

involving murder, manslaughter, aggravated assault, aggravated robbery, kidnapping, aggravated rape, prostitution, bribery, perjury, escape from custody, theft, receiving stolen property, embezzlement, burglary, forgery, aggravated forgery, gambling, and offenses relating to controlled substances, or an attempt or conspiracy to commit any such offense or said offenses, as punishable under sections 609.185, 609.19, 609.195, 609.20, 609.225, 609.245, 609.25, 609.291, 609.32, subdivisions 1, 2, and 3, 609.42, 609.48, 609.485, subdivision 4, clause (1), 609.52, 609.53, 609.54, 609.58, 609.625, 609.63, 609.76, 609.825, and chapter 152.

Sec. 2. This act is effective on the day following its final enactment.

Approved April 13, 1976.

## CHAPTER 254—H.F.No.1137

[Coded in Part]

*An act relating to housing; increasing range of eligibility for assistance from housing finance agency; proscribing agency powers; authorizing the making of loans; promoting the economical construction of housing; providing for a report of legislative auditor; establishing a debt service account; establishing revolving loan funds; appropriating money; amending Minnesota Statutes 1974, Sections 462A.03, Subdivision 13; 462A.04, Subdivision 1; 462A.05, Subdivisions 2, 14, 15, and by adding a subdivision; 462A.07, Subdivision 13, and by adding subdivisions; 462A.21, by adding subdivisions; 462A.22, Subdivision 9; and Chapter 462A, by adding a section.*

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

Section 1. Minnesota Statutes 1974, Section 462A.03, Subdivision 13, is amended to read:

Subd. 13. **HOUSING FINANCE; ELIGIBILITY FOR ASSISTANCE.** "Eligible mortgagor" means a nonprofit corporation ~~or~~, limited profit entity or a builder, as the same are defined by the agency in its rules, which sponsors or constructs residential housing as defined in subdivision 7, or a natural person of low or moderate income, except that the return to a limited dividend ~~entry entity~~ shall not exceed ~~eight-six~~ percent of the capital contribution of the investors or such lesser percentage as the agency shall establish in its rules. Owners of existing residential housing occupied by renters shall be eligible for rehabilitation loans, only if, as a condition to the issuance of the loan, the owner agrees to conditions established by the agency in its rules relating to rental or other matters that will insure that the housing will be occupied by persons and families of low or moderate income. The agency shall require by rules that the owner give preference to those persons

Changes or additions indicated by underline deletions by ~~strikeout~~

of low or moderate income who occupied the residential housing at the time of application for the loan.

Sec. 2. Minnesota Statutes 1974, Section 462A.04, Subdivision 1, is amended to read:

**462A.04 HOUSING FINANCE AGENCY.** Subdivision 1. There is created a public body corporate and politic to be known as the "Minnesota Housing Finance Agency - " , which shall perform the governmental functions and exercise the sovereign powers delegated to it in chapter 462A in furtherance of the public policies and purposes declared in section 462A.02. The agency shall consist of the state planning director, state auditor, and five public members appointed by the governor with advice and consent of the senate for terms of four years commencing on the dates their predecessors' terms expire; provided, that the first public members appointed by the governor shall serve terms as designated by the governor expiring on January 1, 1973, 1974, 1975, 1976, and 1977, respectively. No more than two public members shall reside in the area of jurisdiction of the metropolitan council as provided in section 483B.02, subdivision 1, and no more than one public member shall reside in any one of the development regions established under the provisions of sections 462.381 to 462.396. Each member shall hold office until his successor has been appointed and has qualified. A certificate of appointment or reappointment of any member shall be conclusive evidence of the due and proper appointment of the member.

Sec. 3. Minnesota Statutes 1974, Section 462A.05, Subdivision 2, is amended to read:

Subd. 2. It may make or participate in the making of eligible construction loans to sponsors or builders of residential housing for occupancy by persons or families of low and moderate income. Such loans shall be made only upon determination by the agency that construction loans are not otherwise available, wholly or in part, from private lenders upon equivalent terms and conditions.

Sec. 4. Minnesota Statutes 1974, Section 462A.05, Subdivision 14, is amended to read:

Subd. 14. It may agree to purchase, make, or otherwise participate in the making, and may enter into commitments for the purchase, making, or participation in the making, of eligible loans for rehabilitation to persons and families of low and moderate income, and to ~~sponsors~~ owners of existing residential housing for occupancy by such persons and families, for the rehabilitation of existing residential housing owned by them. Such loans may be insured or uninsured and may be made with such security, or may be unsecured, as the agency deems advisable. They may be made in amounts sufficient to refinance existing indebtedness secured by the property, if such refinancing is determined by the agency to be necessary to permit the owner to meet his

Changes or additions indicated by underline deletions by ~~strikeout~~

housing cost without expending an unreasonable portion of his income thereon. No loan for rehabilitation shall be made unless the agency determines that such loan will be used primarily to make the housing more desirable to live in, to increase the market value of the housing ~~or~~, for compliance with state, county or municipal building, housing maintenance, fire, health or similar codes and ~~standards~~ standards applicable to housing, or to accomplish energy conservation related improvements. In unincorporated areas and municipalities not having such codes and standards, the agency may, solely for the purpose of administering the provisions of ~~Laws 1974, Chapter 441~~ chapter 462A, establish such codes and standards. No loan for rehabilitation of any property shall be made in an amount which, with all other existing indebtedness secured by the property, would exceed its market value, as determined by the agency. No loan for rehabilitation of owner occupied residential housing shall be denied solely because the loan will not be used for placing such residential housing in full compliance with all state, county or municipal building, housing maintenance, fire, health or similar codes and standards applicable to housing. Rehabilitation loans shall be made only when the agency determines that financing is not otherwise available, in whole or in part, from private lenders upon equivalent terms and conditions.

Sec. 5. Minnesota Statutes 1974, Section 462A.05, Subdivision 15, is amended to read:

Subd. 15. It may make grants to persons and families of low and moderate income to pay or to assist in paying a loan made pursuant to subdivision 14, or to rehabilitate or to assist in rehabilitating existing residential housing owned or occupied by such persons or families. For the purposes of this section, persons of low and moderate income include administrators appointed pursuant to section 566.25, clause (c). No such grant shall be made unless the agency determines that such grant will be used primarily to make the housing more desirable to live in, to increase the market value of the housing or for compliance with state, county or municipal building, housing maintenance, fire, health or similar codes and standards applicable to housing, or to accomplish energy conservation related improvements. In unincorporated areas and municipalities not having such codes and standards, the agency may, solely for the purpose of administering this provision, establish such codes and standards. No grant for rehabilitation of owner occupied residential housing shall be denied solely because the grant will not be used for placing such residential housing in full compliance with all state, county or municipal building, housing maintenance, fire, health or similar codes and standards applicable to housing. The amount of any such grant shall not exceed the lesser of (a) \$5,000, or (b) the actual cost of the work performed, or (c) that portion of the cost of rehabilitation which the agency determines cannot otherwise be paid by such person or family without spending an unreasonable portion of the income of such person or family thereon. In making such grants, the agency shall determine the circumstances under which and the terms and conditions under which all or any portion thereof will be

Changes or additions indicated by underline deletions by ~~strikeout~~

repaid and shall determine the appropriate security should such repayment be required.

The agency may also make grants to rehabilitate or to assist in rehabilitating housing under this subdivision to persons of low and moderate income for the purpose of qualifying as foster parents.

Sec. 6. Minnesota Statutes 1974, Section 462A.05, is amended by adding a subdivision to read:

Subd. 17. The agency may make conventional loans, as defined in and in accordance with the conditions and limitations prescribed in section 47.20, but without the necessity that such conventional loans and purchases of obligations representing conventional loans be eligible for purchase by the federal national mortgage association or the federal home loan mortgage corporation as authorized by and defined by the emergency home finance act of 1970, as amended.

Sec. 7. Minnesota Statutes 1974, Section 462A.07, is amended by adding a subdivision to read:

Subd. 9a. In the exercise of the powers granted to it under chapter 462A, it shall promulgate rules as may be necessary to encourage counties and municipalities to promote the economical construction of housing units for persons and families of low and moderate income.

Sec. 8. Minnesota Statutes 1974, Section 462A.07, Subdivision 13, is amended to read:

Subd. 13. It may engage in the development and administration of low rent housing, but only if (1) the federal government provides assistance in connection with such housing pursuant to 42 U.S.C. 1401 - 1435; and (2) the applicable county or municipal government body or reservation housing authority has requested the agency to engage in such development and administration. For the purpose of this subdivision, the terms "development", "administration", and "low rent housing" shall have the meanings set forth in 42 U.S.C. 1401 - 1435, as in effect on April 11, 1974. In the allocation of federal housing assistance funds provided pursuant to this subdivision, the agency shall give priority to programs which increase opportunities for low cost residential housing on or adjacent to the Indian reservations of this state. It may engage or assist in the development and operation of low income housing if the federal government provides assistance in connection with the housing and the development and operation is in conformity with the applicable provisions of federal laws and regulations. The agency shall determine whether the applicable federal laws governing use of such funds permit a portion thereof to be used for residential housing for native Americans within the state.

Sec. 9. Minnesota Statutes 1974, Section 462A.07, is amended by adding a subdivision to read:

Changes or additions indicated by underline deletions by ~~strikeout~~

Subd. 14. It may engage in housing programs for low and moderate income native Americans, 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 native Americans 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 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 sections 10 and 11 of this act. All such programs must provide for a reasonable balance in the distribution of funds appropriated for the purpose of this section between native Americans 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 16 of this act and to insure compliance with the provisions of this section and chapter 462A, 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 native Americans, 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 section 462A.07, subdivision 12, and section 10 of this act. The agency may provide or cause to be provided essential general technical services as set forth in section 462A.07, subdivision 2, and general consultative project assistance services, including, but not limited to, management training, and home ownership counseling as set forth in section 462A.07, subdivision

Changes or additions indicated by underline deletions by ~~strikeout~~

3. Rules promulgated under this subdivision may be promulgated as emergency rules under chapter 15.

Sec. 10. Minnesota Statutes 1974, Section 462A.21, is amended by adding a subdivision to read:

Subd. 4b. It may establish loan funds and may make eligible loans from them, at rates of interest and with security as the agency deems advisable, if each loan is determined by the agency to be necessary to permit the occupant of residential housing financed wholly or in part by any such loan to meet his housing costs without expending an unreasonable portion of his income on them.

Sec. 11. Minnesota Statutes 1974, Section 462A.21, is amended by adding a subdivision to read:

Subd. 4c. It may establish a revolving loan fund and may make eligible loans, pursuant to section 10 of this act, to low and moderate income native Americans as provided in section 9 of this act and may pay the costs and expenses necessary and incidental to the development and operation of such programs.

Sec. 12. Minnesota Statutes 1974, Section 462A.21, is amended by adding a subdivision to read:

Subd. 7. The agency may make loans to low and moderate income persons who own existing residential housing for the purpose of improving the efficient energy utilization of the housing. Permitted improvements shall include installation or upgrading of ceiling, wall, floor and duct insulation, storm windows and doors, and caulking and weatherstripping. The improvements shall not be inconsistent with the energy standards as promulgated as part of the state building code, provided that the improvements need not bring the housing into full compliance with the energy standards. Any loan for such purpose shall be made only upon determination by the agency that such loan is not otherwise available, wholly or in part, from private lenders upon equivalent terms and conditions. The agency may promulgate rules as necessary to implement and make specific the provisions of this subdivision. The rules shall be designed to permit the state, to the extent not inconsistent with chapter 462A, to seek federal grants or loans for energy purposes.

Sec. 13. Minnesota Statutes 1974, Section 462A.22, Subdivision 9, is amended to read:

Subd. 9. The agency shall also submit a biennial report of its activities, projected activities, receipts, and expenditures for the next biennium, to the governor and the legislature on or before January 15 in each odd-numbered year.

Sec. 14. Minnesota Statutes 1974, Chapter 462A, is amended by

Changes or additions indicated by underline deletions by ~~strikeout~~

adding a section to read:

**[462A.235] DUTIES OF COMMISSIONER OF BANKS.** The commissioner of banks shall strongly encourage all financial institutions organized under chapter 47 to cooperate with the Minnesota housing finance agency to effectuate the purposes of the Minnesota housing finance agency law of 1971, as amended.

Sec. 15. The legislative auditor shall study and report to the legislative audit commission and the Minnesota housing finance agency no later than March 1, 1977, on the performance, management and operations of the agency. The report of the legislative auditor may include recommendations for statutory amendments or changes in agency operations, and shall include discussions of such matters as funding for agency operations, transfer and investment of agency money, and security for agency loans. The legislative auditor shall consult with and receive the assistance of the commissioners of finance and administration, the executive secretary of the state investment board and the executive director of the agency.

Sec. 16. **[462A.26] APPROPRIATIONS.** Subdivision 1. The sum of \$34,200,000 is appropriated from the general fund in the state treasury to the housing development fund under the jurisdiction of the Minnesota housing finance agency to be used for the purposes identified in Minnesota Statutes, Section 462A.21, Subdivision 4a, and in sections 10, 11 and 12 of this act and for the administrative costs and expenses related to these purposes. Not more than five percent of the amounts allocated in (a) and (c) below may be used for such administrative costs and expenses. The amounts determined by the agency to be used for each of those purposes shall not exceed:

(a) \$21,000,000 for making rehabilitation grants and low interest rehabilitation loans to persons and families of low and moderate income, of which \$6,000,000 shall be used for the purpose of improving the energy efficiency of dwellings, and of which \$6,000,000 shall be used for the purpose of making loans and grants to owners of residential housing who are senior citizens or owners of residential housing occupied by senior citizens, as determined by the agency. Up to \$9,000,000 of this appropriation may be used for making rehabilitation grants.

Grants made under terms of this appropriation shall contain a requirement that the grant be recovered by the agency in accordance with the following schedule:

(1) If the property is sold, transferred, or otherwise conveyed within the first year after receipt of a grant, the recipient shall repay the full amount of the grant;

(2) If the property is sold, transferred, or otherwise conveyed within the second year after receipt of a grant, the recipient shall re-

Changes or additions indicated by underline deletions by ~~strikeout~~

pay 80 percent of the amount of the grant;

(3) If the property is sold, transferred, or otherwise conveyed within the third year after receipt of a grant, the recipient shall repay 60 percent of the amount of the grant;

(4) If the property is sold, transferred, or otherwise conveyed within the fourth year after receipt of a grant, the recipient shall repay 40 percent of the amount of the grant;

(5) If the property is sold, transferred, or otherwise conveyed within the fifth year after receipt of a grant, the recipient shall repay 20 percent of the amount of the grant; or

(6) If the property is sold, transferred, or otherwise conveyed within the sixth year after receipt of the grant, or thereafter, there shall be no repayment requirement;

(b) \$5,000,000 for the purpose of establishing a revolving loan fund for the development of housing for occupancy by native Americans as described in sections 9 and 11 of this act, and for the payment of costs and expenses necessary and incidental to such programs provided, however, that 64 percent of said appropriations shall be used in the development and operation of housing programs by the Minnesota Chippewa tribe; 30 percent of such appropriations shall be used in the development and operation of housing programs by the Red Lake band; six percent of such appropriations shall be used in the development and operation of housing programs by the Sioux communities;

(c) \$5,000,000 for establishing a revolving loan fund for financing low income purchasers of low cost basic homes;

(d) \$3,000,000 for deposit in a debt service account to be allocated by the agency in the manner specified in this clause as security for bonds or notes to be issued by the agency to provide loans for single and multi-family housing for persons and families of low and moderate income or refunding bonds or notes issued for such purpose. In connection with each issuance of bonds or notes for this purpose, the agency shall determine the amount, if any, of the account which shall be transferred to any fund or account required to be established by the agency under terms of any bond resolution or indenture to provide additional security for such bonds or notes;

(e) \$150,000 to engage in research, design, coordination, and marketing of alternative housing delivery systems for senior citizens;

(f) \$50,000 to research the potential for utilization of resources provided in Minnesota Statutes, Chapter 462A for the development, purchase or rehabilitation of mobile homes and other alternative housing delivery systems.

Changes or additions indicated by underline deletions by ~~strikeout~~

Notwithstanding the provisions of Minnesota Statutes, Section 16A.28, or any other law relating to lapse of an appropriation, the appropriation made by this subdivision shall not lapse but shall continue until fully expended. Earnings from investments of any of the amounts appropriated by this subdivision shall be appropriated to the agency to be used for the same purposes as the respective original appropriations in this subdivision.

Subd. 2. The sum of \$100,000 is appropriated from the general fund in the state treasury to the legislative auditor to be used for the purposes identified in section 15 of this act. Any unexpended balance remaining in the first year shall not cancel but shall be available for the second year of the biennium.

Sec. 17. EFFECTIVE DATE. This act shall be effective the day following final enactment.

Approved April 13, 1976.

---

#### CHAPTER 255—H.F.No.1284

*An act relating to aeronautics; prescribing powers of certain political subdivisions to create joint airport zoning boards; prescribing powers of joint airport zoning boards; providing for appointment of zoning permit issuing agency and board of adjustment by metropolitan airports commission; amending Minnesota Statutes 1974, Sections 360.063, Subdivisions 1 and 3; 360.067, Subdivision 4; 360.069; and 360.071, Subdivision 2; repealing Minnesota Statutes 1974, Section 360.063, Subdivisions 2 and 5.*

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

Section 1. Minnesota Statutes 1974, Section 360.063, Subdivision 1, is amended to read:

**360.063 JOINT AIRPORT ZONING BOARDS; ZONING REGULATIONS. Subdivision 1. ENFORCEMENT UNDER POLICE POWER.** (1) In order to prevent the creation or establishment of airport hazards, every municipality having an airport hazard area within its territorial limits may, unless a joint airport zoning board is permitted under subdivision 3, adopt, amend from time to time, administer, and enforce, under the police power and in the manner and upon the conditions hereinafter prescribed, airport zoning regulations for such airport hazard area, which regulations may divide such area into zones, and, within such zones, specify the land uses permitted and regulate and restrict the height to which structures and trees may be erected or allowed to grow.

(2) For the purpose of promoting health, safety, order, conve-

Changes or additions indicated by underline deletions by ~~strikeout~~