

CHAPTER 621 — H.F.No. 1840

An act relating to public welfare; allowing payment of claims for medical assistance to be made against homestead property which is part of an estate; amending Minnesota Statutes 1980, Sections 510.05; 524.3-805; and Minnesota Statutes 1981 Supplement, Section 525.145.

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

Section 1. Minnesota Statutes 1980, Section 510.05, is amended to read:

510.05 LIMITATIONS.

Such homestead exemption shall not extend to any mortgage lawfully obtained thereon, to any valid lien for taxes or assessments, to a claim filed pursuant to section 256B.15 or to any charge arising under the laws relating to laborers or materialmen's liens.

Sec. 2. Minnesota Statutes 1980, Section 524.3-805, is amended to read:

524.3-805 CLASSIFICATION OF CLAIMS.

(a) If the applicable assets of the estate are insufficient to pay all claims in full, the personal representative shall make payment in the following order:

(1) costs and expenses of administration;

(2) reasonable funeral expenses;

(3) debts and taxes with preference under federal law;

(4) reasonable and necessary medical and hospital expenses of the last illness of the decedent, including compensation of persons attending him and including a claim filed pursuant to section 256B.15;

(5) debts and taxes with preference under other laws of this state;

(6) all other claims.

(b) No preference shall be given in the payment of any claim over any other claim of the same class, and a claim due and payable shall not be entitled to a preference over claims not due.

Sec. 3. Minnesota Statutes 1981 Supplement, Section 525.145, is amended to read:

525.145 DESCENT OF HOMESTEAD.

(1) Where there is a surviving spouse the homestead, including a mobile home which is the family residence, shall descend free from any testamentary or other disposition thereof to which the spouse has not consented in writing or by election to take under the will as provided by law, as follows:

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

(a) If there be no surviving child or issue of any deceased child, to the spouse;

(b) If there be children or issue of deceased children surviving, then to the spouse for the term of the spouse's natural life and the remainder in equal shares to the children and the issue of deceased children by right of representation.

(2) Where there is no surviving spouse and the homestead has not been disposed of by will it shall descend as other real estate.

(3) Where the homestead passes by descent or will to the spouse or children or issue of deceased children, it shall be exempt from all debts which were not valid charges thereon at the time of decedent's death; in all other cases except that the homestead shall be subject to a claim filed pursuant to section 256B.15 for medical assistance benefits. If the homestead passes to a person other than a spouse or child or issue of a deceased child, it shall be subject to the payment of the items mentioned in section 525.16. No lien or other charge against any homestead which is so exempted shall be enforced in the probate court, but the claimant may enforce the lien or charge by an appropriate action in the district court.

Sec. 4. EFFECTIVE DATE.

Sections 1 to 3 are effective for the estates of decedents dying after August 1, 1982.

Approved March 23, 1982

CHAPTER 622 — H.F.No. 1867

An act relating to insurance; exempting captive insurers from certain investment limitations; eliminating certain mandatory filings with the commissioner of insurance; authorizing the commissioner to enjoin violations of chapter 60A; providing certain exceptions to variable contract license requirements; amending Minnesota Statutes 1981 Supplement, Sections 60A.11, Subdivision 17; 60A.17, Subdivisions 6c and 13; repealing Minnesota Statutes 1980, Section 72A.062.

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

Section 1. Minnesota Statutes 1981 Supplement, Section 60A.11, Subdivision 17, is amended to read:

Subd. 17. **CORPORATE AND BUSINESS TRUST OBLIGATIONS.** Obligations issued, assumed or guaranteed by a corporation or business trust organized under the laws of the United States or any state of the United States, or the laws of Canada or any province of Canada, or obligations traded on a national securities exchange on the following conditions:

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