

The approved complement of the department of health increased by one-half position for the interagency board. \$1,043,520 for fiscal year 1984 and \$603,680 for fiscal year 1985 are appropriated from the general fund to the commissioner of public welfare for the state's costs of implementing sections 1 to 19 for the biennium ending June 30, 1985. \$4,376,560 for fiscal year 1984 and \$6,176,462 for fiscal year 1985 is appropriated from the general fund for the state's costs for preadmission screening and alternative care grants. Remaining amounts necessary to fund these areas shall be obtained from federal and county sources and shall be appropriated for implementing sections 1 to 18. The approved complement of the department of public welfare is increased by five and one-half full-time positions; the one-half full-time position is for the interagency board.

Sec. 21. **EFFECTIVE DATE.**

Sections 1 to 20 are effective the day following enactment, for the moratorium and for establishing procedures for determining payment rates to become effective for the biennium beginning July 1, 1983, and thereafter. The amendments to section 256B.48, subdivision 1, apply to causes of action arising from charges made on or after the effective date of section 14.

Approved May 22, 1983

CHAPTER 200 — S.F.No. 598

An act relating to insurance premium finance companies; authorizing finance charges based on the federal discount rate; amending Minnesota Statutes 1982, sections 59A.09, subdivisions 3, 4 and 6; and 59A.12, subdivisions 1 and 4.

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

Section 1. Minnesota Statutes 1982, section 59A.09, subdivision 3, is amended to read:

Subd. 3. The finance charge shall be a maximum of \$8 per \$100 per year for amounts financed of \$300 or less and \$6 per \$100 per year on that amount financed over \$300 plus must not exceed five percent in excess of the discount rate on 90-day commercial paper in effect at the federal reserve bank located in the Ninth Federal Reserve District when an insurance premium finance agreement is made or when an additional or subsequent premium is added under an open end agreement. For expenses incurred in servicing the loan including any filing fees, application fee for the examination or investigation of the character of the borrower, comaker or security, and drawing any necessary papers in making the loan, an insurance premium finance company may contract for a flat rate

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

service fee of \$10 not exceeding the greater of one percent of the amount financed or \$20 per premium finance agreement. The flat service fee need not be refunded upon prepayment in full before maturity.

Sec. 2. Minnesota Statutes 1982, section 59A.09, subdivision 4, is amended to read:

Subd. 4. The finance charge shall be computed in advance on the principal balance of a premium finance agreement according to the actuarial method on terms payable in substantially equal successive monthly installments over a period of one year. On a premium finance agreement providing for installments extending for a period of less than or greater than one year, the finance charge shall be computed proportionately.

Sec. 3. Minnesota Statutes 1982, section 59A.09, subdivision 6, is amended to read:

Subd. 6. The maximum rate limitations of this section shall not apply to finance charges under an insurance premium finance agreement, if the rate does not exceed the maximum rate permissible under section 334.011 and the agreement was made to finance an insurance policy for business or agricultural purposes, as defined by section 334.011. The maximum rate limitations of this section shall not apply to an insurance premium finance agreement, if the insured is a corporation or cooperative. Subdivision 3 applies only to a premium finance agreement in which the related insurance contract is for personal, family, or household use. The rate charged under an agreement made to finance an insurance policy for business, agricultural, or corporate purposes shall be as agreed to by the parties to the agreement.

Sec. 4. Minnesota Statutes 1982, section 59A.12, subdivision 1, is amended to read:

Subdivision 1. Whenever a financed insurance contract is canceled, within 30 days of the effective date of cancellation the insurer shall return whatever gross unearned premiums, computed pro rata, are due under the insurance contract to the premium finance company for the account of the insured or insureds. This action by the insurer shall be deemed to satisfy satisfies the insurer's obligations under the insurance contract which relate to the return of the unearned premiums.

Sec. 5. Minnesota Statutes 1982, section 59A.12, subdivision 4, is amended to read:

Subd. 4. In the event that If the crediting of returned premiums to the account of the insured results in a surplus over the amount due from the insured, the premium finance company shall must refund such the excess to the insured within 30 days after receipt of the returned premium; provided, that but no refund shall be is required if it amounts to less than \$1.

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

Sec. 6. EFFECTIVE DATE.

This act is effective June 1, 1983.

Approved May 20, 1983

CHAPTER 201 — S.F.No. 601

An act relating to housing; modifying requirements that housing programs for urban Indians in the city of Duluth combine appropriated money with funds from other sources whenever possible; amending Minnesota Statutes 1982, section 462A.07, subdivision 15; and Laws 1978, chapter 670, section 3, subdivision 3.

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

Section 1. Minnesota Statutes 1982, 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 demonstrate 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. 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. ~~Temporary rules to implement this section may be promulgated and amended pursuant to chapter 14. The temporary rules may remain in effect until July 1, 1980.~~

Sec. 2. Laws 1978, chapter 670, section 3, subdivision 3, is amended to read:

Subd. 3. For the urban native American housing programs provided in section 1 . . . \$1,500,000. To the extent possible the agency shall combine this appropriation with proceeds of bond sales, except that interest earned on the portion of the appropriation to be expended for Indian housing programs in the city of Duluth does not have to be combined with proceeds of bond sales.

Sec. 3. **EFFECTIVE DATE.**

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