

## CHAPTER 624 — H.F.No. 1894

*An act relating to municipal housing; authorizing the planning, implementation, and financing of rehabilitation and energy improvement loans; providing for the allocation of mortgage bonds; amending Minnesota Statutes 1980, Sections 462C.01; 462C.02, Subdivisions 3, 4 and 5, and by adding subdivisions; 462C.03, as amended; 462C.04, Subdivision 2; 462C.05, Subdivisions 2 and 5; 462C.07, Subdivision 1; Minnesota Statutes 1981 Supplement, Sections 462C.05, Subdivisions 1 and 3; and 462C.09; repealing Minnesota Statutes 1981 Supplement, Section 462C.07, Subdivision 2.*

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

Section 1. Minnesota Statutes 1980, Section 462C.01, is amended to read:

**462C.01 AUTHORIZATION.**

A city may develop and administer programs of (1) making or purchasing mortgage or rehabilitation loans pursuant to section 462C.03 to finance the acquisition or rehabilitation of single family housing by low and moderate income persons and families anywhere within its boundaries, or (2) making or purchasing loans pursuant to section 462C.05 to finance multifamily housing developments or the rehabilitation of multifamily housing developments upon the following conditions:

(a) The city develops a housing plan as required by section 462C.03;

(b) A public hearing is held thereon after one publication of notice in a newspaper circulating generally in the city, at least 30 days before the hearing, after which the plan may be adopted by resolution of the governing body with or without amendment; ~~and~~

(c) The plan is submitted for review pursuant to section 462C.04, subdivision 1; and

(d) Each program provided for in the plan is submitted for review pursuant to section 462C.04, subdivision 2.

Sec. 2. Minnesota Statutes 1980, Section 462C.02, Subdivision 3, is amended to read:

Subd. 3. "Program" means an individual component of the housing plan for which ~~an issue~~ one or more issues of revenue bonds or obligations is proposed.

Sec. 3. Minnesota Statutes 1980, Section 462C.02, Subdivision 4, is amended to read:

Subd. 4. "Single family housing" means real property and improvements thereon consisting of a one, two, three or four unit dwelling, one unit of which is occupied as a principal residence by the owner of the units, or a unit or an

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apartment as described in chapter 515 or 515A, or any amendatory or supplemental law, which is owned or to be owned and occupied by one person or family as a principal residence, or a unit in a cooperatively owned group of dwelling units which is occupied as a principal residence. Single family housing may include new construction, or the acquisition and rehabilitation of an existing building and site, or the rehabilitation of and discharge of any interest or lien in an existing building and site.

Sec. 4. Minnesota Statutes 1980, Section 462C.02, Subdivision 5, is amended to read:

Subd. 5. "Multifamily housing development" or "development" means an apartment facility, including an apartment described in chapter 515 or 515A or a cooperative, or a group of townhouses, which include four or more dwelling units, each to be rented or sold to or occupied by a person or family for use as a residence, or a building or buildings which include one or more dwelling units, each to be rented by a person or family for use as a residence. A development may include new construction or the acquisition and rehabilitation of an existing building and site or the rehabilitation of and discharge of any interest or lien in an existing building and site.

Sec. 5. Minnesota Statutes 1980, Section 462C.02, is amended by adding a subdivision to read:

Subd. 8. "Rehabilitation" means the improvement of existing single family housing or an existing multifamily housing development to improve the basic livability of the housing or restore it to a decent, safe, and sanitary condition. Improvements may include, without limitation, room additions, renovation, improvement or construction of a garage, repair of sidewalks, and improvements used or useful to conserve energy or to convert or refit an existing residential building for the use of any energy source which does not depend on nuclear fuel or nonrenewable fossil fuel, or which makes available another energy source which is wasted including, without limitation, cogeneration or district heating. Improvements shall not include the construction or improvement of recreational facilities, routine or minor repairs or maintenance, or cosmetic improvements unless coupled with the cure of substantial accumulation of deferred maintenance or other permitted improvements.

Sec. 6. Minnesota Statutes 1980, Section 462C.02, is amended by adding a subdivision to read:

Subd. 9. "Targeted area" means

(a) a development district established pursuant to section 472A.03,

(b) a development district established pursuant to Laws 1971, Chapter 677 as amended,

(c) a redevelopment project established pursuant to section 462.521,

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(d) an industrial development district established pursuant to section 458.191,

(e) a census tract in which 70 percent or more of the families have income which is 80 percent or less of the statewide median family income as estimated by the United States department of housing and urban development, or

(f) an area of chronic economic distress designated by the Minnesota housing finance agency.

Sec. 7. Minnesota Statutes 1980, Section 462C.03, as amended by Laws 1981, Chapter 306, Section 14, is amended to read:

**462C.03 CITY HOUSING PLAN.**

Subdivision 1. The housing plan shall set forth:

- (a) The housing needs of the city and the data demonstrating those needs;
- (b) The plan of the city to meet identified housing needs, and the specific methods to be used to carry out the plan;
- (c) Target areas, if any, of the city for each method;
- (d) The financing program or programs to be included in the plan;
- (e) The number and qualifications of lenders eligible to participate in the program;
- (f) The estimated amount of mortgage or rehabilitation loans to be made or purchased in each program and the estimated amounts and timing of the sale of revenue bonds required to finance such loans, fund appropriate reserves, and pay costs of issuance;
- (g) Methods for monitoring the implementation by participants to insure that the programs will be consistent with the plan and its objectives;
- (h) The administrative capacity of the city to monitor and supervise housing finance programs;
- (i) The cost to the city, including administrative costs; and
- (j) An analysis of how the programs will meet the needs of low and moderate income families in the city.

Subd. 2. Each single family housing program shall establish limits on gross income for persons and families to be served by the program. The adjusted gross income may not exceed the greater of (a) 110 percent of the median family income as estimated by the United States department of housing and urban development for the nonmetropolitan county or standard metropolitan statistical area, as the case may be, or (b) 100 percent of the income limits established by the Minnesota housing finance agency in which the city is located; except as

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provided in subdivision 8. The Minnesota housing finance agency shall provide the relevant income data to any city requesting the data.

Subd. 3. The ~~plan~~ single family housing program shall establish maximum purchase prices or appraised values for single family housing eligible for mortgage loans in ~~each the~~ program. The maximum purchase price allowable for each dwelling unit shall not exceed three times the income limit established for the program in subdivision 2, except that, for any program or portion of a program undertaken ~~pursuant to subdivision 8~~ within a targeted area, the maximum purchase price for each dwelling unit shall not exceed four times the income limit established pursuant to subdivision 2.

Subd. 4. Any financial institution as defined in section 47.0151, doing business within the city which is an approved FHA/VA or FNMA/FHLMC lender shall be eligible for consideration for origination of single family housing loans in any city single family housing program. Other lenders may be eligible as provided in the program. Origination of loans in the single family program may not be limited to a single lender unless other eligible lenders are not interested in participating or the program clearly sets forth why a public purpose would be served by confining participation to one lender.

Subd. 5. In the event that on the date of the adoption of the resolution by the governing body of the city authorizing the sale of the revenue bonds or obligations to be issued to finance a single family housing program any financial institution within the city has entered into a commitment agreement with the Minnesota housing finance agency under which the agency has agreed to purchase mortgage notes and mortgages securing loans for single family housing, and the financial institution has not closed an amount of eligible mortgages equal to at least 95 percent of the total amount provided in the commitment agreement, then the city may not enter into a commitment to purchase loans from the financial institution for its single family housing program. Any city single family housing finance program may not provide loans to consumers at a rate which is less than the rate on loans provided to consumers under the Minnesota housing finance agency program at the time of adoption of the resolution. The executive director of the agency may waive either or both of the requirements of this subdivision in writing.

Subd. 6. Loans under a single family housing program may not be made to one developer or builder or restricted to housing provided by one developer or builder.

Subd. 7. Fifty percent of the money available for loans for each single family housing program subject to the income limits established pursuant to subdivision 2, must be made available to persons and families with adjusted gross incomes of less than 90 percent of the program's income limits for a period of six months from the date when the money becomes available for the program.

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Subd. 8. Twenty percent of the aggregate amount of all loans provided under all city housing programs included in the housing plan for single family housing may be provided without regard to income limits or net worth limits if: (a) the single family housing program is used to finance single family housing in either a development district established pursuant to section 472A.03, or a redevelopment project established pursuant to section 462.521, or an industrial development district established pursuant to section 458.191 a targeted area; or (b) the city has previously developed and administered a housing program for low and moderate income persons and families and the single family housing program will be used to further policies of economic integration, stability and revitalization of residential areas. No single family housing program shall be developed or administered pursuant to this subdivision if the single family housing program will contribute to urban sprawl. A housing program shall be deemed to contribute to urban sprawl if the housing program is to be used to finance single family housing in any previously unincorporated real property annexed by the city pursuant to chapter 414, within one year prior to the date of the resolution adopted pursuant to Laws 1979, Chapter 306.

Subd. 9. The plan single family housing program may include limitations or prohibitions on the assumption of the loans or other terms which are inconsistent with section 47.20, subdivision 6 or 6a, for notes or bonds or other obligations issued by the city pursuant to section 462C.07.

Subd. 10. Notwithstanding any provision of this chapter, not more than 20 percent of the aggregate dollar amount of bond proceeds and any other funds appropriated by any city within any calendar year to make or purchase loans providing single family housing or dwelling units for sale within multifamily housing developments described in section 462C.05, subdivision 3, shall be appropriated to provide single family housing for persons or families, including renters of the single family housing, whose gross income exceeds the limit in section 462C.03, subdivision 2. If 20 percent of the total amount of funds so appropriated by the city in any calendar year is expended for housing not within the limit, no additional funds may be expended pursuant to any other similar appropriation until the remaining 80 percent is expended for housing within the limit.

Subd. 11. The single family housing program may provide for loans for rehabilitation of single family housing or for the acquisition of rehabilitated housing. The single family housing program may also provide loans for acquisition of and the discharge of any lien or interest in and rehabilitation of single family housing if:

(a) the mortgagor to whom the financing is provided is the first resident of the residence after completion of the rehabilitation;

(b) there is a period of at least 20 years between the date on which the structure was first used and the date on which the physical work on the rehabilitation begins;

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(c) 75 percent or more of the existing external walls of the structure are retained in place as external walls in the rehabilitation process; and

(d) the expenditures for the rehabilitation equal 25 percent or more of the mortgagor's "adjusted basis" (as determined pursuant to the Internal Revenue Code of 1954, as amended through December 31, 1981), in the residence, determined at the time of completion of the rehabilitation, or, if later, the date on which the mortgagor acquires the residence.

Sec. 8.. Minnesota Statutes 1980, Section 462C.04, Subdivision 2, is amended to read:

Subd. 2. All cities shall submit their housing programs. A public hearing shall be held on each program after one publication of notice in a newspaper circulating generally in the city, at least 15 days before the hearing, after which the program may be adopted with or without amendment. Each program shall be submitted to the Minnesota housing finance agency for review and approval. The agency shall determine:

(a) Whether the program furthers statewide housing policies;

(b) Whether the program is capable of implementation without material adverse effect on financing programs of the agency, without subjecting the interest on future bonds of the agency to federal income tax under any limitations imposed at the time by federal law, ~~and without exceeding the limitation provided in section 462C.07, subdivision 2;~~

(c) Whether the program provides for administrative and bond issuance costs that are reasonable; and

(d) Whether the program complies with all other requirements of sections 462C.01 to 462C.08.

The agency shall complete its review and shall notify the city of its decision within 30 days. A failure to notify within 30 days constitutes approval. The agency may collect reasonable fees and charges in connection with its review of a city's housing program. The fees and charges shall be limited to the amounts required to pay the actual costs to the agency.

The Minnesota housing finance agency, in cooperation with the metropolitan council and the regional development commission, shall report annually to the legislature on the number and amounts of bond issues and the number of housing programs established pursuant to sections 462C.01 to 462C.08.

Sec. 9. Minnesota Statutes 1981 Supplement, Section 462C.05, Subdivision 1, is amended to read:

Subdivision 1. A city may also include in the housing plan, a program or programs to administer, and make or purchase a loan or loans to finance one or more multifamily housing developments within its boundaries, of the kind

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described in subdivision 2, 3, 4 or 7, and upon the conditions set forth in this section. A loan may be made or purchased for

(a) the acquisition and preparation of a site and the construction of a new development, or

(b) the rehabilitation of an existing building and site and the discharge of any lien or other interest in the building and site,

(c) for the acquisition of an existing building and site and the rehabilitation thereof, or

(d) for the acquisition of an existing building and site for purposes of conversion to limited equity cooperative ownership by low or moderate income families, provided that:

(a) ~~Except in the case of acquisition for purposes of conversion to limited equity cooperative ownership, the cost of rehabilitation of an existing building is estimated to equal at least \$5,000 per dwelling unit or 50 percent of the appraised value of the original building and site, whichever is less or if the rehabilitation is financed in part by proceeds from a program provided by the federal government pursuant to 24 C.F.R. Sections 882.401 to 882.519 or pursuant to section 312 of the Housing Act of 1964 (42 U.S.C. Section 1452b), The cost of rehabilitation of an existing building is estimated to equal at least \$2,000~~ \$1,000 per dwelling unit or 20 percent of the appraised value of the original building and site whichever is less. With respect to rehabilitation which consists primarily of improvement of the property with facilities or improvements to conserve energy or convert or retrofit for use of alternative energy sources, rehabilitation loans may be made without regard to cost;

(b) At least a substantial portion of such rehabilitation cost is estimated to be incurred for compliance with building codes or conservation of energy;

(c) Each development upon completion shall comply with all applicable code requirements;

(d) A loan or loans may be made or purchased for either the construction or the long term financing of a development, or both, including the financing of the acquisition of dwelling units and interests in common facilities provided therein, by persons to whom such units and facilities may be sold as contemplated in chapter 515 or 515A or any supplemental or amendatory law thereof or as contemplated for a development consisting of cooperative housing; and

(e) Substantially all of the proceeds of each loan shall be used to pay the cost of a multifamily housing development, including property functionally related and subordinate to it; but nothing herein prevents the construction of the development over, under, or adjacent to, and in conjunction with facilities to be used for purposes other than housing.

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Sec. 10. Minnesota Statutes 1980, Section 462C.05, Subdivision 2, is amended to read:

Subd. 2. A development may shall be designed for occupancy to be affordable by persons and families of low or moderate income with adjusted gross income not in excess of the limits set forth in section 462C.03, subdivision 2, and by other persons and families to the extent determined to be necessary in furtherance of the policy of economic integration stated in section 462A.02, subdivision 6, with at least 20 percent of the dwelling units are held for occupancy by families or individuals eligible to receive subsidies under section 8 of the United States Housing Act of 1937, as amended, or another amendatory or supplemental law of the United States with adjusted gross income not in excess of 80 percent of the median family income as estimated by the United States department of housing and urban development for the nonmetropolitan county or standard metropolitan statistical area, as the case may be.

Sec. 11. Minnesota Statutes 1981 Supplement, Section 462C.05, Subdivision 3, is amended to read:

Subd. 3. A development may be located within a redevelopment project area established pursuant to chapter 462 or within a development district established pursuant to chapter 472A or within an industrial development district established pursuant to section 458.191 targeted area without regard to the limitations and conditions set forth in subdivision 2, and without regard to those set forth in section 462C.03 except section 462C.03, subdivision 10, except that in no case shall the maximum purchase price or appraised value for a dwelling unit in the multifamily housing development exceed four times the income limit established by section 462C.03, subdivision 2, unless the development is in a building officially built before 1900, designated as an historical structure under state, local, or national procedures.

Sec. 12. Minnesota Statutes 1980, Section 462C.05, Subdivision 5, is amended to read:

Subd. 5. Each program for a multifamily housing development or developments described in subdivision 1 shall be adopted after public hearing on the program which includes such development or developments and shall be approved by the Minnesota housing finance agency as provided in section 462C.01, and on the basis of the considerations stated in section 462C.04, subdivision 2. The multifamily housing development program may include limitations or prohibitions on the assumption of the loans or other terms which are inconsistent with section 47.20, subdivision 6 or 6a, for bonds or other obligations issued by the city pursuant to section 462C.07.

Sec. 13. Minnesota Statutes 1980, Section 462C.07, Subdivision 1, is amended to read:

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Subdivision 1. To finance programs or developments described in any plan the city may, upon approval of the plan program as provided in section 462C.04, ~~clause (e)~~ 462C.04, subdivision 2, issue and sell revenue bonds or obligations which shall be payable exclusively from the revenues of the programs or developments. In the purchase or making of single family housing loans and the purchase or making of multifamily housing loans and the issuance of revenue bonds or other obligations the city may exercise within its corporate limits, any of the powers the Minnesota housing finance agency may exercise under chapter 462A, without limitation under the provisions of chapter 475, and the revenue bonds or other obligations may be sold at 97 percent or more of their principal amount, notwithstanding the provisions of section 462A.09.

Sec. 14. Minnesota Statutes 1981 Supplement, Section 462C.09, is amended to read:

#### 462C.09 ALLOCATION OF QUALIFIED MORTGAGE BONDS.

Subdivision 1. HOUSING FINANCE AGENCY ALLOCATION. The applicable limit for the Minnesota housing finance agency, pursuant to section 103A (g) of the Internal Revenue Code of 1954 as amended through December 31, 1980, for any calendar year commencing with calendar year 1981, shall be 100 percent of the state ceiling for that year, reduced only by (i) any amounts of bonds which have been or may be allocated by law to specified cities and (ii) any amounts of bonds which are allocated to cities pursuant to subdivisions 2 and 3. The aggregate amount allocated to cities, under (i) or (ii), together with the amount of bonds reserved for the agency, shall not exceed the limit for the state under section 103A(g) of the Internal Revenue Code of 1954, as amended through March 1, 1982.

By July 1 ~~August 1~~ of each year, any city which has received by law an allocation of the state ceiling shall ~~certify to the agency the amount of bonds subject to the state ceiling which the city intends to issue during the calendar year~~ submit its housing programs to the Minnesota housing finance agency for approval pursuant to section 462C.04, subdivision 2, in an amount of bonds equal to or less than, the city's allocation. If the amount ~~certified of bonds, for which program approval is granted on or before September 1~~ certified of bonds, for which program approval is granted on or before September 1 is less than the amount allocated by law to the city, the applicable limit for the agency shall be increased by the difference between the amount allocated by law to the city, and the amount ~~certified by the city, to the agency for which program approval has been granted.~~

Subd. 2. CITY ALLOCATION. Unless otherwise authorized by law, any city which intends to issue mortgage revenue bonds during any calendar year which are subject to the volume limitation imposed by section 103A(g) of the Internal Revenue Code of 1954, as amended through March 1, 1982, shall by January 2 of that year submit a program or programs to the Minnesota housing finance agency that will use a portion of the state mortgage revenue bond ceiling,

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provided that for calendar year 1982 programs shall be submitted by May 30, 1982. The total amount of bonds included in all programs of any city shall not exceed \$10,000,000. Each program shall be accompanied by a certificate from the city that states that the revenue bond issue is feasible and that identifies the amount and sources of non-bond proceeds, if any, which will be contributed to the program to be financed by the bond issue, provided that no contribution of non-bond proceeds shall be required. By February 1, the Minnesota housing finance agency shall review each program pursuant to section 462C.04, subdivision 2, provided that for calendar year 1982, programs shall be approved by June 30, 1982. The Minnesota housing finance agency shall approve all programs that the agency determines are consistent with this chapter, provided that if the approval of all programs would result in an allocation to cities in excess of 27-1/2 percent of the state ceiling for the calendar year, reduced by any amount of bonds that are allocated by law to specified cities, the Minnesota housing finance agency shall only approve those programs based upon the following factors and based solely upon the program with accompanying information submitted to the agency. The Minnesota housing finance agency shall determine the following factors for each program:

(1) The proportion of the proposed issue which is reserved for a period of not less than six months for persons and families with incomes below 80 percent of the limits on adjusted gross income provided in section 462C.03, subdivision 2;

(2) The proportion of the proposed issue which is reserved for a period of not less than six months for persons and families with incomes below 90 percent of the limits on adjusted gross income provided in section 462C.03, subdivision 2; and

(3) The amount of non-bond proceeds, if any, as a percentage of the proposed issue, which are to be contributed to the program.

Programs shall be ranked based upon the percentage determined for factor (1) with the program having the highest percentage receiving the highest ranking. If two or more programs have the same percentage, then they shall be ranked based upon the percentages determined for factor (2) with the program receiving the highest percentage receiving the highest ranking. If two or more programs have the same percentage for factors (1) and (2), then they shall be ranked based upon the percentages determined for factor (3) with the program having the highest percentage receiving the highest ranking. If two or more programs have the same percentage for factors (1), (2), and (3), then their ranking shall be determined by lot. The Minnesota housing finance agency shall then approve programs based upon the ranking until an amount equal to 27-1/2 percent of the state ceiling for the calendar year, reduced by any amount of bonds which are allocated by law to specified cities, is allocated pursuant to this subdivision. Approval of a program shall constitute an allocation of a portion of the state ceiling for mortgage revenue bonds equal to the proposed bond issue or issues

contained in the program, provided that the allocation for the lowest ranked program that receives an allocation may be equal to or less than the amount of the bond issue or issues proposed in the program.

If a city which received an allocation pursuant to this subdivision, or which has been allocated a portion of the state ceiling by law and has received approval of one or more programs, has not issued bonds by September 1 in an amount equal to the allocation, and the city intends to issue mortgage revenue bonds prior to the end of the calendar year, the city shall by September 1 submit to the Minnesota housing finance agency for each program a letter that states the city's intent to issue the mortgage revenue bonds prior to the end of the calendar year. If the Minnesota housing finance agency does not receive the letter from the city, then the allocation of the state ceiling for that program shall expire on September 1, and the applicable limit for the Minnesota housing finance agency shall be increased by an amount equal to the unused portion of the allocation to the city. A city referred to in subdivision 1, clause (i), of this section shall not be required to apply under this subdivision with respect to bonds allocated by law to any such city. Nothing in this subdivision shall prevent any such city from applying for an additional allocation of bonds under this subdivision.

Subd. 3. ADDITIONAL CITY ALLOCATION. On or before September 1 of each year, the Minnesota housing finance agency shall identify the amount, if any, of its applicable limit for housing mortgage bonds for that calendar year that it does not intend to issue. Any city that intends to issue mortgage revenue bonds prior to the end of the calendar year for which it has not received an allocation of the state ceiling may submit a program for approval on or before September 1 to the Minnesota housing finance agency for a portion of the amount of the Minnesota housing finance agency's applicable limit as provided in subdivision 1 which the agency does not intend to issue. The total amount of bonds included in all programs of any city submitted pursuant to this subdivision shall not exceed \$10,000,000. The program shall be accompanied by the same certificate required by subdivision 2. The Minnesota housing finance agency shall allocate the amount of the state ceiling to be allocated pursuant to this subdivision using the same factors listed in subdivision 2, provided that a program for any city receiving an allocation pursuant to subdivision 2 during the calendar year shall be ranked below all other programs if the bonds proposed in the program, when added to the bonds included in programs approved pursuant to subdivision 2, exceed \$10,000,000. A city that submitted a program pursuant to subdivision 2 but that did not receive an allocation may renew its application with a letter of intent to issue. Nothing in this subdivision shall prevent any city referred to in subdivision 1, clause (i), from applying for an additional allocation of bonds under this subdivision.

Subd. 4. AGENCY REVIEW. The 30 day review requirement in section 462C.04, subdivision 2, shall not apply to programs submitted to the agency that require an allocation of the state ceiling pursuant to this section. A failure by the

agency to complete any action by the dates set forth in this section shall not result in the approval of any program or the allocation of any portion of the applicable limit of the agency. Approval by the agency of programs after the dates provided in this section shall be effective in allocating a portion of the state ceiling. Programs approved by the agency may be amended with the approval of the agency under section 462C.04, subdivision 2, provided that the dollar amount of bonds for the program may not be increased.

Sec. 15. REPEAL.

Minnesota Statutes 1981 Supplement, Section 462C.07, Subdivision 2, is repealed.

Sec. 16. EFFECTIVE DATE.

This act is effective the day after final enactment.

Approved March 23, 1982

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CHAPTER 625 — H.F.No. 1897

*An act relating to fairs, carnivals and circuses; clarifying the food handling license requirements applicable to fairs, carnivals and circuses; changing the exclusion from minimum wage coverage for certain fair, carnival or circus workers; updating and clarifying certain powers and duties of the state agricultural society; prescribing additional qualifications for metropolitan sports facilities commission members; amending Minnesota Statutes 1980, Sections 37.01; 37.04, Subdivision 3; 37.05; 37.06; 37.17, Subdivisions 1, 2, and by adding a subdivision; 37.18; 37.19; 37.20; 37.21; 37.22; 177.23, Subdivision 7; and 473.553, by adding a subdivision; proposing new law coded in Minnesota Statutes, Chapter 28A; repealing Minnesota Statutes 1980, Section 37.23; Minnesota Statutes 1981 Supplement, Sections 37.17, Subdivision 3; and 37.27.*

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

Section 1. [28A.065] LICENSE REQUIREMENTS FOR A CARNIVAL, CIRCUS, OR FAIR.

No person whose place of business is a carnival, circus, or fair and who holds a license pursuant to this chapter or chapter 157 shall be required to obtain any additional license or permit pursuant to the provisions of an ordinance or regulation of a political subdivision in order to engage in any aspect of food handling or to operate a restaurant.

This section does not exempt the person from compliance with the provisions of chapters 37 and 38, any sanitation, public health or zoning ordinance, privilege license requirements or other regulation of the fair or

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