

CHAPTER 654—S.F.No. 1462

An act relating to housing; creating a low-income housing trust fund account; providing for the uses of the account; placing certain requirements on real estate trust fund accounts; amending Minnesota Statutes 1986, sections 82.24, by adding a subdivision; and 82.34, subdivisions 6 and 15; Minnesota Statutes 1987 Supplement, section 82.17, subdivision 6; proposing coding for new law in Minnesota Statutes, chapter 462A.

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

Section 1. Minnesota Statutes 1987 Supplement, section 82.17, subdivision 6, is amended to read:

Subd. 6. "Trust account" means, for purposes of this chapter, a savings account, negotiable order of withdrawal account, demand deposit or checking account maintained for the purpose of segregating trust funds from other funds. A trust account ~~shall not~~ must be an interest bearing account ~~except by agreement of the parties and subject to rules of the commissioner, paying the highest current passbook savings account rate of interest and shall~~ must not allow the financial institution a right of set off against money owed it by the licensee.

Sec. 2. Minnesota Statutes 1986, section 82.24, is amended by adding a subdivision to read:

Subd. 8. ACCRUED INTEREST. (a) Each broker shall maintain a pooled interest-bearing trust account for deposit of client funds. The interest accruing on the trust account, less reasonable transaction costs, must be paid to the state treasurer for deposit in the housing trust fund account created under section 5 unless otherwise specified pursuant to an expressed written agreement between the parties to a transaction.

(b) For an account created under paragraph (a), each broker shall direct the financial institution to:

(1) pay the interest, less reasonable transaction costs, computed in accordance with the financial institution's standard accounting practice, at least quarterly, to the state treasurer; and

(2) send a statement to the state treasurer showing the name of the broker for whom the payment is made, the rate of interest applied, the amount of service charges deducted, and the account balance for the period in which the report is made.

The state treasurer shall credit the amount collected under this subdivision to the housing trust fund account established in section 5.

Sec. 3. Minnesota Statutes 1986, section 82.34, subdivision 6, is amended to read:

Subd. 6. The commissioner may expend money as appropriated for the following purposes:

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

(a) To promote the advancement of education and research in the field of real estate for the benefit of those licensed under this chapter;

(b) To underwrite educational seminars and other forms of educational projects for the benefit of real estate licensees;

(c) To establish a real estate chair or courses at Minnesota state institutions of higher learning for the purpose of making such courses available to licensees and the general public;

(d) To contract for a particular educational or research project in the field of real estate to further the purposes of this chapter;

(e) To pay the costs of the real estate advisory council established under section 82.30; ~~and~~

(f) To pay any reasonable costs and disbursements, excluding attorney's fees, incurred in defending actions against the real estate education, research and recovery fund including the cost of mailing or publication of notice pursuant to subdivisions 12 and 14; and

(g) To provide information to the public on housing issues, including but not limited to, environmental safety and housing affordability.

Sec. 4. Minnesota Statutes 1986, section 82.34, subdivision 15, is amended to read:

Subd. 15. Any sums received by the commissioner pursuant to any provisions of this section shall be deposited in the state treasury, and credited to the real estate education, research and recovery fund, and said sums shall be allocated exclusively for the purposes provided in this section. All moneys in the fund are appropriated annually to the commissioner for the purposes of this section.

All money credited to the fund under section 5 may only be used for purposes under subdivision 6, clause (g). Beginning in 1990, the commissioner must, on February 1 of each year, review the amount of money spent or allocated for uses under subdivision 6, clause (g), for the previous calendar year. If the amount spent or allocated is less than the amount credited to the fund under section 5 during the same calendar year, the difference must be transferred from the fund to the housing trust fund account established in section 5.

Sec. 5. [462A.201] HOUSING TRUST FUND ACCOUNT.

Subdivision 1. CREATION. (a) The housing trust fund account is created as a separate account in the housing development fund.

(b) The housing trust fund account consists of:

(1) money appropriated and transferred from other state funds;

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(2) interest accrued from real estate trust accounts as provided under section 2;

(3) gifts, grants, and donations received from the United States, private foundations, and other sources; and

(4) money made available to the agency for the purpose of the account from other sources.

Subd. 2. LOW-INCOME HOUSING. The agency may, in consultation with the advisory committee, use money from the housing trust fund account to provide loans or grants for projects for the development, construction, acquisition, preservation, and rehabilitation of low-income rental and limited equity cooperative housing units. At least 75 percent of the units must be rented to or cooperatively owned by persons and families whose income at the time the person or family originally occupied the unit was at or below 30 percent of the median family income for the metropolitan area as defined in section 473.121, subdivision 2. In making the grants, the agency shall determine the terms and conditions of repayment and the appropriate security, if any, should repayment be required. To promote the geographic distribution of grants and loans, the agency may designate a portion of the grant or loan awards to be set aside for projects located in specified congressional districts or other geographical regions specified by the agency. The agency may adopt emergency and permanent rules for awarding grants and loans under this subdivision. The emergency rules are effective for 180 days or until the permanent rules are adopted, whichever occurs first.

Subd. 3. MATCHING FUNDS. The agency may use money from the housing trust fund account to match federal, local, or private money to be used for projects authorized under subdivision 2.

Subd. 4. ADVISORY COMMITTEE. The agency shall establish an eight member advisory committee under section 15.059 to advise or assist the agency in providing loans or grants from the housing trust fund account. Members of the committee must represent the interests of realtors, lenders, nonprofit developers, apartment owners, low income persons, housing advocates, advocates for the homeless, and single or multifamily builders. Members of the committee shall be reimbursed for expenses but shall not receive any other compensation for services on the committee. Money in the housing trust fund account may be used for the expenses of the advisory committee and the agency related to the development and implementation of the program described in this section.

Subd. 5. TRANSFERS FOR EDUCATION. On July 15 and January 15 each year the agency shall transfer from the housing trust account to the real estate education, research, and recovery fund established in section 82.34, subdivision 1, five percent of the money credited to the housing trust fund account under section 2 during the preceding six months. The amount necessary to make the transfers is appropriated from the housing trust account.

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Subd. 6. REPORT. The agency shall report to the legislature and the governor annually on the use of the housing trust fund account including the number of loans and grants made, the number and types of residential units assisted through the account, and the number of residential units assisted through the account that were rented to or cooperatively owned by persons or families at or below 30 percent of the median family income of the metropolitan area at the time of initial occupancy.

Sec. 6. EFFECTIVE DATE.

Section 5 is effective the day following final enactment.

Approved April 26, 1988

CHAPTER 655—S.F.No. 1643

An act relating to crimes; child abuse; eliminating the need to show emotional harm in proving unreasonable restraint or malicious punishment of a child; amending Minnesota Statutes 1986, sections 609.255, subdivision 3; and 609.377.

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

Section 1. Minnesota Statutes 1986, section 609.255, subdivision 3, is amended to read:

Subd. 3. UNREASONABLE RESTRAINT OF CHILDREN. A parent, legal guardian, or caretaker who intentionally subjects a child under the age of 18 years to unreasonable physical confinement or restraint by means including but not limited to, tying, locking, caging, or chaining for a prolonged period of time and in a cruel manner which is excessive under the circumstances ~~and which results in substantial emotional harm~~, is guilty of unreasonable restraint of a child and may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than \$3,000, or both. If the confinement or restraint results in substantial bodily harm, that person may be sentenced to imprisonment for not more than three years or to payment of not more than \$5,000, or both.

Sec. 2. Minnesota Statutes 1986, section 609.377, is amended to read:

609.377 MALICIOUS PUNISHMENT OF A CHILD.

A parent, legal guardian, or caretaker who, by an intentional act or a series of intentional acts with respect to a child, evidences unreasonable force or ~~eruelty which causes substantial emotional harm to a child~~ cruel discipline that is excessive under the circumstances is guilty of malicious punishment of a child and may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than \$3,000, or both. If the punishment results in

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