

1.1 A bill for an act

1.2 relating to real estate; establishing homelessness prevention and safer homes and
1.3 neighborhoods accounts; requiring a report; appropriating money; amending
1.4 Minnesota Statutes 2008, section 82.50, by adding subdivisions.

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

1.6 Section 1. Minnesota Statutes 2008, section 82.50, is amended by adding a subdivision
1.7 to read:

1.8 Subd. 12. Homelessness prevention and safer homes and neighborhoods
1.9 accounts. (a) Each closing agent shall maintain a pooled interest-bearing homelessness
1.10 prevention and safer homes and neighborhoods trust account for deposit of funds received
1.11 at closing. The interest accruing on these trust accounts, less reasonable transaction costs,
1.12 must be paid to the commissioner of finance for deposit in the general fund. Payments
1.13 to the commissioner are made with the understanding the funds will be used, generally,
1.14 to prevent homelessness, particularly through services of the Supreme Court and
1.15 through civil legal services, and through public safety services provided by not-for-profit
1.16 organizations to promote safety in homes and neighborhoods.

1.17 (b) Each closing agent shall direct the financial institution to:

1.18 (1) pay the interest, less reasonable transaction costs, computed in accordance
1.19 with the financial institution's standard accounting practice, at least quarterly, to the
1.20 commissioner of finance; and

1.21 (2) send a statement to the commissioner of finance showing the name of the closing
1.22 agent for whom the payment is made, the rate of interest applied, the amount of service
1.23 charges deducted, and the account balance for the period in which the report is made.

2.1 The commissioner of finance shall credit the amount collected under this subdivision
2.2 to the general fund.

2.3 (c) The financial institution must promptly notify the commissioner if a draft drawn
2.4 on the account is dishonored. A draft is not dishonored if a stop payment order is requested
2.5 by an issuer who has a good faith defense to payment on the draft.

2.6 Sec. 2. Minnesota Statutes 2008, section 82.50, is amended by adding a subdivision to
2.7 read:

2.8 Subd. 13. **Consent to place in special account.** Trust funds may be placed by the
2.9 closing agent in a special account which may be an interest-bearing account or certificate
2.10 of deposit if the buyer and the seller consent in writing to the special account and to the
2.11 disposition of the trust funds, including any interest thereon.

2.12 Sec. 3. **REPORT.**

2.13 The commissioner of finance shall submit a report to the legislature by January 15,
2.14 2011, documenting revenue generated through this account, projections for future revenue,
2.15 and recommendations for improving collection of revenue for this account.

2.16 Sec. 4. **APPROPRIATIONS.**

2.17 Subdivision 1. **Civil legal services.** \$3,000,000 in fiscal year 2010 and \$3,000,000
2.18 in fiscal year 2011 are appropriated from the general fund to the Supreme Court for
2.19 civil legal services related to reducing homelessness and promoting public safety in
2.20 neighborhoods. This appropriation is added to the base funding for the Supreme Court for
2.21 civil legal services.

2.22 Subd. 2. **Housing court.** \$..... in fiscal year 2010 and \$..... in fiscal year 2011 are
2.23 appropriated from the general fund to the Supreme Court for housing courts and service
2.24 efficiency improvements to ease access to housing court services. This appropriation is
2.25 added to the base funding for the Supreme Court.

2.26 Subd. 3. **Public safety.** \$..... in fiscal year 2010 and \$..... in fiscal year 2011
2.27 are appropriated from the general fund to the commissioner of public safety for grants
2.28 to nonprofit organizations that provide services to promote public safety in homes and
2.29 neighborhoods. This appropriation is added to the base funding for the Department of
2.30 Public Safety.