

CHAPTER 16A

DEPARTMENT OF FINANCE

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16A.102 BUDGETING REVENUES RELATIVE TO PERSONAL INCOME.

Subdivision 1. **Governor's recommendation.** By the fourth Tuesday in January of each odd-numbered year, the governor shall submit to the legislature a recommended revenue target for the next two bienniums. The recommended revenue target must specify:

- (1) the maximum share of Minnesota personal income to be collected in taxes and other revenues to pay for state and local government services;
- (2) the division of the share between state and local government revenues; and
- (3) the mix and rates of income, sales, and other state and local taxes including property taxes and other revenues.

The recommendations must be based on the November forecast prepared under section 16A.103.

[For text of subs 2 and 3, see M.S.1998]

History: 1999 c 250 art 1 s 45

16A.103 FORECASTS OF REVENUE AND EXPENDITURES.

Subdivision 1. **State revenue and expenditures.** In February and November each year, the commissioner shall prepare a forecast of state revenue and expenditures. The November forecast must be delivered to the legislature and governor no later than the end of the first week of December. The February forecast must be delivered to the legislature and governor by the end of February. Forecasts must be delivered to the legislature and governor on the same day. If requested by the legislative commission on planning and fiscal policy, delivery to the legislature must include a presentation to the commission. The forecast must assume the continuation of current laws and reasonable estimates of projected growth in the national and state economies and affected populations. Revenue must be estimated for all sources provided for in current law. Expenditures must be estimated for all obligations imposed by law and those projected to occur as a result of inflation and variables outside the control of the legislature. In determining the rate of inflation, the application of inflation, the amount of state bonding as it affects debt service, and the other variables to be included in the expenditure part of the forecast, the commissioner must consult with the chair of the senate state government finance committee, the chair of the house committee on ways and means, and house and senate fiscal staff. In addition, the commissioner shall forecast Minnesota personal income for each of the years covered by the forecast and include these estimates in the forecast documents. A forecast prepared during the first fiscal year of a biennium must cover that biennium and the next biennium. A forecast prepared during the second fiscal year of a biennium must cover that biennium and the next two bienniums.

[For text of subd 2, see M.S.1998]

Subd. 3. [Repealed, 1999 c 250 art 1 s 115]

History: 1999 c 250 art 1 s 46

16A.11 BUDGET TO LEGISLATURE.

[For text of subds 1 to 6, see M.S.1998]

Subd. 7. **Fees.** The detailed operating budget for each executive branch agency must include proposals for any new fees or any increases in existing fees. For purposes of this section, "fees" has the meaning given in section 16A.1283, but excludes charges listed in paragraph (b) of that section.

History: 1999 c 250 art 1 s 47

NOTE: Subdivision 7, as added by Laws 1999, chapter 250, article 1, section 47, is effective July 1, 2001. Laws 1999, chapter 250, article 1, section 116.

16A.126 REVOLVING FUND BILLING.

[For text of subds 1 and 2, see M.S.1998]

Subd. 3. **Repayment schedules.** The commissioner shall make schedules for repayment to the general fund of the transferred money. A schedule to repay money used to buy equipment may extend over the equipment's useful life. Otherwise, a schedule may not extend beyond five years. The repayment must include interest at a rate comparable to the rate earned by the state on invested treasurer's cash, as determined monthly by the commissioner. An amount necessary to pay the interest is appropriated from the revolving fund to which the transfer was made.

History: 1999 c 250 art 1 s 48

16A.1283 LEGISLATIVE APPROVAL REQUIRED.

(a) Notwithstanding any law to the contrary, an executive branch state agency may not impose a new fee or increase an existing fee unless the new fee or increase is approved by law. For purposes of this section, a fee is any charge for goods, services, regulation, or licensure, and, notwithstanding paragraph (b), clause (3), includes charges for admission to or for use of public facilities owned by the state.

(b) This section does not apply to:

- (1) charges billed within or between state agencies, or billed to federal agencies;
- (2) the Minnesota state colleges and universities system; or
- (3) charges for goods and services provided for the direct and primary use of a private individual, business, or other entity.

(c) An executive branch agency may reduce a fee that was set by rule before the effective date of this section without legislative approval. Chapter 14 does not apply to fee reductions under this paragraph.

History: 1999 c 250 art 1 s 49

NOTE: This section, as added by Laws 1999, chapter 250, article 1, section 49, is effective July 1, 2001. Laws 1999, chapter 250, article 1, section 116.

16A.129 OTHER COMMISSIONER POWERS.

[For text of subds 1 and 2, see M.S.1998]

Subd. 3. **Cash advances.** When the operations of any nongeneral fund account would be impeded by projected cash deficiencies resulting from delays in the receipt of grants, dedicated income, or other similar receivables, and when the deficiencies would be corrected within the budget period involved, the commissioner of finance may use general fund cash reserves to meet cash demands. If funds are transferred from the general fund to meet cash flow needs, the cash flow transfers must be returned to the general fund as soon as sufficient cash balances are available in the account to which the transfer was made. The fund to which general fund cash was advanced must pay interest on the cash advance at a rate comparable to the rate earned by the state on invested treasurer's cash, as determined monthly by the commissioner. An amount necessary to pay the interest is appropriated from the nongeneral fund

to which the cash advance was made. Any interest earned on general fund cash flow transfers accrues to the general fund and not to the accounts or funds to which the transfer was made. The commissioner may advance general fund cash reserves to nongeneral fund accounts where the receipts from other governmental units cannot be collected within the budget period.

History: 1999 c 250 art 1 s 50

16A.14 ALLOTMENT AND ENCUMBRANCE SYSTEM.

[For text of subs 1 to 2, see M.S.1998]

Subd. 2a. **Exceptions.** The allotment and encumbrance system does not apply to:

- (1) appropriations for the courts or the legislature;
- (2) payment of reemployment compensation benefits.

[For text of subs 2b to 5, see M.S.1998]

History: 1999 c 107 s 66

16A.1522 REBATE REQUIREMENTS.

Subdivision 1. **Forecast.** If, on the basis of a forecast of general fund revenues and expenditures in November of an even-numbered year or February of an odd-numbered year, the commissioner projects a positive unrestricted budgetary general fund balance at the close of the biennium that exceeds one-half of one percent of total general fund biennial revenues, the commissioner shall designate the entire balance as available for rebate to the taxpayers of this state. In forecasting, projecting, or designating the unrestricted budgetary general fund balance or general fund biennial revenue under this section, the commissioner shall not include any balance or revenue attributable to settlement payments received after July 1, 1998, and before July 1, 2001, as defined in Section IIB of the settlement document, filed May 18, 1998, in State v. Philip Morris, Inc., No. C1-94-8565 (Minnesota District Court, Second Judicial District).

Subd. 2. **Plan.** If the commissioner designates an amount for rebate in either forecast, the governor shall present a plan to the legislature for rebating that amount. The plan must provide for payments to begin no later than August 15 of the odd-numbered year. By April 15 of each odd-numbered year, the legislature shall enact, modify, or reject the plan presented by the governor.

Subd. 3. **Certification.** By July 15 of each odd-numbered year, based on a preliminary analysis of the general fund balance at the end of the fiscal year June 30, the commissioner of finance shall certify to the commissioner of revenue the amount available for rebate.

Subd. 4. **Transfer to tax relief account.** Any positive unrestricted budgetary general fund balance on June 30 of an odd-numbered year is appropriated to the commissioner for transfer to the tax relief account.

Subd. 5. **Appropriation.** A sum sufficient to pay any rebate due under the plan enacted under subdivision 2 is appropriated from the general fund to the commissioner of revenue.

History: 1999 c 243 art 15 s 1

16A.27 STATE FUNDS; DEPOSIT; CONTROL BY COMMISSIONER.

[For text of subd 1, see M.S.1998]

Subd. 2. **Daily report.** By 9:00 a.m. every business day, a depository holding a total of over \$100,000 in non-interest-bearing state deposits shall report the balances as of the close of the last business day to the treasurer and the commissioner. The commissioner shall record the balances and send a copy of them to the legislative reference library.

[For text of subs 3 to 5, see M.S.1998]

History: 1999 c 99 s 8

16A.45 OUTSTANDING UNPAID WARRANTS, CANCELLATION.

Subdivision 1. **Cancel; credit.** Once each fiscal year the commissioner and the treasurer shall cancel upon their books all outstanding unpaid commissioner's warrants that have been issued and delivered on or before June 30 of the preceding year and credit state amounts subject to section 345.43 and federal amounts to the appropriate account in the federal fund. These warrants are presumed abandoned under section 345.38 and are subject to sections 345.31 to 345.60.

[For text of subd 4, see M.S.1998]

History: 1999 c 250 art 1 s 51

16A.531 FUNDS CREATED.

[For text of subds 1 and 2, see M.S.1998]

Subd. 3. **Agricultural fund.** There is created in the state treasury an agricultural fund as a special revenue fund for deposit of receipts from agricultural related fees and activities conducted by the state.

History: 1999 c 231 s 20.

16A.69 APPROPRIATIONS INTO SINGLE PROJECT ACCOUNT.

[For text of subd 1, see M.S.1998]

Subd. 2. **Transfer between accounts.** Upon the awarding of final contracts for the completion of a project for construction or other permanent improvement, or upon the abandonment of the project, the agency to whom the appropriation was made may transfer the unencumbered balance in the project account to another project enumerated in the same section of that appropriation act, or may transfer unencumbered balances from agency operating funds. The transfer must be made only to cover bids for the other project that were higher than was estimated when the appropriation for the other project was made and not to cover an expansion of the other project. The money transferred under this section is appropriated for the purposes for which transferred. For transfers for technical colleges by the board of trustees of the Minnesota state colleges and universities, the total cost of both projects and the required local share for both projects are adjusted accordingly. The agency proposing a transfer shall obtain approval from the commissioner of finance and the chair of the senate finance committee and the chair of the house of representatives ways and means committee before the transfer is made under this subdivision.

[For text of subd 3, see M.S.1998]

History: 1999 c 240 art 1 s 15

16A.85 MASTER LEASE.

Subdivision 1. **Authorization.** The commissioner of administration may determine, in conjunction with the commissioner of finance, the personal property needs of the various state departments, agencies, boards, commissions and the legislature that may be economically funded through a master lease program and request the commissioner of finance to execute a master lease.

The commissioner of finance may authorize the sale and issuance of certificates of participation relative to a master lease in an amount sufficient to fund these personal property needs. The term of the certificates must be less than the expected useful life of the equipment whose purchase is financed by the certificates. The commissioner of administration may use the proceeds from the master lease or the sale of the certificates of participation to acquire the personal property through the appropriate procurement procedure in chapter 16C. Money appropriated for the lease or acquisition of this personal property is appropriated to the commissioner of finance to make master lease payments.

[For text of subds 2 to 6, see M.S.1998]

History: 1999 c 250 art 1 s 52

16A.86 CAPITAL PROJECT GRANTS TO POLITICAL SUBDIVISIONS.

Subdivision 1. **Projects covered.** The capital improvement projects covered by this section are only those not covered by another state program of assistance to political subdivisions.

Subd. 2. **Budget request.** A political subdivision that requests an appropriation of state money for a local capital improvement project is encouraged to submit a preliminary request to the commissioner of finance by June 15 of an odd-numbered year to ensure its full consideration. The final request must be submitted by November 1. The requests must be submitted in the form and with the supporting documentation required by the commissioner of finance. All requests timely received by the commissioner must be forwarded to the legislature, along with agency requests, by the deadline established in section 16A.11, subdivision 1.

Subd. 3. **Evaluation.** (a) The commissioner shall evaluate all requests from political subdivisions for state assistance based on the following criteria:

- (1) the political subdivision has provided for local, private, and user financing for the project to the maximum extent possible;
- (2) the project helps fulfill an important state mission;
- (3) the project is of regional or statewide significance;
- (4) the project will not require new or any additional state operating subsidies;
- (5) the project will not expand the state's role in a new policy area;
- (6) state funding for the project will not create significant inequities among local jurisdictions;
- (7) the project will not compete with other facilities in such a manner that they lose a significant number of users to the new project; and
- (8) the governing bodies of those political subdivisions primarily benefiting from the project have passed resolutions in support of the project.

(b) The commissioner's evaluation of each request, including whether it meets each of the criteria in paragraph (a), must be submitted to the legislature along with the governor's recommendations under section 16A.11, subdivision 1, whether or not the governor recommends that the request be funded.

Subd. 4. **Funding.** (a) The state share of a project covered by this section must be no more than half the total cost of the project, including predesign, design, construction, furnishings, and equipment, except as provided in paragraph (b). This subdivision does not apply to a project proposed by a school district or other school organization.

(b) The state share may be more than half the total cost of a project if the project is deemed needed as a result of a disaster or to prevent a disaster or is located in a political subdivision with a very low average net tax capacity.

(c) Nothing in this section prevents the governor from recommending, or the legislature from considering or funding, projects that do not meet the deadlines in subdivision 2 or the criteria in this subdivision or subdivision 3 when the governor or the legislature determines that there is a compelling reason for the recommendation or funding.

History: 1999 c 192 s 1

16A.87 TOBACCO SETTLEMENT FUND.

Subdivision 1. **Establishment; purpose.** The tobacco settlement fund is established as a clearing account in the state treasury.

Subd. 2. **Deposit of money.** The commissioner shall credit to the tobacco settlement fund the tobacco settlement payments received by the state on September 5, 1998, January 4, 1999, January 3, 2000, and January 2, 2001, as a result of the settlement of the lawsuit styled as *State v. Philip Morris Inc.*, No. C1-94-8565 (Minnesota District Court, Second Judicial District).

Subd. 3. **Appropriation.** Of the amounts credited to the fund, 61 percent is appropriated for transfer to the tobacco use prevention and local public health endowment fund

created in section 144.395 and 39 percent is appropriated for transfer to the medical education endowment fund created in section 62J.694.

Subd. 4. **Sunset.** The tobacco settlement fund expires June 30, 2015.

History: 1999 c 245 art 11 s 1,7