

(4) the name, address, zip code, and telephone number of the supplier.

Sec. 5. Minnesota Statutes 1990, section 30.49, is amended by adding a subdivision to read:

Subd. 4a. BULK SALES. For purposes of this section, the bulk food product module labeling requirements contained in section 31.82 for cultivated or natural lake or river wild rice offered for sale at retail in bulk include the place of origin of the wild rice, and, if the wild rice is 100 percent natural lake or river wild rice and is machine harvested, the letters "machine harvested." The place of origin must be placed near the product's identity in letters of a size and form prescribed by the commissioner. The letters "machine harvested" must be placed near the product's identity in letters of a size and form prescribed by the commissioner.

Sec. 6. Minnesota Statutes 1990, section 30.49, is amended by adding a subdivision to read:

Subd. 5a. MISBRANDING RELATING TO WILD RICE GROWN IN MINNESOTA. A wild rice label that implies the wild rice is grown within the boundaries of the state of Minnesota is misbranded unless the package contains only 100 percent wild rice grown in Minnesota.

Sec. 7. Minnesota Statutes 1990, section 30.49, is amended by adding a subdivision to read:

Subd. 8. EXCEPTION. This section does not apply to cultivated or natural lake or river wild rice sold at wholesale or retail outside this state.

**Sec. 8. EFFECTIVE DATE.**

Sections 1 to 3, 5, and 6 are effective for labels affixed to packages after January 1, 1993.

Presented to the governor April 17, 1992

Signed by the governor April 24, 1992, 4:02 p.m.

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**CHAPTER 522—H.F.No. 2501**

*An act relating to housing; modifying requirements for lead education, assessment, screening and abatement; transferring rule authority from the commissioner of the pollution control agency; modifying provisions of rehabilitation loans, lease-purchase housing, and urban and rural homesteading; limiting use of emergency rules; modifying limitations on the use of bond proceeds; modifying provisions of publicly-owned transitional housing program; modifying provisions for neighborhood land trusts; regulating certain interests in contracts by public officers; increasing the debt ceiling of the Minnesota housing finance agency; removing*

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*the limitation on payment of property taxes and assessments on certain HRA property as a lawful purpose; amending Minnesota Statutes 1990, sections 462A.03, subdivision 7; 462A.05, subdivision 14a; 462A.06, subdivision 11; 462A.202, subdivision 2; and 462A.22, subdivision 1; Minnesota Statutes 1991 Supplement, sections 462A.05, subdivision 36; 462A.073, subdivision 2; and 462A.30, subdivisions 6 and 9; repealing Minnesota Statutes 1990, section 462A.057, subdivisions 2, 3, 4, 5, 6, 7, 8, 9, and 10; and Laws 1991, chapter 292, article 9, section 35.*

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

Section 1. Minnesota Statutes 1991 Supplement, section 144.871, subdivision 2, is amended to read:

Subd. 2. **ABATEMENT.** "Abatement" means removal of, replacement of, or encapsulation of deteriorated paint, bare soil, dust, drinking water, or other materials that are or may become readily accessible during the abatement process and pose an immediate threat of actual lead exposure to people. ~~The abatement rules to be adopted under section 144.878, subdivision 2, shall apply as described in section 144.874.~~

Sec. 2. Minnesota Statutes 1990, section 144.871, subdivision 3, is amended to read:

Subd. 3. **ABATEMENT CONTRACTOR.** "Abatement contractor" means any person hired by a property owner or resident to perform abatement of a lead source in violation of standards under section 144.878.

Sec. 3. Minnesota Statutes 1990, section 144.871, subdivision 6, is amended to read:

Subd. 6. **ELEVATED BLOOD LEAD LEVEL.** "Elevated blood lead level" in a child no more than six years old or in a pregnant woman means at least 25 micrograms of lead per deciliter of whole blood a blood lead level that exceeds the federal Centers for Disease Control guidelines for preventing lead poisoning in young children, unless the commissioner finds that a lower concentration is necessary to protect public health.

Sec. 4. Minnesota Statutes 1990, section 144.871, is amended by adding a subdivision to read:

**Subd. 7a. HIGH RISK FOR TOXIC LEAD EXPOSURE.** "High risk for toxic lead exposure" means either:

(1) that elevated blood lead levels have been diagnosed in a population of children or pregnant women;

(2) without blood lead data, that a population of children or pregnant women resides in:

(i) a census tract with many residential structures known to have or suspected of having deteriorated paint; or

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(ii) a census tract with a median soil lead concentration greater than 100 parts per million for any sample collected according to Minnesota Rules, part 4761.0400, subpart 8, and rules adopted under section 144.878; or

(3) the priorities adopted by the commissioner under section 144.878, subdivision 2, shall apply to this subdivision.

Sec. 5. Minnesota Statutes 1990, section 144.871, is amended by adding a subdivision to read:

**Subd. 7b. PRIMARY PREVENTION FOR TOXIC LEAD EXPOSURE.** “Primary prevention for toxic lead exposure” means performance of swab team services, encapsulation, and removal and replacement abatement, including lead cleanup and health education, before children develop elevated blood lead levels.

Sec. 6. Minnesota Statutes 1990, section 144.871, subdivision 8, is amended to read:

Subd. 8. **SAFE HOUSING.** “Safe housing” means a residence that does not violate have deteriorating paint, bare soil, lead dust, and which does not violate any of the standards adopted according to section 144.878; subdivision 2.

Sec. 7. Minnesota Statutes 1990, section 144.871, is amended by adding a subdivision to read:

**Subd. 9. SWAB TEAM.** “Swab team” means a person or persons who implement in-place management of lead exposure sources, which includes:

(1) covering or replacing bare soil that has a lead concentration of 100 parts per million, and establishing safe exterior play and garden areas;

(2) removing loose paint and paint chips and installing guards to protect intact paint;

(3) removing lead dust by washing, vacuuming, and cleaning the interior of residential property including carpets; and

(4) other means, including cleanup and health education, that immediately protect children who engage in mouthing or pica behavior from lead sources.

Sec. 8. Minnesota Statutes 1990, section 144.872, subdivision 1, is amended to read:

Subdivision 1. **PROACTIVE LEAD EDUCATION STRATEGY.** ~~For fiscal years 1990 and 1991, The commissioner shall, within available federal or state appropriations, contract with boards of health in communities at high risk for toxic lead exposure to children; lead advocacy organizations; and businesses to design and implement a uniform, proactive educational program to introduce sections 144.871 to 144.878 and to promote the prevention of exposure to all sources of lead to target populations. Priority shall be given to providing to~~

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assure, at the time of a home assessment or following an abatement order, that a family will receive visits by public health nurses and community-based advocates specifically trained in lead cleanup and the health-related aspects of lead exposure in their residence periodically throughout the abatement process or until the child's blood lead level is no longer elevated. The purpose of the home visit is to provide information about safety measures, community resources, legal resources related to the abatement process, housing resources, nutrition, health follow-up materials, and methods to be followed before, during, and after the abatement process. If a family moves to a new residence temporarily, during the abatement process, services should be provided at the temporary residence whenever feasible. Boards of health are encouraged to link the service with other home visits a family may be receiving and to use neighborhood-based programs which give priority to hiring neighborhood residents as community-based advocates. Ongoing education that includes health and lead cleanup information and the lead laws and rules shall be provided to health care and social service providers, registered licensed abatement contractors, other contractors, building trades professionals and nonprofessionals, property owners, and parents. Educational materials shall be multilingual and multicultural to meet the needs of diverse populations. The commissioner shall create and administer a program to fund locally based advocates who, following the issuance of an abatement order, shall visit the family in their residence to instruct them about safety measures, materials, and methods to be followed before, during, and after the abatement process; either conduct or contract with nonprofit organizations or businesses, for a proactive lead education program to serve communities at high risk for toxic lead exposure to children in which a board of health does not have a contract with the commissioner for a proactive lead education strategy.

Sec. 9. Minnesota Statutes 1990, section 144.872, subdivision 2, is amended to read:

Subd. 2. **HOME ASSESSMENTS.** The commissioner shall, within available federal or state appropriations, contract with boards of health, who may determine priority for responding to cases of elevated blood lead levels, to conduct assessments to determine sources of lead contamination in the residences of children and pregnant women whose blood lead levels exceed 25 are at least ten micrograms per deciliter and of children whose blood lead levels are at least 20 micrograms per deciliter or whose blood lead levels persist in the range of 15 to 19 micrograms per deciliter for 90 days after initial identification to the board of health or the commissioner. Assessments must be conducted within five working days of the board of health receiving notice that the criteria in this subdivision have been met. The commissioner or boards of health must identify the known addresses for the previous 12 months of the child or pregnant woman with elevated blood lead levels and notify the property owners at those addresses. The commissioner may also collect information on the race, sex, and family income of children and pregnant women with elevated blood lead levels. Within the limits of appropriations, a board of health shall conduct home assessments for children and pregnant women whose confirmed blood lead levels are in the range of ten to 19 micrograms per deciliter. The commissioner shall also

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provide educational materials on all sources of lead to boards of health to provide education on ways of reducing the danger of lead contamination. The commissioner may provide laboratory or field lead testing equipment to a board of health or may reimburse a board of health for direct costs associated with assessments.

Sec. 10. Minnesota Statutes 1990, section 144.872, subdivision 3, is amended to read:

Subd. 3. **SAFE HOUSING.** The commissioner shall contract with boards of health for safe housing to be used in meeting relocation requirements in section 144.874, subdivision 4. The commissioner shall, within available federal or state appropriations, award grants to boards of health for the purposes of paying housing costs under section 144.874, subdivision 4.

Sec. 11. Minnesota Statutes 1990, section 144.872, subdivision 4, is amended to read:

Subd. 4. **PAINT REMOVAL LEAD CLEANUP EQUIPMENT AND MATERIAL GRANTS.** ~~State matching~~ Within the limits of available state or federal appropriations, funds shall be made available ~~for~~ under a grant program to nonprofit community-based organizations in areas at high risk for toxic lead exposure. Grantees shall use the money to purchase and provide paint removal lead cleanup equipment and educational materials, and to pay for training for staff and volunteers for lead abatement certification. Grantees may work with licensed lead abatement contractors and certified trainers to meet the requirements of this program. Equipment shall include: high efficiency particle accumulator and wet vacuum cleaners, drop cloths, secure containers, respirators, scrapers, ~~and~~ dust and particle containment material, and other cleanup and containment materials to patch loose paint and plaster, control household dust, wax floors, clean carpets and sidewalks, and cover bare soil. Upon certification, the grantees may make equipment and educational materials available to residents and property owners and instruct them on the proper use. Equipment shall be made available to low-income households on a priority basis.

Sec. 12. Minnesota Statutes 1991 Supplement, section 144.873, subdivision 1, is amended to read:

Subdivision 1. **REPORT REQUIRED.** Medical laboratories performing blood lead analyses must report to the commissioner ~~confirmed~~ finger stick and venipuncture blood lead results of at least five micrograms per deciliter and the method used to obtain these results. Boards of health must report to the commissioner the results of analyses from residential samples of paint, bare soil, dust, and drinking water ~~that show lead in concentrations greater than or equal to the lead standards adopted by permanent rule under section 144.878.~~ The commissioner shall require the date of the test, and the current address and birthdate of the patient, and other related information from medical laboratories and boards of health as may be needed to monitor and evaluate blood lead levels in the public; ~~including the date of the test and the address of the patient.~~

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Sec. 13. Minnesota Statutes 1990, section 144.873, subdivision 2, is amended to read:

Subd. 2. **TEST OF CHILDREN IN HIGH RISK AREAS.** Within limits of available state and federal appropriations, the commissioner shall promote and subsidize a blood lead test of all children under six years of age who live in the all areas of high risk areas of Minneapolis, St. Paul, and Duluth for toxic lead exposure that are currently known or subsequently identified. Within the limits of available appropriations, the commissioner shall conduct surveys, especially soil assessments larger than a residence, as defined by the commissioner, in greater Minnesota communities where a case of elevated blood lead levels has been reported.

Sec. 14. Minnesota Statutes 1990, section 144.873, subdivision 3, is amended to read:

Subd. 3. **STATEWIDE LEAD SCREENING.** Statewide lead screening by erythrocyte protoporphyrin test blood lead assays in conjunction with routine blood tests analyzed by atomic absorption equipment or other equipment with equivalent or better accuracy shall be advocated by boards of health.

Sec. 15. Minnesota Statutes 1991 Supplement, section 144.874, subdivision 1, is amended to read:

Subdivision 1. **RESIDENCE ASSESSMENT.** (a) A board of health must conduct a timely assessment of a residence, within five working days of receiving notification that the criteria in this subdivision have been met, to determine sources of lead exposure if:

(1) a pregnant woman in the residence is identified as having a blood lead level of at least ten micrograms of lead per deciliter of whole blood; or

(2) a child in the residence is identified as having ~~an elevated a~~ blood lead level at or above 20 micrograms per deciliter; or

(3) a blood lead level that persists in the range of 15 to 19 micrograms per deciliter for 90 days after initial identification.

Within the limits of available state and federal appropriations, a board of health shall also conduct home assessments for children whose confirmed blood lead levels are in the range of ten to 19 micrograms per deciliter. If a child regularly spends several hours per day at another residence, such as a residential child care facility, the board of health must also assess the other residence.

(b) The board of health must conduct the residential assessment according to rules adopted by the commissioner according to section 144.878.

Sec. 16. Minnesota Statutes 1991 Supplement, section 144.874, subdivision 2, is amended to read:

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Subd. 2. **RESIDENTIAL LEAD ASSESSMENT GUIDE.** (a) The commissioner of health shall develop or purchase a residential lead assessment guide that enables parents to assess the possible lead sources present and that suggests actions. The guide must provide information on safe abatement and disposal methods, sources of equipment, and telephone numbers for additional information to enable the persons to either perform the abatement or to intelligently select an abatement contractor. In addition, the guide must:

(1) meet the requirements of Minnesota laws and rules;

(2) be understandable at an eighth grade reading level;

(3) include information on all necessary safety precautions for all lead source cleanup; and

(4) be the best available educational material.

(b) A board of health must provide the residential lead assessment guide to:

(1) parents of children who are identified as having blood lead levels of at least ten micrograms per deciliter; and

(2) property owners and occupants who are issued housing code orders requiring disruption of lead sources.

(c) A board of health must provide the residential lead assessment guide on request to owners or tenants of residential property within the jurisdiction of the board of health.

Sec. 17. Minnesota Statutes 1991 Supplement, section 144.874, subdivision 3, is amended to read:

Subd. 3. **ABATEMENT ORDERS.** A board of health must order a property owner to perform abatement on a lead source that exceeds a standard adopted according to section 144.878 at the residence of a child with an elevated blood lead level or a pregnant woman with a blood lead level of at least ten micrograms per deciliter. Abatement orders must require that any source of damage, such as leaking roofs, plumbing, and windows, must be repaired or replaced, as needed, to prevent damage to lead-containing interior surfaces. With each abatement order, the board of health must provide a residential lead abatement guide. ~~The guide must be developed or purchased by the commissioner and must provide information on safe abatement and disposal methods, sources of equipment, and telephone numbers for additional information to enable the property owner to either perform the abatement or to intelligently select an abatement contractor.~~

Sec. 18. Minnesota Statutes 1990, section 144.874, subdivision 4, is amended to read:

Subd. 4. **RELOCATION OF RESIDENTS.** A board of health must ensure

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that residents are relocated from rooms or dwellings during abatement that generates leaded dust, such as removal or disruption of lead-based paint or plaster that contains lead. Residents must be allowed to return to the residence or dwelling after completion of abatement. A board of health shall use grant funds under section 144.872, subdivision 3, in cooperation with local housing agencies, to pay for moving costs for any low income resident temporarily relocated during lead abatement, not to exceed \$250 per household.

Sec. 19. Minnesota Statutes 1991 Supplement, section 144.874, subdivision 12, is amended to read:

Subd. 12. **ENFORCEMENT AND STATUS REPORT.** The commissioner shall examine compliance with Minnesota's existing lead standards and rules and report to the legislature ~~by January 15, 1992, or~~ biennially, beginning February 15, 1993, including an evaluation of current levels of compliance lead program activities by the state and boards of health, the need for any additional enforcement procedures, recommendations on developing a method to enforce compliance with lead standards and cost estimates for any proposed enforcement procedure. The report must also include a geographic analysis of all blood lead assays showing incidence data and environmental analyses reported or collected by the commissioner.

Sec. 20. Minnesota Statutes 1990, section 144.876, is amended to read:

**144.876 REGISTRATION AND LICENSING OF ABATEMENT CONTRACTORS AND CERTIFICATION OF EMPLOYEES.**

**Subdivision 1. LICENSING AND CERTIFICATION.** Abatement contractors must ~~register with,~~ within 180 days after rules are adopted under section 144.878, subdivision 5, obtain a license from the commissioner according to forms and procedures prescribed by the commissioner. Employees of abatement contractors must obtain certification from the commissioner. The commissioner shall specify training and testing requirements for licensure and certification and shall charge a fee for the cost of issuing a license or certificate and for training provided by the commissioner. The commissioner shall provide the contractor with a written violation notice, and may revoke the license of an abatement contractor, or the certificate of an employee, upon finding that the contractor or employee has violated the rules adopted under section 144.878 in a manner that poses unreasonable risk to public health.

Fees collected under this subdivision must be set in amounts to be determined by the commissioner to cover but not exceed the costs of adopting rules under section 144.878, subdivision 5, the costs of licensure, certification, and training, and the costs of enforcing licenses and certificates under this subdivision. All fees received must be paid into the state treasury and credited to the lead abatement licensing and certification account and are appropriated to the commissioner to cover costs incurred under this subdivision and section 144.878, subdivision 5.

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Subd. 2. LICENSED BUILDING CONTRACTOR; INFORMATION. The commissioner shall provide health and safety information on lead abatement to all residential building contractors licensed under section 326.84. The information must include material on ways to protect the health and safety of both employees working on lead contaminated structures and residents of lead contaminated structures.

Subd. 3. UNLICENSED ABATEMENT CONTRACTORS. Contractors may not advertise or otherwise present themselves as abatement contractors unless they have abatement licenses issued by the department of health under rules adopted under section 144.878, subdivision 5.

Sec. 21. Minnesota Statutes 1990, section 144.878, subdivision 2, is amended to read:

Subd. 2. LEAD STANDARDS AND ABATEMENT METHODS. (a) By January 31, 1991, The commissioner shall adopt rules establishing standards and abatement methods for lead in paint, dust, and drinking water in a manner that protects public health and the environment for all residences, including residences also used for a commercial purpose. The commissioner shall adopt priorities for providing abatement services to areas defined to be at high risk for toxic lead exposure. In adopting priorities, the commission shall consider the number of children and pregnant women diagnosed with elevated blood lead levels and the median concentration of lead in the soil. The commissioner shall give priority to: areas having the largest population of children and pregnant women having elevated blood lead levels; areas with the highest median soil lead concentration; and areas where it has been determined that there are large numbers of residences that have deteriorating paint. The commissioner shall differentiate between intact paint and deteriorating paint. The commissioner and political subdivisions shall require abatement of intact paint only if the commissioner or political subdivision finds that intact paint is ~~accessible to children as a chewable or lead-dust producing surface and~~ that is a known source of actual lead exposure ~~to a specific person~~. In adopting rules under this subdivision, the commissioner shall require the best available technology for abatement methods, paint stabilization, and repainting.

(b) By January 31, 1991, The commissioner of the pollution control agency health shall adopt standards and abatement methods for lead in bare soil on playgrounds and residential property in a manner to protect public health and the environment.

(c) By January 31, 1991, The commissioner of the pollution control agency shall adopt rules to ensure that removal of exterior lead-based coatings from residential property by abrasive blasting methods is and disposal of any hazardous waste are conducted in a manner that protects public health and the environment.

(d) All standards adopted under this subdivision must provide adequate margins of safety that are consistent with a detailed review of scientific evidence

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and an emphasis on overprotection rather than underprotection when the scientific evidence is ambiguous. The rules must apply to any individual performing or ordering the performance of lead abatement.

Sec. 22. Minnesota Statutes 1990, section 144.878, is amended by adding a subdivision to read:

**Subd. 5. LEAD ABATEMENT CONTRACTORS AND EMPLOYEES.** The commissioner shall adopt rules to license abatement contractors; to certify employees of lead abatement contractors who perform abatement; and to certify lead abatement trainers who provide lead abatement training for contractors, employees, or other lead abatement trainers. The rules must include standards and procedures for on-the-job training for swab teams. All lead abatement training must include a hands-on component and instruction on the health effects of lead exposure, the use of personal protective equipment, workplace hazards and safety problems, abatement methods and work practices, decontamination procedures, cleanup and waste disposal procedures, lead monitoring and testing methods, and legal rights and responsibilities. At least 30 days before publishing initial notice of proposed rules under this subdivision on the licensing of lead abatement contractors, the commissioner shall submit the rules to the chairs of the health and human services committees in the house of representatives and the senate, and to any legislative committee on licensing created by the legislature.

Sec. 23. Minnesota Statutes 1991 Supplement, section 326.87, subdivision 1, is amended to read:

Subdivision 1. **STANDARDS.** The commissioner, in consultation with the council, may adopt standards for continuing education requirements and course approval. Except for the course content, the standards must be consistent with the standards established for real estate agents and other professions licensed by the department of commerce. At a minimum, the content of one hour of any required continuing education must contain information on lead abatement rules and safe lead abatement procedures.

Sec. 24. Minnesota Statutes 1990, section 462A.03, subdivision 7, is amended to read:

Subd. 7. "Residential housing" means a specific work or improvement within this state undertaken primarily to provide residential care facilities for mentally ill, mentally retarded, physically handicapped, and drug dependent persons licensed or potentially eligible for licensure under rules promulgated by the commissioner of human services, or to provide dwelling accommodations or manufactured home parks for persons and families of low and moderate income and for other persons and families when determined to be necessary in furtherance of the policy of economic integration stated in section 462A.02, subdivision 6, including land development and the acquisition, construction or rehabilitation of buildings and improvements thereto, for residential housing, and such other nonhousing facilities as may be incidental or appurtenant thereto.

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Sec. 25. Minnesota Statutes 1990, section 462A.05, subdivision 14a, is amended to read:

Subd. 14a. It may make loans to persons and families of low and moderate income to rehabilitate or to assist in rehabilitating existing residential housing owned and occupied by those persons or families. No loan shall be made unless the agency determines that the loan will be used primarily for rehabilitation work necessary for health or safety, essential accessibility improvements, or to improve the energy efficiency of the dwelling. No loan for rehabilitation of owner occupied residential housing shall be denied solely because the loan will not be used for placing the 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 loan shall not exceed the lesser of (a) \$9,000, 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 the person or family without the expenditure of an unreasonable portion of the income of the person or family. Loans made in whole or in part with federal funds may exceed the maximum loan amount to the extent necessary to comply with federal lead abatement requirements prescribed by the funding source. In making loans, the agency shall determine the circumstances under which and the terms and conditions under which all or any portion of the loan will be repaid and shall determine the appropriate security for the repayment of the loan. Loans pursuant to this subdivision may be made with or without interest or periodic payments. No loan under this subdivision shall be denied solely on the basis of the inability of the applicant to make periodic loan payments. Loans made without interest or periodic payments need not be repaid by the borrower if the property for which the loan is made has not been sold, transferred, or otherwise conveyed nor has it ceased to be the principal place of residence of the borrower, within ten years after the date of the loan.

Sec. 26. Minnesota Statutes 1991 Supplement, section 462A.05, subdivision 20a, is amended to read:

Subd. 20a. **SPECIAL NEEDS HOUSING FOR CHEMICALLY DEPENDENT ADULTS.** (a) The agency may make loans or grants to for-profit, limited-dividend, or nonprofit sponsors, as defined by the agency, for residential housing to be used to provide ~~temporary or transitional~~ housing to low- and moderate-income persons ~~and families having an immediate need for temporary or transitional housing as a result of natural disaster, resettlement, condemnation, displacement, lack of habitable housing, or other cause defined by the agency who~~ are chronic chemically dependent adults.

(b) ~~Loans or grants for housing for chronic chemically dependent adults may be made under this subdivision.~~ Housing for chronic chemically dependent adults must satisfy the following conditions:

(1) be certified by the department of health or (1) the city as a board and lodging facility or single residence occupancy housing;

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- (2) meet all applicable health, building, fire safety, and zoning requirements;
- (3) be located in an area significantly distant from the present location of county detoxification service sites;
- (4) make available the services of trained personnel to appraise each client before or upon admission and to provide information about medical, job training, and chemical dependency services as necessary;
- (5) provide on-site security designed to assure the health and safety of clients, staff, and neighborhood residents; and
- (6) operate with the guidance of a neighborhood-based board.

Priority for loans and grants made under this paragraph must be given to proposals that address the needs of the Native American population and veterans of military services for this type of housing.

(c) Loans or grants pursuant to this subdivision must not be used for facilities that provide housing available for occupancy on less than a 24-hour continuous basis. To the extent possible, a sponsor shall combine the loan or grant with other funds obtained from public and private sources. In making loans or grants, the agency shall determine the circumstances, terms, and conditions under which all or any portion of the loan or grant will be repaid and the appropriate security should repayment be required.

Sec. 27. Minnesota Statutes 1991 Supplement, section 462A.05, subdivision 36, is amended to read:

Subd. 36. **LEASE-PURCHASE HOUSING.** The agency may make grants or loans to nonprofit organizations, local government units, Indian tribes, and Indian tribal organizations to finance the acquisition, improvement, rehabilitation, and lease-purchase of existing housing for persons of low and moderate income. A person or family is eligible to participate in a lease-purchase agreement if the person's or family's income does not exceed 60 percent of the greater of (1) state median income, or (2) area or county median income. The lease agreement must provide for a portion of the lease payment to be escrowed as a down payment on the housing. A property containing two or fewer dwelling units is eligible for financing under the lease-purchase housing program. A loan made under this subdivision must be repaid to the agency upon sale of the housing. ~~The agency may only make grants or loans under this subdivision from funds specifically appropriated by the legislature for that purpose.~~

Sec. 28. Minnesota Statutes 1991 Supplement, section 462A.05, subdivision 37, is amended to read:

Subd. 37. **BLIGHTED RESIDENTIAL PROPERTY ACQUISITION AND REHABILITATION; NEIGHBORHOOD LAND TRUST.** The agency may make grants to cities for the purpose of acquisition and demolition of blighted residential property and gap financing for the rehabilitation of blighted

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residential property or construction of new housing on the property. Gap financing is financing for the difference between the cost of the improvement of the blighted property, including acquisition, demolition, rehabilitation, and construction, and the market value of the property upon sale. Grants under this section must be used for households with income less than or equal to the county or area median income as determined by the United States Department of Housing and Urban Development. Cities may use the grants to establish revolving loan funds and provide loans and grants to eligible mortgagors for the acquisition, demolition, redevelopment, and rehabilitation of blighted residential property located in a neighborhood designated by the city for neighborhood preservation. The city may determine the terms and conditions of the loans and grants. ~~The agency may make grants or loans to nonprofit organizations for the purpose of organizing or funding neighborhood land trust projects. The projects must assure the long-term affordability of neighborhood housing by maintaining ownership of the land through a neighborhood land trust.~~

Sec. 29. Minnesota Statutes 1990, section 462A.05, is amended by adding a subdivision to read:

Subd. 38. NEIGHBORHOOD LAND TRUSTS. The agency may make loans with or without interest for the purpose of funding neighborhood land trusts under sections 462A.30 and 462A.31 from monies other than state general obligation bond proceeds. To assure the long-term affordability of housing provided by the neighborhood land trust, the neighborhood land trust must own the land acquired in whole or in part with a loan from the agency under this section under terms and conditions determined by the agency. The agency may convert the loan to a grant under circumstances approved by the agency.

Sec. 30. Minnesota Statutes 1990, section 462A.06, subdivision 11, is amended to read:

Subd. 11. It may make and publish rules pursuant to chapter 14 respecting its mortgage lending, construction lending, rehabilitation lending, grants, and temporary lending, and any such other rules as are necessary to effectuate its corporate purpose, and may adopt emergency rules to implement demonstration programs using bond proceeds for the financing of residential housing.

Sec. 31. Minnesota Statutes 1991 Supplement, section 462A.073, subdivision 2, is amended to read:

Subd. 2. **LIMITATION; ORIGINATION PERIOD.** During the first ten months of an origination period, the agency may make loans financed with proceeds of mortgage bonds for the purchase of existing housing. Loans financed with the proceeds of mortgage bonds for new housing in the metropolitan area may be made during the first ten months of an origination period only if at least one of the following conditions is met:

- (1) the new housing is located in a redevelopment area;

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(2) the new housing is replacing a structurally substandard structure or structures; ~~or~~

(3) the new housing is part of a housing affordability initiative, other than those financed with the proceeds from the sale of bonds, in which federal, state, or local assistance is used to substantially improve the terms of the financing or to substantially write down the purchase price of the new housing; or

(4) the new housing is accessible housing and the borrower or a member of the borrower's family is a person with a disability. For the purposes of this clause, "accessible housing" means a dwelling unit with the modifications necessary to enable a person with a disability to function in a residential setting. "A person with a disability" means a person who has a permanent physical condition which is not correctable and which substantially reduces the person's ability to function in a residential setting. A person with a physical condition which does not require the use of a device to increase mobility must be deemed a person with a disability upon written certification of a licensed physician that the physical condition substantially limits the person's ability to function in a residential setting.

Upon expiration of the first ten-month period, the agency may make loans financed with the proceeds of mortgage bonds for the purchase of new and existing housing.

Sec. 32. Minnesota Statutes 1990, section 462A.202, subdivision 1, is amended to read:

Subdivision 1. **ACCOUNT.** The local government unit housing account is established as a separate account in the housing development fund. Money in the account is appropriated to the agency for loans to cities for the purposes specified in this section. The agency must take steps to ensure distribution of the funds around the state.

Sec. 33. Minnesota Statutes 1990, section 462A.202, subdivision 2, is amended to read:

Subd. 2. **TRANSITIONAL HOUSING.** The agency may make loans ~~or grants with or without interest to local government units~~ cities to finance the acquisition, improvement, and rehabilitation of existing housing properties or the acquisition, site improvement, and development of new properties for the purposes of providing transitional housing, upon terms and conditions the agency determines. Preference must be given to ~~local government units~~ cities that propose to acquire properties being sold by the resolution trust corporation or the department of housing and urban development. ~~The local government unit may contract with a nonprofit or for-profit organization to manage the property and to operate a transitional housing program on the property on behalf of the local government unit, on terms and conditions approved by the agency. The local government unit shall retain ownership of the property for at least 20 years. After 20 years, the sale of a property before the expiration of its~~

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useful life must be at its fair market value, and the net proceeds of sale must be used for the same purpose or repaid to the agency for deposit in the local government unit housing account. Loans under this subdivision are subject to the restrictions in subdivision 7.

Sec. 34. Minnesota Statutes 1990, section 462A.202, is amended by adding a subdivision to read:

Subd. 6. NEIGHBORHOOD LAND TRUSTS. The agency may make loans with or without interest to cities to finance the capital costs of a land trust project undertaken pursuant to sections 462A.30 and 462A.31. Loans under this subdivision are subject to the restrictions in subdivision 7.

Sec. 35. Minnesota Statutes 1990, section 462A.202, is amended by adding a subdivision to read:

Subd. 7. RESTRICTIONS. (a) Except as provided in paragraphs (b), (c), and (d), the city must own the property financed with a loan under this section and use the property for the purposes specified in this section:

(1) the city may sell the property at its fair market value provided it repays the lesser of the net proceeds of the sale or the amount of the loan balance to the agency for deposit in the local government unit housing account; or

(2) the city may use the property for a different purpose provided that the city repays the amount of the original loan.

If the city owns and uses the property for the purposes specified in this section for a 20-year period, the agency shall forgive the loan.

(b) In cases where the property consists of land only, including land on which buildings acquired with a loan under this section are demolished by the city, the city may lease the property for a term not to exceed 99 years to a nonprofit corporation to use for the purposes specified in this section.

(c) In cases where the property consists of land and buildings, the city may do the following:

(1) demolish the buildings in whole or in part and use or lease the property under paragraph (b);

(2) sell the buildings to a nonprofit corporation to use for the purposes specified in this section. If sold, the city must sell the buildings for fair market value and repay the proceeds of the sale to the agency for deposit in the local government unit housing account;

(3) lease the buildings to a nonprofit corporation to use for the purposes specified in this section. If leased, except as provided in paragraph (d), the annual rental must equal the amount of the loan attributable to the cost of the buildings, divided by the number of years of useful life of the buildings as deter-

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mined in accordance with generally accepted accounting principles. For purposes of determining the required rental, the purchase price of land and buildings must be allocated between them based on standard valuation procedures; or

(4) contract with a nonprofit organization to manage the property.

(d) A city may lease a building to a nonprofit organization for a nominal amount under the following conditions:

(1) the lease does not exceed ten years;

(2) the city must have the option to cancel the lease with or without cause at the end of any three-year period; and

(3) the city must determine annually that the property is being used for the purposes specified in this section and that the terms of the lease, including any income limits for residents, are being met.

Sec. 36. Minnesota Statutes 1990, section 462A.22, subdivision 1, is amended to read:

Subdivision 1. The aggregate principal amount of bonds and notes which are outstanding at any time, excluding the principal amount of any bonds and notes refunded by the issuance of new bonds or notes, shall not exceed the sum of ~~\$1,990,000,000~~ \$2,400,000,000.

Sec. 37. Minnesota Statutes 1991 Supplement, section 462A.30, subdivision 6, is amended to read:

Subd. 6. **LIMITED EQUITY FORMULA.** "Limited equity formula" means a method, ~~to be determined by rule adopted~~ approved by the agency, for calculation of the limited equity price, designed to maintain the affordability of the housing and the public subsidy.

Sec. 38. Minnesota Statutes 1991 Supplement, section 462A.30, subdivision 8, is amended to read:

Subd. 8. **NEIGHBORHOOD LAND TRUST.** "Neighborhood land trust" means a city or a nonprofit corporation organized under chapter 317A that complies with section 462A.31 and that qualifies for tax exempt status under United States Code, title 26, section 501(c)(3), and that meets all other criteria for neighborhood land ~~trust trusts~~ trusts set by the agency.

Sec. 39. Minnesota Statutes 1991 Supplement, section 462A.30, subdivision 9, is amended to read:

Subd. 9. **PERSONS AND FAMILIES OF LOW AND MODERATE INCOME.** "Persons and families of low and moderate income" ~~has the meaning specified in section 462A.03, subdivision 10~~ means persons or families whose income does not exceed 80 percent of the greater of (1) state median income, or

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(2) area or county median income as determined by the department of housing and urban development.

Sec. 40. Minnesota Statutes 1991 Supplement, section 462A.31, is amended by adding a subdivision to read:

Subd. 6. CITY LAND TRUST. A city may by resolution determine to act as a neighborhood land trust with the powers and duties described in subdivisions 1 to 5.

Sec. 41. Minnesota Statutes 1991 Supplement, section 462A.31, is amended by adding a subdivision to read:

Subd. 7. RECORDING OF GROUND LEASE. Any ground lease held by a neighborhood land trust shall include the legal description of the real property subject to the ground lease and shall be recorded with the county recorder or filed with the registrar of titles in the county in which the real property subject to the ground lease is located.

Sec. 42. Minnesota Statutes 1990, section 471.88, is amended by adding a subdivision to read:

Subd. 14. HOUSING AND REDEVELOPMENT AUTHORITY. When a county or multicounty housing and redevelopment authority administers a loan or grant program for individual residential property owners within the geographical boundaries of a government unit by an agreement entered into by the government unit and the housing and redevelopment authority, an officer of the government unit may apply for a loan or grant from the housing and redevelopment authority. If an officer applies for a loan or grant, the officer must disclose as part of the official minutes of a public meeting of the governmental unit that the officer has applied for a loan or grant.

Sec. 43. Minnesota Statutes 1990, section 471.88, is amended by adding a subdivision to read:

Subd. 15. FRANCHISE AGREEMENT. When a home rule charter or statutory city and a utility enter into a franchise agreement or a contract for the provision of utility services to the city, a city council member who is an employee of the utility is not precluded from continuing to serve as a city council member during the term of the franchise agreement or contract if the council member abstains from voting on any official action relating to the franchise agreement or contract and discloses the member's reason for the abstention in the official minutes of the council meeting.

Sec. 44. EXEMPTION.

Notwithstanding Minnesota Statutes, sections 462A.073, subdivision 2, and 462C.071, subdivision 2, the Minnesota housing finance agency and a city may make loans financed with the proceeds of mortgage bonds for new housing in the metropolitan area after the first one-third of an origination period if all of the

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other conditions specified under Minnesota Statutes, sections 462A.073, subdivision 2, and 462C.071, subdivision 2, are met. For the purposes of this section, "city" has the meaning given in Minnesota Statutes, section 462C.02, subdivision 6.

**Sec. 45. [144.879] ALLOCATION OF FEDERAL LEAD ABATEMENT FUNDS.**

To the extent practicable under federal guidelines, the commissioner of health shall coordinate with the commissioner of housing finance so that at least 50 percent of federal lead abatement funds are allocated for swab teams as defined in section 144.871, subdivision 9. Priority for funding swab teams shall be given to contractors who hire residents from neighborhoods where the contractor is providing lead abatement services.

To the extent practicable under federal guidelines, the commissioner of health may use federal funding for local boards of health for lead screening, lead assessment, and lead abatement only to the extent that the federal funds do not replace existing funding for these lead services.

**Sec. 46. PROPERTY TAXES AND SPECIAL ASSESSMENTS; HRA AGREEMENT.**

If before August 1, 1990, a housing and redevelopment authority has entered into an agreement with the owner to improve the property in the redevelopment area, all property taxes and special assessments payable to the political subdivisions on that property in the redevelopment area are not subject to the limitation in Laws 1991, chapter 336, article 2, section 11, clause (9).

**Sec. 47. REVISOR INSTRUCTION.**

In Minnesota Statutes and Minnesota Rules, the revisor shall recodify Minnesota Statutes, section 116.53, subdivision 2, as part of Minnesota Statutes, chapter 144, and shall change the terms "commissioner of the pollution control agency," "pollution control agency," and similar terms to "commissioner of health," "department of health," and similar terms.

**Sec. 48. REPEALER.**

Minnesota Statutes 1990, sections 116.51; 116.52; 116.53, subdivision 1; 144.878, subdivision 4; 462A.057, subdivisions 2, 3, 4, 5, 6, 7, 8, 9, and 10; and 462A.202, subdivisions 3, 4, and 5; and Laws 1991, chapter 292, article 9, section 35, are repealed. Section 44 expires June 30, 1992.

**Sec. 49. EFFECTIVE DATE.**

Sections 24 to 44 and 48, except for the repeal of Minnesota Statutes, sections 116.51; 116.52; 116.53, subdivision 1; and 144.878, subdivision 4, are effective the day following final enactment. Section 44 applies to bonds with an origination period that began on or after October 1, 1991.

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Presented to the governor April 17, 1992

Signed by the governor April 29, 1992, 4:04 p.m.

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**CHAPTER 523—H.F.No. 2250**

*An act relating to public safety officer's survivor benefits; altering a definition; providing a claim filing limitation; amending Minnesota Statutes 1990, section 299A.41, subdivisions 3 and 4; proposing coding for new law in Minnesota Statutes, chapter 299A.*

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

Section 1. Minnesota Statutes 1990, section 299A.41, subdivision 3, is amended to read:

Subd. 3. **KILLED IN THE LINE OF DUTY.** "Killed in the line of duty" does not include deaths from natural causes. In the case of a peace officer, "killed in the line of duty" includes the death of an officer caused by accidental means while the peace officer is acting in the course and scope of duties as a peace officer.

Sec. 2. Minnesota Statutes 1990, section 299A.41, subdivision 4, is amended to read:

Subd. 4. **PUBLIC SAFETY OFFICER.** "Public safety officer" includes:

(1) a peace officer defined in section 626.84, subdivision 1, paragraph (c) or (f);

(2) a correction officer employed at a correctional facility and charged with maintaining the safety, security, discipline, and custody of inmates at the facility;

(3) a firefighter employed on a full-time basis by the state or by a fire department of a governmental subdivision of the state, who is engaged in the hazards of firefighting;

(4) a legally enrolled member of a volunteer fire department or member of an independent nonprofit firefighting corporation who is engaged in the hazards of firefighting;

(5) a good samaritan while complying with the request or direction of a public safety officer to assist the officer;

(6) a reserve police officer or a reserve deputy sheriff while acting under the supervision and authority of a political subdivision;

(7) a driver or attendant with a licensed basic or advanced life support transportation service who is engaged in providing emergency care; and

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