Minnesota Statutes 2006
Chapter 256J. Minnesota Family Investment Program

256J.20 PROPERTY LIMITATIONS.

Subdivision 1. **Property ownership provisions.** The county agency must apply paragraphs
(a) to (d) to real and personal property. The county agency must use the equity value of legally
available real and personal property, except property excluded in subdivisions 2 and 3, to
determine whether an applicant or participant is eligible for assistance.

(a) When real or personal property is jointly owned by two or more persons, the county
agency shall assume that each person owns an equal share, except that either person owns the
entire sum of a joint personal checking or savings account. When an applicant or participant
documents greater or lesser ownership, the county agency must use that greater or lesser share
to determine the equity value held by the applicant or participant. Other types of ownership
must be evaluated according to law.

(b) Real or personal property owned by the applicant or participant must be presumed legally
available to the applicant or participant unless the applicant or participant documents that the
property is not legally available to the applicant or participant. When real or personal property is
not legally available, its equity value must not be applied against the limits of
subdivisions 2 and 3.

(c) An applicant must disclose whether the applicant has transferred real or personal
property valued in excess of the property limits in subdivisions 2 and 3 for which reasonable
compensation was not received within one year prior to application. A participant must disclose
all transfers of property valued in excess of these limits, according to the reporting requirements
in section 256J.30, subdivision 9. When a transfer of real or personal property without reasonable
compensation has occurred:

(1) the person who transferred the property must provide the property's description,
information needed to determine the property's equity value, the names of the persons who

received the property, and the circumstances of and reasons for the transfer; and
(2) when the transferred property can be reasonably reacquired, or when reasonable compensation can be secured, the property is presumed legally available to the applicant or participant.
(d) A participant may build the equity value of real and personal property to the limits in subdivisions 2 and 3.

Subd. 2. **Real property limitations.** Ownership of real property by an applicant or participant is subject to the limitations in paragraphs (a) and (b).
(a) A county agency shall exclude the homestead of an applicant or participant according to clauses (1) to (5):
(1) an applicant or participant who is purchasing real property through a contract for deed and using that property as a home is considered the owner of real property;
(2) the total amount of land that can be excluded under this subdivision is limited to surrounding property which is not separated from the home by intervening property owned by others. Additional property must be assessed as to its legal and actual availability according to subdivision 1;
(3) when real property that has been used as a home by a participant is sold, the county agency must treat the cash proceeds from the sale as excluded property for six months when the participant intends to reinvest the proceeds in another home and maintains those proceeds, unused for other purposes, in a separate account;
(4) when the homestead is jointly owned, but the client does not reside in it because of legal separation, pending divorce, or battering or abuse by the spouse or partner, the homestead is excluded; and
(5) the homestead shall continue to be excluded if it is temporarily unoccupied due to employment, illness, or as the result of compliance with a county-approved employability plan.
The education, training, or job search must be within the state, but can be outside the immediate geographic area. A homestead temporarily unoccupied because it is not habitable due to a casualty or natural disaster is excluded. The homestead is excluded during periods only if the client intends to return to it.
(b) The equity value of real property that is not excluded under paragraph (a) and which is legally available must be applied against the limits in subdivision 3. When the equity value of the real property exceeds the limits under subdivision 3, the applicant or participant may qualify to receive assistance when the applicant or participant continues to make a good faith effort to sell

the property and signs a legally binding agreement to repay the amount of assistance, less child support collected by the agency. Repayment must be made within five working days after the property is sold. Repayment to the county agency must be in the amount of assistance received or the proceeds of the sale, whichever is less.

Subd. 3. **Other property limitations.** To be eligible for MFIP, the equity value of all nonexcluded real and personal property of the assistance unit must not exceed $2,000 for applicants and $5,000 for ongoing participants. The value of assets in clauses (1) to (19) must be excluded when determining the equity value of real and personal property:

(1) a licensed vehicle up to a loan value of less than or equal to $7,500. The county agency shall apply any excess loan value as if it were equity value to the asset limit described in this section. If the assistance unit owns more than one licensed vehicle, the county agency shall determine the vehicle with the highest loan value and count only the loan value over $7,500, excluding: (i) the value of one vehicle per physically disabled person when the vehicle is needed to transport the disabled unit member; this exclusion does not apply to mentally disabled people; (ii) the value of special equipment for a disabled member of the assistance unit; and (iii) any vehicle used for long-distance travel, other than daily commuting, for the employment of a unit member.

The county agency shall count the loan value of all other vehicles and apply this amount as if it were equity value to the asset limit described in this section. To establish the loan value of vehicles, a county agency must use the N.A.D.A. Official Used Car Guide, Midwest Edition, for newer model cars. When a vehicle is not listed in the guidebook, or when the applicant or participant disputes the loan value listed in the guidebook as unreasonable given the condition of the particular vehicle, the county agency may require the applicant or participant document the loan value by securing a written statement from a motor vehicle dealer licensed under section 168.27, stating the amount that the dealer would pay to purchase the vehicle. The county agency shall reimburse the applicant or participant for the cost of a written statement that documents a lower loan value;

(2) the value of life insurance policies for members of the assistance unit;
(3) one burial plot per member of an assistance unit;
(4) the value of personal property needed to produce earned income, including tools, implements, farm animals, inventory, business loans, business checking and savings accounts
used at least annually and used exclusively for the operation of a self-employment business, and
any motor vehicles if at least 50 percent of the vehicle's use is to produce income and if the
vehicles are essential for the self-employment business;
(5) the value of personal property not otherwise specified which is commonly used by household members in day-to-day living such as clothing, necessary household furniture, equipment, and other basic maintenance items essential for daily living;
(6) the value of real and personal property owned by a recipient of Supplemental Security Income or Minnesota supplemental aid;
(7) the value of corrective payments, but only for the month in which the payment is received and for the following month;
(8) a mobile home or other vehicle used by an applicant or participant as the applicant's or participant's home;
(9) money in a separate escrow account that is needed to pay real estate taxes or insurance
and that is used for this purpose;
(10) money held in escrow to cover employee FICA, employee tax withholding, sales tax withholding, employee worker compensation, business insurance, property rental, property taxes,
and other costs that are paid at least annually, but less often than monthly;
(11) monthly assistance payments for the current month's or short-term emergency needs under section 256J.626, subdivision 2;
(12) the value of school loans, grants, or scholarships for the period they are intended to cover;
(13) payments listed in section 256J.21, subdivision 2, clause (9), which are held in escrow
for a period not to exceed three months to replace or repair personal or real property;
(14) income received in a budget month through the end of the payment month;
(15) savings from earned income of a minor child or a minor parent that are set aside in a separate account designated specifically for future education or employment costs;
(16) the federal earned income credit, Minnesota working family credit, state and federal income tax refunds, state homeowners and renters credits under chapter 290A, property tax
rebates and other federal or state tax rebates in the month received and the following month;
(17) payments excluded under federal law as long as those payments are held in a separate
account from any nonexcluded funds;
(18) the assets of children ineligible to receive MFIP benefits because foster care or adoption

assistance payments are made on their behalf; and
(19) the assets of persons whose income is excluded under section 256J.21, subdivision 2 , clause (43).
History: *1997 c 85 art 1 s 12; 1997 c 203 art 12 s 9; 1998 c 407 art 6 s 41,42; 1999 c 245 art 6 s 19; 1Sp2001 c 2 s 144; 1Sp2003 c 14 art 1 s 32; 2005 c 56 s 1*

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9500.1221 PROPERTY LIMITATIONS.

Subpart 1. **Determination of equity value of property available to assistance unit.** The county agency must determine the equity value of real and personal property available to the assistance unit. The equity value of real and personal property available to a member of the filing unit who is not included in the assistance unit, but who is a responsible relative of an assistance unit member, must be considered real and personal property available to the assistance unit.

A. When real or personal property is owned by two or more persons, the county agency shall assume that each person owns an equal share, except that either person owns the entire sum in a joint personal checking or savings account. When a person documents greater or lesser ownership, the county agency shall use that share to determine the equity value held by an applicant or recipient.

B. Real or personal property owned by an applicant or recipient is presumed legally available unless the applicant or recipient documents that the property is not legally available. When real or personal property is not legally available, its equity must not be applied against the limits in subpart 2.

C. An applicant must disclose whether the applicant transferred, within one year before the application or redetermination, real or personal property valued in excess of the property limits in subpart 2 for which reasonable compensation was not received. A recipient shall disclose all transfers of property valued in excess of the limits in subpart 2 according to the reporting requirements in part 9500.1245, subpart 5. When a transfer of real or personal property has occurred, the applicant or recipient shall comply with subitems (1) and (2) as a condition of eligibility for general assistance.

(1) The applicant or recipient who transferred the property must provide a description of the property, information necessary to determine the property's equity value, the name of the individual who received the property, and the circumstances of and reason for the transfer.

(2) If reasonable compensation for the property was not received and the property can be reasonably reacquired, or when reasonable compensation can be secured, the property is presumed legally available to the applicant or recipient.

D. A recipient may build the equity value of the recipient's real and personal property to the limits in subpart 2.

Subp. 2. **Equity value; excluded real and personal property.** The equity value of all nonexcluded real and personal property must not exceed $1,000. The county agency shall exclude the value of the real or personal property in items A to T when determining equity value.

A. The applicant's or recipient's homestead according to subitems (1) to (3).

(1) An applicant or recipient who is purchasing real property through a contract for deed and using that property as a home is considered the owner of the real property.

(2) The amount of land that can be excluded under this item is limited to surrounding property which is not separated from the home by intervening property owned by others. Additional property must be assessed as to its legal and actual availability according to subpart 1.

(3) When real property that has been used as a home by an applicant or recipient is sold, the county agency shall treat the cash proceeds from that sale as excluded property for a period of six months if the applicant or recipient intends to reinvest those proceeds in another home and agrees to maintain the proceeds, unused for other purposes, in a separate account.

B. One motor vehicle, not otherwise excluded, when its equity value does not exceed $1,500 exclusive of the value of special equipment for a handicapped household member. The county agency shall establish the equity value of a motor vehicle by subtracting any outstanding encumbrances from the loan value listed in the N.A.D.A. Official Used Car Guide, Midwest Edition, for newer model cars. When a vehicle is not listed in the N.A.D.A. Official Used Car Guide, or when an applicant or recipient disputes the value listed in the guide as unreasonable given the condition of a particular vehicle, the county agency may require the applicant or recipient to document the value of the vehicle by securing a written statement from a motor vehicle dealer licensed under Minnesota Statutes, section 168.27, stating the amount that the dealer would pay to purchase the vehicle. The N.A.D.A. Official Used Car Guide, Midwest Edition, is incorporated by reference. It is published monthly by the National Automobile Dealers Used Car Guide Company and is available through the Minitex interlibrary loan system. It is subject to frequent change.

C. The value of nonliquid real or personal property that is essential to the owner's self-support, self-care, or needed to obtain or retain suitable employment.

D. The value of nonliquid property which currently produces net earned income and is being used for the support of the assistance unit or a reasonable expectation exists that the property will be used within six months or the next income-producing season, whichever is later, to produce net earned income for the support of the assistance unit.

E. The value of real or personal property owned exclusively by the stepparent or sibling of a single adult applicant or recipient who resides with the stepparent or sibling.

F. The value of real and personal property owned exclusively by a recipient of supplemental security income or Minnesota supplemental aid.

G. The value of corrective payments but only for the month in which the payment is received and the following month.

H. Money escrowed in a separate account that is needed to pay real estate taxes or insurance and that is used for that purpose at least semiannually.

I. A mobile home used by an applicant or recipient as a home.

J. Money held in escrow by a self-employed person to cover employee FICA, employee tax withholding, sales tax withholding, employee workers' compensation, employee unemployment compensation, business insurance, property rental, property taxes, and other costs that are commonly paid at least annually, but less often than monthly.

K. Income received in a budget month until the end of that month. This includes monthly general assistance payments and emergency general assistance payments.

L. The value of school loans, grants, or scholarships over the period they are intended to cover if the income from these sources is either excluded by rule or has been used in the calculation of a grant.

M. The value of personal property not otherwise specified which is commonly used by household members in day-to-day living.

N. Payments listed in part 9500.1223, subpart 2, item O, which are held in escrow for the period necessary to replace or repair the personal or real property. This period must not exceed three months.

O. One burial plot per member of a filing unit.

P. The value of a prepaid burial account, burial plan, or burial trust up to $1,000 for each member of a filing unit who is covered by that account, plan, or trust.

Q. The value of an applicant's nonliquid resources if an applicant is excluded by part 9500.1251, subpart 2, item M, because the applicant's need for assistance will not exceed 30 days.

R. The value of real and personal property in excess of the limits in this subpart if the applicant is making a good faith effort to sell the property at a reasonable price.

S. Other real or personal property specifically disregarded by federal law, state law, or federal regulation.

T. In addition to the limits specified in items A to S, an amount up to $1,000 which is accumulated in a separate account from earnings by a resident in a facility licensed under parts 9520.0500 to 9520.2500 or a resident in a supervised apartment with services funded under parts 9535.0100 to 9535.1600 for whom discharge and work are part of a treatment plan. This item applies during residency and for up to 18 additional months if the person moves to an inpatient hospital setting. The accumulated earnings, and the interest on the earnings, are to be used upon discharge from the facility. Any withdrawal before discharge must be counted as income in the month of withdrawal and treated as an available resource in the following months.

Subp. 3. **Exclusion of excess property.** If the county agency determines that an assistance unit is not eligible for general assistance due to owning property in excess of the limit in subpart 2, the county agency must inform the applicant or recipient in writing of the conditions under which excess property may be excluded.

STAT AUTH: MS s 256D.01; 256D.04; 256D.051; 256D.06; 256D.08; 256D.09;
256D.111

HIST: 15 SR 1842

Current as of 10/30/06