municipal utility service; drinking water systems; and streets, bridges, and other infrastructure.

Subd. 4. Technical Assistance

150,000

For grants to local units of government for technical assistance for loan programs.

Sec. 5. AGRICULTURE

4,000,000

To the rural finance authority for department of agriculture loans under Minnesota Statutes, chapter 41B, to farmers for repairs to farm buildings and for working capital operating loans.

Sec. 6. REVENUE

500,000

To the commissioner of revenue to be apportioned among the counties within the area

designated under Presidential Declaration of Major Disaster, DR1212, whether included in the original declaration or added later by federal government action to provide reimbursement for abatements granted for taxes payable in 1998 to properties damaged in the March 29, 1998, tornadoes. The apportionment shall be based upon the amount of tornado-related market value loss in each county. Counties must be reimbursed only for property taxes that actually abated, not to exceed each county's apportioned amount.

Sec. 7. HUMAN SERVICES 400,000

For grants to counties, nonprofit social service agencies, and the state farm advocate program for social services and farm advocacy outreach.

Sec. 8. CHILDREN, FAMILIES, AND LEARNING 250,000

For grants for after-school and expanded day care services.

Sec. 9. MINNESOTA HISTORICAL SOCIETY 1,000,000

For historic preservation loans or grants.

Sec. 10. FINANCE 2,700,000

A contingency appropriation to the commissioner of finance for allocations to programs at the request of the governor, for unanticipated needs to aid disaster victims. This appropriation includes the amounts needed in fiscal years 1998 and 1999 for the department of children, families, and learning for the costs of sections 23, 24, and 25. Before transfer of funds to specific programs, the commissioner must seek a recommendation on the proposed spending from the legislative commission on planning and fiscal policy. If no recommendation is received by the commissioner from the commission within ten days of notice, the recommendation is considered to be positive.

Sec. 11. TEMPORARY WAIVER OF FEES.

Notwithstanding any law to the contrary, for fiscal years 1998 and 1999, an agency, with the approval of the governor, may waive fees that would otherwise be charged for

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agency services. The waiver of fees must be confined to geographic areas within counties included in the area designated under Presidential Declaration of Major Disaster, DR1212, whether included in the original declaration or added later by federal government action, and to the minimum periods of times necessary to deal with the emergency situation. The agency must promptly report the reasons for and the impact of any suspended fees to the chairs of the legislative committees that oversee the policy and budgetary affairs of the agency. This section expires January 15, 1999.

Sec. 12. EARLY PAYMENT OF STATE AIDS.

Notwithstanding Minnesota Statutes, sections 273.1398, subdivision 6, and 477A.015, the commissioner of revenue, in consultation with the division of emergency management, shall make payments of homestead and agricultural credit aid and local government aid as provided in this section to all qualified local units of government that the commissioner determines have suffered financial hardship. As used in this section, "qualified local units of government" means counties, home rule charter or statutory cities, and towns that suffered damage in the tornadoes and storms of March 29, 1998.

Payment of the homestead and agricultural credit aid and local government aid that would otherwise have been payable on July 20, 1998, shall be made as soon as practicable after the date of final enactment of this act.

Sec. 13. TORNADO DAMAGED SCHOOL RECONSTRUCTION.

In order to expedite school reconstruction of school buildings destroyed by the tornadoes of March 29, 1998, the school districts of St. Peter, Comfrey, and Le Center may enter into construction contracts, including but not limited to design-build, that the districts determine to be in their best interests. Construction of these educational facilities is emergency construction and not subject to competitive bid requirements of Minnesota Statutes, sections 123.37 and 471.345, or other law or charter or the requirements of Minnesota Statutes, section 16B.335. The department of children, families, and learning shall notify the chairs of the senate finance committees, the house ways and means committee, and the house capital investment committee that the projects have been approved under review and comment and necessary contracts have been executed.

Sec. 14. SCHOOL FACILITY STORM DAMAGE RELATED BETTERMENT.

The school districts of St. Peter, Comfrey, and Le Center may make an additional levy for facility betterment under this section.

The levy must be directly related to the costs of the betterment of the damaged facility and may only be for costs not otherwise paid for by insurance or other proceeds. The total costs related to the levy may not exceed two percent of a district's 1995 adjusted net tax capacity. The project must be approved under Minnesota Statutes, section 121.15. The levy may be spread over more than one year. The levy is not eligible for state-aid payments under Minnesota Statutes, section 124.83 or 124.95, or any other aid program. A district must consult with and receive approval from the city and county in which its administrative offices are located prior to making this levy according to Minnesota Statutes, section 124.239, subdivisions 3, 4, 5, and 6.

Sec. 15. SOLID WASTE MANAGEMENT TAX WAIVER.

Notwithstanding any law to the contrary, the commissioner of revenue may waive solid waste management taxes under Minnesota Statutes, chapter 297H, for construction

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debris generated from repair and demolition activities in the area designated under Presidential Declaration of Major Disaster, DR1212, whether included in the original declaration or added later by federal government action due to tornado and other weather damage on March 29, 1998, and disposed of in a waste management facility designated by the commissioner of the pollution control agency. The commissioner of revenue's authority under this section to waive the taxes expires for waste transported to the designated facilities after March 31, 1999.

Sec. 16. WAITING WEEK WAIVER.

The waiting week requirement under Minnesota Statutes, section 268.08, subdivision 1, clause (3), does not apply to persons who became unemployed and filed an application for reemployment insurance benefits as a direct result of the March 29, 1998, tornado and resulting storm damage.

Sec. 17. WAIVER ON DEFINITION OF AT-RISK YOUTH.

The limitation on the definition of an at-risk youth under the Minnesota youth program, in Minnesota Statutes 1996, section 268.56, subdivision 3, is waived to include a youth affected by the March 29, 1998, tornado disaster. The waiver is effective until May 30, 1999.

Sec. 18. WAIVER OF LIMITATION FOR FACILITY CHANGES.

The limitation under Minnesota Statutes 1996, section 268.362, subdivision 1, paragraph (a), on the type of facilities which may be rehabilitated, improved, or constructed as part of a work experience component to provide education and work experience to targeted youth is waived and shall include low-income private residences, private businesses, municipal parks, and other land areas in the area designated under Presidential Declaration of Major Disaster, DR1212, whether included in the original declaration or added later by federal government action.

Sec. 19. [12.331] LOCAL ASSISTANCE BETWEEN POLITICAL SUBDIVISIONS.

Subdivision 1. AUTHORITY BETWEEN POLITICAL SUBDIVISIONS. When the public interest requires it because of an emergency, a political subdivision may request the assistance of another political subdivision. Upon receiving such a request, a political subdivision, called the "sending political subdivision," may go to the assistance of the requesting political subdivision, called the "receiving political subdivision." The receiving political subdivision may accept and use the personnel, equipment, and supplies of the sending political subdivision as agreed upon by both political subdivisions.

Subd. 2. EFFECT. Unless there is a written agreement between the political subdivisions establishing the rules for conducting these activities, the provisions of paragraphs (a) to (d) shall apply while the political subdivisions are engaged in the activities described in subdivision 1.

(a) For the purposes of worker's compensation insurance, the employees, officers, and members of the sending political subdivision have the same powers, duties, rights, privileges, and immunities as if they were performing similar services in the sending political subdivision and are considered to be acting within the scope of and in the course of their regular employment, as employees of the sending political subdivision.

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(b) For the purposes of chapter 466, the employees and officers of the sending political subdivision are deemed to be employees, as defined in section 466.01, subdivision 6, of the receiving political subdivision.

(c) The sending political subdivision shall be responsible for any damages to its equipment.

(d) The receiving political subdivision shall reimburse the sending political subdivision for the supplies used and the compensation paid to the officers and members of the forces furnished, during the time when the rendition of aid prevents them from performing their duties in the sending political subdivision, and for the actual travel and maintenance expenses of the officers and members while so engaged. A claim for loss, damage, or expense in using equipment or supplies or for additional expenses incurred in operating or maintaining them must not be allowed unless within 90 days after the loss, damage, or expense is sustained or incurred, an itemized notice of it, verified by an officer or employee of the municipality having knowledge of the facts, is filed with the clerk of the receiving political subdivision.

Subd. 3. RETROACTIVE EFFECT. Notwithstanding other laws this section is effective retroactive to March 29, 1998.

Sec. 20. PROPERTY TAX ABATEMENTS; PROPERTY DAMAGED BY TORNADO.

Subdivision 1. AUTHORIZATION. Notwithstanding the requirements of Minnesota Statutes, section 375.192, the county board of a qualified county may grant abatements of the full amount of taxes on eligible property for taxes payable in 1998 as provided in this section. The owner of the property is not required to apply for the abatement.

Subd. 2. DEFINITIONS. (a) As used in this section, the terms defined in this subdivision have the meanings given them.

(b) "Qualified county" means any county in the area designated under Presidential Declaration of Major Disaster, DR1212, whether included in the original declaration or added later by federal government action.

(c) "Eligible property" means a parcel of taxable property located in a qualified county that contains a structure that has been determined by the assessor to have lost over 50 percent of its estimated market value due to wind damage. In the case of agricultural property, the abatement is limited to the taxes on the parcel attributable to the value of the house, garage, and surrounding one acre, if the house has lost over 50 percent of its estimated market value, and the tax attributable to the value of any farm buildings and structures that have lost over 50 percent of their estimated market value.

Subd. 3. ASSESSORS' DUTIES. As soon as practicable, local and county assessors in qualified counties shall notify the county board and property owners of parcels of eligible property.

Sec. 21. VALUATION EXCLUSION FOR IMPROVEMENTS TO CERTAIN BUSINESS PROPERTY.

Property classified under Minnesota Statutes, section 273.13, subdivision 24, which is eligible for the preferred class rate on the market value up to \$150,000, shall qualify for

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a valuation exclusion for assessment purposes, provided all of the following conditions are met:

- (1) the building must be damaged by the tornadoes of March 29, 1998;
- (2) the building must be located within an area designated by the Federal Emergency Management Agency as eligible for federal aid due to the tornadoes of March 29, 1998;
- (3) the total estimated market value of the land and buildings must be \$150,000 or less prior to the damage caused by the tornadoes of March 29, 1998;
- (4) a building permit must have been issued prior to the commencement of the improvement, or if the building is located in a city or town which does not have a building permit process, the property owner must notify the assessor prior to the commencement of the improvement;
- (5) the property, including its improvements, has received no public assistance, grants, or financing;
- (6) the property is not receiving a property tax abatement under Minnesota Statutes, section 469.1813; and
- (7) the improvements are made after the date of final enactment of this act and prior to January 1, 2000.

The assessor shall estimate the market value of the building in the assessment year immediately following the year that (1) the building permit was taken out, or (2) the taxpayer notified the assessor that an improvement was to be made. If the estimated market value of the building has increased over the prior year's assessment, the assessor shall note the amount of the increase on the property's record, and that amount shall be subtracted from the value of the property in each year for five years after the improvement has been made, at which time an amount equal to 20 percent of the excluded value shall be added back in each of the five subsequent assessment years.

For any property, there can be no more than two improvements qualifying for exclusion under this subdivision. The maximum amount of value that can be excluded from any property under this subdivision is \$50,000.

The assessor shall require an application. Applications must be received prior to July 1 of any year in order to be effective for taxes payable in the following year.

Sec. 22. DISASTER AREA; DUE DATE EXTENDED FOR BUSINESS PROPERTY TAXES.

(a) Notwithstanding Minnesota Statutes, section 279.01, subdivision 1, a penalty shall not accrue if (1) because of a natural disaster, a taxpayer is unable to pay the first half of the payable 1998 property taxes on class 3a or 3b property, classified under Minnesota Statutes, section 273.13, subdivision 24, located in an area designated under Presidential Declaration of Major Disaster, DR1212, whether included in the original declaration or added later by federal government action and (2) the taxpayer pays the first half of the payable 1998 taxes by October 15, 1998.

(b) If the first one-half payment is paid after October 15, 1998, then all penalties that would have occurred on the due date under Minnesota Statutes, section 279.01, subdivision 1, shall be charged on the amount of the unpaid tax.

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(c) The property taxpayer shall attach to the payment a statement that the property is located in the disaster area and qualified for an extension under this section.

Sec. 23. 1997-1998 AVERAGE DAILY MEMBERSHIP.

Notwithstanding Minnesota Statutes, section 124.17, the 1997-1998 average daily membership for a school building in the school districts of St. Peter, Comfrey, and Le Center closed due to tornado damage for part of the school year and reopened before the end of the school year shall be the greater of the amount that would have been computed if the school building had not reopened or the amount computed using actual data for the entire school year.

Sec. 24. FISCAL YEAR 1999 AND 2000 DECLINING PUPIL UNIT AID.

This section applies to the school districts of St. Peter, Comfrey, and Le Center. For fiscal year 1999 only, a school district with one or more school buildings closed during the 1997-1998 school year due to tornado damage is eligible for declining pupil unit aid equal to the greater of zero or the product of the general education formula allowance for fiscal year 1999 times the difference between the district's actual pupil units for the 1997-1998 school year and the district's actual pupil units for the 1998-1999 school year.

For fiscal year 2000 only, a school district with one or more school buildings closed during the 1998-1999 school year due to tornado damage is eligible for declining pupil unit aid equal to the greater of zero or the product of the general education formula allowance for fiscal year 2000 times the difference between the district's actual pupil units for the 1997-1998 school year and the district's actual pupil units for the 1999-2000 school year.

Sec. 25. SCHOOL DISTRICT AVERAGE DAILY MEMBERSHIP.

For fiscal year 1999, the commissioner of children, families, and learning may adjust school district average daily membership data calculated under Minnesota Statutes, section 124.17, for those school districts whose enrollment is affected by tornado damage in the spring of 1998 because students have not yet returned to their resident school districts because school facilities or homes are not available for occupancy.

Sec. 26. TEMPORARY AUTHORITY TO SUSPEND RULES.

Notwithstanding any law to the contrary, for fiscal years 1998 and 1999, an agency with the approval of the governor, may temporarily suspend specific agency rules because of the effects of the March 29, 1998 tornadoes. The suspension of rules must be confined to geographic areas affected within counties located in the area designated under Presidential Declaration of Major Disaster, DR1212, whether included in the original declaration or added later by federal government action, and to the minimum periods of time necessary to deal with the emergency situation. The agency must promptly report the reasons for and the impact of any suspended rules to the chairs of the legislative committees that oversee the policy and budgetary affairs of the agency and to the chairs of the legislative committees on governmental operations. This section expires January 15, 1999.

Sec. 27. FEDERAL FUNDS.

State agencies may apply for any federal funds available for tornado relief. Notwithstanding Minnesota Statutes, section 3.3005, the commissioner of finance may submit

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the request to receive and spend federal funds to the legislative advisory commission required under Minnesota Statutes, section 3.3005, any time after the application is made for those funds. If a recommendation is not made within five days, no further review by the legislative advisory commission is required, and the commissioner shall approve or disapprove the request. If a recommendation is made for further review, the commissioner may proceed according to Minnesota Statutes, section 3.3005, subdivision 5. This section expires January 15, 1999.

Sec. 28. WAIVER OF HUMAN SERVICES STATUTES.

Subdivision 1. WAIVER AUTHORIZED. In response to the immediate and long-term effects on individuals and public and private entities because of the March 29, 1998, tornadoes, the commissioner of human services may waive or grant variances to provisions in chapters 245A, 252, 256, 256B, 256D, 256E, 256G, 256I, 257, 259, 260, 518, and 626 governing: the transference of funds between grant accounts; rate setting or other funding requirements or limits for specific services; documentation or reporting requirements; licensing requirements; payments, including MinnesotaCare premiums; emergency assistance time limits; general assistance citizenship requirements for student residents; restrictions on receipt of emergency general assistance by MFIP-S recipients; and other administrative procedures as needed to ensure timely and continuous service to persons receiving or eligible to receive services administered by the commissioner or by the counties under supervision of the commissioner. In granting a waiver or variance, the commissioner shall consider the impact on the health and safety of vulnerable persons. Waivers or variances may be restricted to specific geographical areas and specific time periods.

Subd. 2. NOTICE TO LEGISLATIVE CHAIRS. The commissioner shall notify the chairs of the senate health and family security committee, health and family security budget division, human resources finance committee, the house health and human services committee, health and human services finance division, and ways and means committee ten days prior to the effective date of any waiver or variance granted under subdivision 1.

Subd. 3. APPEALS. The appeal rights of applicants for, or recipients of, public assistance or a program of social services under Minnesota Statutes, section 256.045, are not affected by this provision. Counties and other services providers do not have a right to appeal the commissioner's decision on whether to waive or grant a variance from a statute under this provision.

Subd. 4. SUMMARY TO LEGISLATIVE CHAIRS. Expenditures under the waivers or variances must not exceed the total appropriation for the commissioner, including any special appropriations for tornado relief. The commissioner shall issue a summary to the chairs of the senate human resources finance and house ways and means committees by January 15, 1999, regarding variances and waivers granted under the terms under this provision.

Subd. 5. EXPIRATION. This section is effective the day following final enactment and expires February 15, 1999.

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Sec. 29. DISASTER CLEANUP VEHICLE EXEMPTIONS.

A commercial motor vehicle that is involved in the cleanup of or assistance to the victims of the tornado disaster of March 29, 1998, is not subject to enforcement of the following laws or rules:

(1) federal intra-state transportation under Code of Federal Regulations, title 49, parts 390 to 399;

(2) intra-state registration under Minnesota Statutes, sections 168.181 to 168.187 and 169.79;

(3) inspections under Minnesota Statutes, sections 169.781 and 169.782; and

(4) size and weight under Minnesota Statutes, sections 169.80, 169.81, 169.825, and 169.87, and chapters 221 and 296.

Sec. 30. CRIME VICTIM REPARATIONS DEADLINES EXTENDED.

The time limitations in Minnesota Statutes, section 611A.53, subdivision 2, for filing claims for crime victim reparations are tolled for one year for crime victims who resided on March 29, 1998, in the geographic areas within counties included in the area designated under Presidential Declaration of Major Disaster, DR1212, whether included in the original declaration or added later by federal government action.

Sec. 31. Minnesota Statutes 1997 Supplement, section 41B.043, subdivision 2a, is amended to read:

Subd. 2a. SNOW OR, FLOOD, OR OTHER NATURALLY CAUSED DAMAGE. A prospective borrower applying for a loan participation through an eligible lender may refinance an existing debt in order to repair or replace farm driveways, drainage ditches and tile lines, grassed waterways, or agricultural buildings damaged due to snow or, flooding, or other weather-related causes.

Sec. 32. [41B.047] DISASTER RECOVERY LOAN PROGRAM.

Subdivision 1. ESTABLISHMENT. The authority shall establish and implement a disaster recovery loan program to help farmers clean up, repair, or replace farm structures and septic and water systems, as well as replacement of seed, other crop inputs, feed, and livestock.

Subd. 2. REVOLVING FUND. There is established in the state treasury a disaster recovery revolving fund which is eligible to receive appropriations. All repayments of financial assistance granted under subdivision 1, including principal and interest, must be deposited into this fund. Interest earned on money in the fund accrues to the fund, and money in the fund is appropriated to the commissioner of agriculture for purposes of the disaster recovery loan program, including costs incurred by the authority to establish and administer the program.

Subd. 3. ELIGIBILITY. To be eligible for this program, a borrower must:

(1) be a resident of this state or a domestic family farm corporation or family farm partnership as defined in section 500.24, subdivision 2;

(2) certify that the damage or loss was sustained within a county that was the subject of a state or federal disaster declaration;

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(3) demonstrate an ability to repay the loan;

(4) have a total net worth, including assets and liabilities of the borrower's spouse and dependents, of less than \$400,000; and

(5) have received at least 50 percent of average annual gross income from farming for the past three years.

Subd. 4. **LOANS.** (a) The authority may participate in a disaster recovery loan with an eligible lender to a farmer who is eligible under subdivision 3. Participation is limited to 45 percent of the principal amount of the loan or \$50,000, whichever is less. The interest rates and repayment terms of the authority's participation interest may differ from the interest rates and repayment terms of the lender's retained portion of the loan, but the authority's interest rate must not exceed four percent.

(b) Standards for loan amortization shall be set by the rural finance authority not to exceed ten years.

(c) Loans under this program must not be included in the lifetime limitation calculated under section 41B.03, subdivision 1.

(d) Security for the disaster recovery loans must be a personal note executed by the borrower and whatever other security is required by the eligible lender or the authority.

(e) The authority may impose a reasonable nonrefundable application fee for a disaster recovery loan. The authority may review the fee annually and make adjustments as necessary. The application fee is initially \$50. Application fees received by the authority must be deposited in the disaster recovery revolving fund.

(f) Disaster recovery loans under this program will be made using money in the disaster recovery revolving fund established under subdivision 2.

Sec. 33. Minnesota Statutes 1997 Supplement, section 168.16, is amended to read:

168.16 REFUNDS; APPROPRIATION.

After the tax upon any motor vehicle shall have been paid for any year, refund shall be made for errors made in computing the tax or fees and for the error on the part of an owner who may in error have registered a motor vehicle that was not before, nor at the time of registration, nor at any time thereafter during the current past year, subject to tax in this state as provided by section 168.012. Unless otherwise provided in this chapter, a claim for a refund of an overpayment of registration tax must be filed within 3-1/2 years from the date of payment. The refundment shall be made from any fund in possession of the registrar and shall be deducted from the registrar's monthly report to the commissioner of finance. A detailed report of the refundment shall accompany the report. The former owner of a transferred vehicle by an assignment in writing endorsed upon the registration certificate and delivered to the registrar within the time provided herein may sell and assign to the new owner thereof the right to have the tax paid by the former owner credited to the owner who duly registers the vehicle. Any owner at the time of such occurrence, whose vehicle is declared by an insurance company to be a total loss due to flood or tornado damage, permanently destroyed, or sold to the federal government, the state, or political subdivision thereof, and any owner who sells a rental motor vehicle and transfers the license plates issued to that motor vehicle under section 168.15, subdivision 3,

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shall upon filing a verified claim be entitled to a refund of the unused portion of the tax paid upon the vehicle, computed as follows:

(1) if the vehicle is registered under the calendar year system of registration, the refund is computed pro rata by the month, 1/12 of the annual tax paid for each month of the year remaining after the month in which the plates and certificate were returned to the registrar;

(2) in the case of a vehicle registered under the monthly series system of registration, the amount of the refund is equal to the sum of the amounts of the license fee attributable to those months remaining in the licensing period after the month in which the plates and certificate were returned to the registrar.

There is hereby appropriated to the persons entitled to a refund, from the fund or account in the state treasury to which the money was credited, an amount sufficient to make the refund and payment. Refunds under this section to licensed motor vehicle lessors must be made annually in a manner the registrar determines.

Sec. 34. Minnesota Statutes 1996, section 268.38, is amended by adding a subdivision to read:

Subd. 13. AUTHORITY TO WAIVE REQUIREMENTS DURING DISASTER PERIODS. The commissioner may waive requirements under this section for up to nine months after the disaster for grantees in areas where a federal disaster has been declared under United States Code, title 42, section 5121, et seq., or the governor has exercised authority under chapter 12. The commissioner shall notify the chairs of the senate family and early childhood education budget division, the senate education finance committee, the house family and early childhood education finance division, the house education committee, and the house ways and means committee ten days before the effective date of any waiver granted under this section.

Sec. 35. Minnesota Statutes 1997 Supplement, section 273.124, subdivision 14, is amended to read:

Subd. 14. AGRICULTURAL HOMESTEADS; SPECIAL PROVISIONS. (a) Real estate of less than ten acres that is the homestead of its owner must be classified as class 2a under section 273.13, subdivision 23, paragraph (a), if:

(1) the parcel on which the house is located is contiguous on at least two sides to (i) agricultural land, (ii) land owned or administered by the United States Fish and Wildlife Service, or (iii) land administered by the department of natural resources on which in lieu taxes are paid under sections 477A.11 to 477A.14;

(2) its owner also owns a noncontiguous parcel of agricultural land that is at least 20 acres;

(3) the noncontiguous land is located not farther than two townships or cities, or a combination of townships or cities from the homestead; and

(4) the agricultural use value of the noncontiguous land and farm buildings is equal to at least 50 percent of the market value of the house, garage, and one acre of land.

Homesteads initially classified as class 2a under the provisions of this paragraph shall remain classified as class 2a, irrespective of subsequent changes in the use of ad-

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joining properties, as long as the homestead remains under the same ownership, the owner owns a noncontiguous parcel of agricultural land that is at least 20 acres, and the agricultural use value qualifies under clause (4).

(b) Except as provided in paragraph (d), noncontiguous land shall be included as part of a homestead under section 273.13, subdivision 23, paragraph (a), only if the homestead is classified as class 2a and the detached land is located in the same township or city, or not farther than two townships or cities or combination thereof from the homestead.

(c) Agricultural land used for purposes of a homestead and actively farmed by a person holding a vested remainder interest in it must be classified as a homestead under section 273.13, subdivision 23, paragraph (a). If agricultural land is classified class 2a, any other dwellings on the land used for purposes of a homestead by persons holding vested remainder interests who are actively engaged in farming the property, and up to one acre of the land surrounding each homestead and reasonably necessary for the use of the dwelling as a home, must also be assessed class 2a.

(d) Agricultural land and buildings that were class 2a homestead property under section 273.13, subdivision 23, paragraph (a), for the 1997 assessment shall remain classified as agricultural homesteads for subsequent assessments if:

(1) the property owner abandoned the homestead dwelling located on the agricultural homestead as a result of the April 1997 floods;

(2) the property is located in the county of Polk, Clay, Kittson, Marshall, Norman, or Wilkin;

(3) the agricultural land and buildings remain under the same ownership for the current assessment year as existed for the 1997 assessment year;

(4) the dwelling occupied by the owner is located in Minnesota and is within 30 miles of one of the parcels of agricultural land that is owned by the taxpayer; and

(5) the owner notifies the county assessor that the relocation was due to the 1997 floods, and the owner furnishes the assessor any information deemed necessary by the assessor in verifying the change in homestead dwelling. For taxes payable in 1998, the owner must notify the assessor by December 1, 1997.

(e) Agricultural land and buildings that were class 2a homestead property under section 273.13, subdivision 23, paragraph (a), for the 1998 assessment shall remain classified agricultural homesteads for subsequent assessments if:

(1) the property owner abandoned the homestead dwelling located on the agricultural homestead as a result of damage caused by a March 29, 1998, tornado;

(2) the property is located in the county of Blue Earth, Brown, Cottonwood, LeSueur, Nicollet, Nobles, or Rice;

(3) the agricultural land and buildings remain under the same ownership for the current assessment year as existed for the 1998 assessment year;

(4) the dwelling occupied by the owner is located in this state and is within 50 miles of one of the parcels of agricultural land that is owned by the taxpayer; and

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(5) the owner notifies the county assessor that the relocation was due to a March 29, 1998, tornado, and the owner furnishes the assessor any information deemed necessary by the assessor in verifying the change in homestead dwelling. For taxes payable in 1999, the owner must notify the assessor by December 1, 1998. Further notifications to the assessor are not required if the property continues to meet all the requirements in this paragraph and any dwellings on the agricultural land remain uninhabited.

Sec. 36. Laws 1997, chapter 203, article 1, section 15, as added by Laws 1997, First Special Session chapter 5, section 46, is amended to read:

Sec. 15. [119B.26] AUTHORITY TO WAIVE REQUIREMENTS DURING DISASTER PERIODS.

The commissioner of children, families, and learning may waive requirements under Minnesota Statutes, chapter 119B, for up to nine months after the disaster in areas where a federal disaster has been declared under United States Code, title 42, section 5121, et seq., or the governor has exercised authority under chapter 12. The commissioner shall notify the chairs of the senate family and early childhood education budget division, the senate education finance committee, the house family and early childhood education finance division, the house education committee, and the house ways and means committee ten days before the effective date of any waiver granted under this section.

Sec. 37. Laws 1997, chapter 203, article 1, section 17, as added by Laws 1997, First Special Session chapter 5, section 46, is amended to read:

Sec. 17. [268.9165] AUTHORITY TO WAIVE REQUIREMENTS DURING DISASTER PERIODS.

The commissioner of children, families, and learning may waive requirements under Minnesota Statutes, sections 268.912 to 268.916, for up to nine months after the disaster for Head Start grantees in areas where a federal disaster has been declared under United States Code, title 42, section 5121, et seq., or the governor has exercised authority under chapter 12. The commissioner shall notify the chairs of the senate family and early childhood education budget division, the senate education finance committee, the house family and early childhood education finance division, the house education committee, and the house ways and means committee ten days before the effective date of any waiver granted under this section.

Sec. 38. TORNADO DAMAGES; STATE EMPLOYEE VACATION DONATION.

Subdivision 1. DONATION OF VACATION TIME. A state employee may donate up to 40 hours of accrued vacation time, in addition to that donated under Minnesota Statutes, section 43A.181, in the biennium ending June 30, 1999, to the account established by subdivision 2. The employee must notify the employee's agency head of the amount of accrued vacation time the employee wishes to donate. Vacation donations of more than 12 hours require the approval of the agency head. The agency head shall determine the monetary value of the donated time, using the gross salary of the employee making the donation. The agency head shall transfer that amount, less deductions for applicable taxes and retirement contributions, to the account established by subdivision 2. A donation of accrued vacation time is irrevocable once its monetary value has been transferred to the account.

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Subd. 2. TORNADO DISASTER BENEFIT ACCOUNT. The tornado disaster benefit account, consisting of money transferred under subdivision 1, is administered by the commissioner of employee relations. Money in the account is appropriated to the commissioner for purposes of this section.

Subd. 3. USE OF ACCOUNT ASSETS. Expenditures from the account established by subdivision 2 must be used to assist needy families and individuals affected by the tornadoes occurring on March 29, 1998. The commissioner must consult with charitable organizations and collective bargaining units in targeting the money appropriately.

Subd. 4. RECOVERY LEAVE BANK. In the biennium ending June 30, 1999, a state employee may donate up to 12 hours of accrued vacation time to a recovery leave bank administered by the commissioner of employee relations. This donation is in addition to those permitted in subdivision 1 and Minnesota Statutes, sections 43A.181 and 43A.1815. The recovery leave bank is for the use of state employees who have been adversely affected by the tornadoes occurring on March 29, 1998. The donating employee must notify the employee's agency head of the amount of accrued vacation time the employee wishes to donate to the recovery leave bank. A donation of accrued vacation time is irrevocable after the donor signs a donation request form. The agency head must transfer that vacation time to the recovery leave bank. The commissioner must establish procedures for determining eligibility for receiving the time donated to the recovery leave bank and other issues related to the administration of this program. These procedures must be established after consulting with the exclusive representatives of affected employees and are not subject to the provisions of Minnesota Statutes, chapter 14. The commissioner must distribute all hours remaining in the recovery leave bank at the end of the biennium to the sick leave balances of those employees eligible to receive donated time under the provisions of Minnesota Statutes, section 43A.1815.

Sec. 39. DELAY OF FINANCIAL REPORT FILING; DISASTER AREAS.

For any city or town located in whole or in part within a county that has been designated by the Federal Emergency Management Agency as eligible for federal aid due to the tornadoes of March 29, 1998, the deadline by which financial reports are required to be filed under Minnesota Statutes, section 471.697 or 471.698, is extended by 90 days.

Sec. 40. VICTIMS OF TORNADO; EXTENSIONS OF TIME RELATING TO TAXES.

Subdivision 1. INCOME TAX EXTENSION. The limitations of time provided by Minnesota Statutes, chapters 289 and 290, relating to income taxes, and Minnesota Statutes, chapter 271, relating to the tax court, for filing income tax returns, paying income taxes, claiming income tax refunds, commencing actions relating to income taxes, appealing to the tax court from orders relating to income taxes, and appealing to the supreme court from decisions of the tax court relating to income taxes are extended until May 30, 1998, for individuals who are residents in an area designated by the Federal Emergency Management Agency pursuant to a disaster declaration issued for the tornadoes of March 29, 1998.

Subd. 2. INTEREST AND PENALTIES. Interest on income tax must not be assessed or collected from an individual with respect to whom, and for the period during which, the limitations of time are extended as provided in subdivision 1. A penalty is not

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assessed or collected from an individual for failure during that period to perform an act required by the laws described in subdivision 1.

Subd. 3. ABATEMENT. The commissioner of revenue shall abate penalties and interest on withholding taxes and declarations under Minnesota Statutes, section 290.92, and on sales taxes deposits and returns under Minnesota Statutes, chapters 289A and 297B, for failure to pay amounts or file returns due between April 1, 1998, and May 30, 1998, if:

(1) the taxpayer qualifies under subdivision 1; and

(2) the taxpayer files all required returns and declarations and pays all tax amounts due by May 30, 1998.

Subd. 4. APPLICABILITY. Nothing in this section reduces the time within which an act is required or permitted under Minnesota Statutes, chapter 271, 289A, 290, 297A, or 297B.

Sec. 41. REPEALER.

Laws 1997, chapter 203, article 1, section 16, as added by Laws 1997, First Special Session chapter 5, section 46, is repealed.

Sec. 42. EFFECTIVE DATE.

Except as otherwise provided in this act, this act is effective the day after its final enactment.

Presented to the governor April 9, 1998

Signed by the governor April 9, 1998, 6:45 p.m.

CHAPTER 384—S.F.No. 3297

An act relating to appropriations; appropriating money for higher education and related purposes to the higher education services office, the board of trustees of the Minnesota state colleges and universities, and the board of regents of the University of Minnesota, with certain conditions; amending Minnesota Statutes 1996, sections 136A.101, subdivision 7b; and 136F.46, subdivision 1; Minnesota Statutes 1997 Supplement, sections 41D.03, subdivision 4; and 136A.121, subdivision 5; Laws 1996, chapter 366, section 6, as amended; Laws 1997, chapter 183, articles 1, section 2, subdivision 6; and 2, section 19; repealing Minnesota Statute 1996, section 137.01.

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

Section 1. HIGHER EDUCATION APPROPRIATIONS.

The sums in the columns headed "APPROPRIATIONS" are appropriated from the general fund, or another named fund, to the agencies and for the purposes specified to be available for the fiscal years indicated for each purpose.

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