Subd. 2. **ABANDONMENT OF OPTION B.** When option B is abandoned, the offices of clerk or treasurer, or the office of clerk-treasurer under option D, shall be filled conditionally at that election. The ballot shall indicate that the successful candidate shall take office only if the option is abandoned at the election.

Sec. 5. Minnesota Statutes 2002, section 367.36, subdivision 1, is amended to read:

Subdivision 1. **TRANSITION; AUDIT.** In a town in which option D is adopted, the incumbent treasurer shall continue in office until the expiration of the term. Thereafter, or at any time a vacancy other than a temporary vacancy under section 367.03 occurs in the position, the duties of the treasurer prescribed by law shall be performed by the clerk who shall be referred to as the clerk-treasurer. If option D is adopted at an election in which the treasurer is also elected, the election of the treasurer's position is void. If the offices of clerk and treasurer are combined and the town's annual revenue is more than $100,000, the town board shall provide for an annual audit of the town's financial affairs by the state auditor or a public accountant in accordance with minimum audit procedures prescribed by the state auditor. If the offices of clerk and treasurer are combined and the town's annual revenue is $100,000 or less, the town board shall provide for an audit of the town's financial affairs by the state auditor or a public accountant in accordance with minimum audit procedures prescribed by the state auditor at least once every five years, which audit shall be for a one-year period to be determined at random by the person conducting the audit. Upon completion of an audit by a public accountant, the public accountant shall forward a copy of the audit to the state auditor. For purposes of this subdivision, "public accountant" means a certified public accountant or a certified public accounting firm licensed by the board of accountancy under chapter 326A.

Presented to the governor May 15, 2003

Signed by the governor May 19, 2003, 11:34 a.m.

CHAPTER 61—H.F.No. 1059

An act relating to housing; housing finance agency; making various clarifying, technical, and other changes to agency programs; increasing debt ceiling; extending civil service pilot project; amending Minnesota Statutes 2002, sections 462A.05, by adding a subdivision; 462A.057, subdivision 1; 462A.073, subdivision 2; 462A.21, subdivision 3a; 462A.22, subdivisions 1, 7; Laws 1993, chapter 301, section 1, subdivision 4, as amended; Laws 1995, chapter 248, article 12, section 2, as amended.

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

Section 1. Minnesota Statutes 2002, section 462A.05, is amended by adding a subdivision to read:

<u>Subd. 3b.</u> **<u>REFINANCING MORTGAGES.</u>** <u>The agency may make loans to refinance the existing indebtedness, of owners of rental property, secured by federally assisted housing for the purpose of obtaining agreement of the owner to participate in the federally assisted rental housing program and to extend any existing low-income affordability restrictions on the housing for the maximum term permitted. For purposes of this subdivision, "federally assisted rental housing" includes housing that is:</u>

<u>(1) subject to a project-based housing or rental assistance payment contract funded by the federal government;</u>

<u>(2) financed by the Rural Housing Service of the United States Department of Agriculture under section 515 of the Housing Act of 1949, as amended; or</u>

<u>(3) financed under section 236; section 221(d)(3) below market interest rate program; section 202; or section 811 of the Housing and Urban Development Act of 1968, as amended.</u>

Sec. 2. Minnesota Statutes 2002, section 462A.057, subdivision 1, is amended to read:

Subdivision 1. **ESTABLISHMENT; PURPOSE.** The agency may establish the Minnesota urban and rural homesteading program for the purpose of making grants or loans to eligible applicants to acquire, rehabilitate, <u>demolish or remove existing structures and construct new housing,</u> and sell single family residential properties ~~in need of rehabilitation~~ to home buyers committed to strengthening the neighborhood and following a good neighbor policy. <u>If the grant or loan is used for demolition or removal of existing structures, the cleared land must be used for construction of housing owned by persons who meet the income limits of this program and the demolition and new construction must be less expensive than acquisition and rehabilitation.</u>

Sec. 3. Minnesota Statutes 2002, 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;~~

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

~~(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;~~

~~(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; or~~

~~(5) the new housing is part of an effort to meet the affordable housing goals negotiated under section 473.254~~ the new housing is serviced by the regional wastewater treatment system or by a wastewater treatment system operated and maintained by a local unit of government.

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. 4. Minnesota Statutes 2002, section 462A.21, subdivision 3a, is amended to read:

Subd. 3a. **CAPACITY BUILDING REVOLVING LOAN FUND.** It may establish a revolving loan fund for predevelopment costs for nonprofit organizations and local government units engaged in the construction or rehabilitation of low- and moderate-income housing, and for the purposes specified in sections 462A.05, subdivision 5; and 462A.07, subdivisions 2, 3, 3a, 5, 5a, 6, 7, 11, and 16. The agency may delegate the authority to administer the revolving loan fund for designated areas in the state to existing nonprofit organizations. For purposes of the authority to administer the revolving loan fund under this subdivision, a nonprofit organization includes a private nonprofit corporation that is formed under laws other than the laws of this state, provided that the nonprofit corporation has an office located in this state. Nonprofit entities selected to exercise such delegated powers must have sufficient professional housing development expertise, as determined by the agency, to evaluate the economic feasibility of an applicant's proposed project. Loans to nonprofit organizations or local government units under this subdivision may be made with or without interest as determined by the agency.

Sec. 5. Minnesota Statutes 2002, section 462A.22, subdivision 1, is amended to read:

Subdivision 1. **~~UP TO $2,400,000,000 OUTSTANDING~~ DEBT CEILING.** 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 ~~$2,400,000,000~~ $3,000,000,000.

Sec. 6. Minnesota Statutes 2002, section 462A.22, subdivision 7, is amended to read:

Subd. 7. **TRANSFER OF ~~YEAR-END~~ EXCESS.** To the extent consistent with the resolutions and indentures securing outstanding bonds and notes, the agency may

New language is indicated by underline, deletions by ~~strikeout.~~

~~at the close of any fiscal year~~ periodically transfer to any other fund or account from any debt service reserve fund, any excess in that fund over the amount deemed by the agency to be reasonably necessary for the purpose of the fund.

Sec. 7. Laws 1993, chapter 301, section 1, subdivision 4, as amended by Laws 1999, chapter 47, section 1, and Laws 2001, First Special Session chapter 4, article 2, section 26, is amended to read:

Subd. 4. **WAIVER.** (a) Upon receipt of the committee report required by subdivision 3, each entity head shall submit the list of recommended waivers to the commissioner of employee relations. The commissioner shall then grant the waivers requested by each entity, effective for the requesting entity, for a period ending June 30, 1997, except the waivers granted for the Minnesota housing finance agency shall ~~extend to June 30, 2003~~ not expire, subject to the restrictions in paragraph (b) and to revision in accordance with subdivision 5. The commissioner shall waive a rule by granting a variance under Minnesota Statutes, section 14.05, subdivision 4.

(b) The commissioner may not grant a waiver if it would result in the layoff of classified employees or unclassified employees covered by a collective bargaining agreement except as provided in a plan negotiated under Minnesota Statutes, chapter 179A, that provides options to layoff for employees who would be affected. If a proposed waiver would violate the terms of a collective bargaining agreement reached under Minnesota Statutes, chapter 179A, the waiver may not be granted without the consent of the exclusive representative that is a party to the agreement.

Sec. 8. Laws 1995, chapter 248, article 12, section 2, as amended by Laws 1999, chapter 47, section 2, and Laws 2001, First Special Session chapter 4, article 2, section 27, is amended to read:

Sec. 2. **TERMINATION.**

Section 1 and the civil service pilot project in the housing finance agency as authorized by Laws 1993, chapter 301, ~~terminate June 30, 2003, or at any earlier time~~ as amended, terminate by a method agreed upon by the commissioners of employee relations and housing finance and the affected exclusive bargaining representative of state employees.

Sec. 9. **EFFECTIVE DATE.**

Sections 7 and 8 are effective July 1, 2003.

Presented to the governor May 15, 2003

Signed by the governor May 19, 2003, 11:33 a.m.

CHAPTER 62—S.F.No. 418

An act relating to occupations and professions; removing the restriction of prescribing only topical legend drugs by board certified optometrists; requiring that legend drugs be used as

New language is indicated by underline, deletions by ~~strikeout.~~