

Subd. 7. **AUTHORITY OF THE COMMISSIONER.** The commissioner is hereby authorized, subject to the provisions of chapter 14, to promulgate permanent rules and may promulgate temporary rules not inconsistent with this section as necessary to qualify for maximum federal funds to implement sections 256.72 to 256.871.

Sec. 2. Minnesota Statutes 1982, section 256.966, subdivision 2, is amended to read:

Subd. 2. **HEALTH MAINTENANCE ORGANIZATIONS.** Notwithstanding the provisions of subdivision 1, rates paid to health maintenance organizations may increase beyond eight percent. The actual rate paid per month to health maintenance organizations shall not exceed \$5 90 percent of the projected average monthly per capita fee for service payments made on behalf of eligible recipients who qualify to be members of the health maintenance organization who choose not to be members. Rates shall be calculated by the department of public welfare.

Sec. 3. Minnesota Statutes 1982, section 256B.05, is amended by adding a subdivision to read:

Subd. 4. **PRESENTATION MATERIALS.** In counties where health maintenance organizations or other prepaid health plans are under contract with the state to provide medical services, the county agency shall present all of the health care options available to recipients and shall include any audiovisual presentations or written materials provided to the county agency by the state agency. The state agency shall monitor county agency presentations.

Sec. 4. **EFFECTIVE DATE.**

Section 1 is effective the day following final enactment.

Approved April 26, 1984

CHAPTER 581 — H.F.No. 1999

An act relating to the city of Duluth; authorizing the expansion of the energy conservation program to include multifamily homes; amending Laws 1981, chapter 223, sections 2; and 6, subdivisions 2 and 3.

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

Section 1. Laws 1981, chapter 223, section 2, is amended to read:

Sec. 2. **SURVEY AND CONTRACTS WITH HOMEOWNERS;**
SCOPE OF PROGRAM.

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

Subdivision 1. SURVEYS, AUDITS AND CONTRACTS. The city may survey homes to identify those where significant energy waste exists and can be reduced by energy conservation projects including but not limited to insulation, weatherstripping, temperature controls, storm windows and doors, furnace modifications, or conversion to cheaper or more plentiful energy sources, at a capital cost recoverable within a 10 year period from energy cost savings. An energy audit to document the cost effectiveness of a full range of energy conserving measures must be performed prior to investment in such measures. It may contract with the owners of such homes to cause work and materials to be furnished for such projects by the means authorized in section 3 and subject to reimbursement in the ways contemplated in section 4.

Subd. 2. OWNER-OCCUPIED AND MULTIFAMILY HOMES. The program shall be limited to may include improvements to:

(1) "owner-occupied homes", defined as homes containing not more than four dwelling units, one occupied as a principal residence by an owner not engaged in the trade or business of rental real estate, and

(2) "multifamily homes", defined as structures or parts of structures rented from the owner and occupied as a principal residence by each renter.

Subd. 3. SERIES OF BONDS AND NOTES. Revenue bonds or notes authorized by section 5, if the proceeds are to be used for improvements to multifamily homes, shall be issued in one or more series separate from series of bonds or notes issued for improvements to owner-occupied homes.

Subd. 4. IMPROVEMENTS TO OTHER PROPERTY. Nothing herein, ~~however,~~ shall preclude the city from constructing or financing similar energy conservation improvements to other property, in any manner otherwise authorized by law or the city charter.

Sec. 2. Laws 1981, chapter 223, section 6, subdivision 2, is amended to read:

Subd. 2. STATUS AND PROCEEDS OF BONDS AND NOTES. The revenue bonds and notes authorized herein are not considered to be mortgage subsidy bonds within the meaning of section 103A of the Internal Revenue Code of 1954, as amended, or bonds issued to provide projects for residential rental property within the meaning of section 103(b)(4)(A), of said Code, which provides provide that the interest on such bonds is subject to federal income taxation unless exempted by reason of the performance of certain conditions stated in these sections; because ~~they~~ the bonds and notes are authorized for the purpose of financing improvements needed for the welfare of the city as a whole, to avoid hardship which would result from the failure of utility service within the city. The proceeds are not to be used for ~~owner financing of financing owner-occupied or multifamily home improvements generally,~~ but for financing the city's undertaking of improvements which, though situated on private premises, are

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needed to protect all the citizens, in a manner which is intended to pay the cost without thereby raising materially the level of current home energy costs of either the owners of the premises or other utility customers.

Sec. 3. Laws 1981, chapter 223, section 6, subdivision 3, is amended to read:

Subd. 3. **GENERAL POWERS.** Notwithstanding the provisions of subdivision 2, the city is authorized to do all things determined on the advice of counsel to be necessary or desirable to assure that any issue of revenue bonds or notes hereunder, if subject to section 103A or section 103(b)(4)(A) of the Internal Revenue Code of 1954, as amended, will be a qualified mortgage bond issue or will provide projects for residential rental property as described therein, ~~the interest on which through the performance of conditions necessary to assure that the interest will be and remain exempt from federal income taxation.~~ Until and unless it is determined by a clarifying amendment of section 103A of the Internal Revenue Code of 1954, as amended, or by rulings or regulations of the internal revenue service or a decision of a court of competent jurisdiction, that such issues are not mortgage subsidy bonds, the applicable limit established pursuant to section 103A of the Internal Revenue Code of 1954, as amended, upon the amount of qualified mortgage bonds which the city may issue in any calendar year, shall be \$3,000,000.

Sec. 4. **EFFECTIVE DATE.**

This act is effective upon compliance by the governing body of the city of Duluth with Minnesota Statutes, section 645.021, subdivision 3.

Approved April 26, 1984

CHAPTER 582 — H.F.No. 2186

An act relating to public finance; authorizing the levy of special assessments or service charges for fire protection and pedestrian skyway systems; providing for allocation of federal authority to issue certain state and local obligations; amending Minnesota Statutes 1982, sections 116J.58, by adding a subdivision; 273.77; 429.021, subdivision 1; 429.031, subdivision 3; 429.091, subdivision 2, and by adding a subdivision; 429.101, subdivision 1; 430.12; and 472.09, by adding a subdivision; proposing new law coded in Minnesota Statutes, chapters 458; 459; 462; 474; and 475.

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

Section 1. Minnesota Statutes 1982, section 116J.58, is amended by adding a subdivision to read:

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