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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-THIRD SESSION

H. F. No. 1274

02/06/2023 Authored by West, Petersburg and Koznick
The bill was read for the first time and referred to the Committee on Transportation Finance and Policy

1.1 A bill for an act
1.2 relating to transportation; allocating certain forecasted general fund balances for
1.3 transportation purposes; amending Minnesota Statutes 2022, section 16A.152,
1.4 subdivisions 1b, 2.

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

1.6 Section 1. Minnesota Statutes 2022, section 16A.152, subdivision 1b, is amended to read:

1.7 Subd. 1b. Budget reserve level. (a) The commissioner of management and budget shall
1.8 calculate the budget reserve level by multiplying the current biennium's general fund
1.9 nondedicated revenues and the most recent budget reserve percentage under subdivision 8.

1.10 (b) If, on the basis of a November forecast of general fund revenues and expenditures,
1.11 the commissioner of management and budget determines that there will be a positive
1.12 unrestricted general fund balance at the close of the biennium and that the provisions of,
1.13 subject to subdivision 2, paragraph (a), clauses (1), (2), (3), and (4), are satisfied, the
1.14 commissioner shall transfer to the budget reserve account in the general fund the amount
1.15 necessary to increase the budget reserve to the budget reserve level determined under
1.16 paragraph (a). The amount of the transfer authorized in this paragraph shall not exceed 33
1.17 percent of the positive unrestricted general fund balance determined in the forecast.

1.18 EFFECTIVE DATE. This section is effective July 1, 2023.

1.19 Sec. 2. Minnesota Statutes 2022, section 16A.152, subdivision 2, is amended to read:

1.20 Subd. 2. Additional revenues; priority. (a) If on the basis of a forecast of general fund
1.21 revenues and expenditures, the commissioner of management and budget determines that
1.22 there will be a positive unrestricted budgetary general fund balance at the close of the

2.1 biennium, the commissioner of management and budget must allocate money to the following  
 2.2 accounts and purposes in priority order:

2.3 (1) the cash flow account established in subdivision 1 until that account reaches  
 2.4 \$350,000,000;

2.5 (2) the budget reserve account established in subdivision 1a until that account reaches  
 2.6 \$2,377,399,000;

2.7 (3) the amount necessary to increase the aid payment schedule for school district aids  
 2.8 and credits payments in section 127A.45 to not more than 90 percent rounded to the nearest  
 2.9 tenth of a percent without exceeding the amount available and with any remaining funds  
 2.10 deposited in the budget reserve;

2.11 (4) the amount necessary to restore all or a portion of the net aid reductions under section  
 2.12 127A.441 and to reduce the property tax revenue recognition shift under section 123B.75,  
 2.13 subdivision 5, by the same amount;

2.14 ~~(5) the amount necessary to increase the Minnesota 21st century fund by not more than~~  
 2.15 ~~the difference between \$5,000,000 and the sum of the amounts credited and canceled to it~~  
 2.16 ~~in the previous 12 months under Laws 2020, chapter 71, article 1, section 11, until the sum~~  
 2.17 ~~of all transfers under this section and all amounts credited or canceled under Laws 2020,~~  
 2.18 ~~chapter 71, article 1, section 11, equals \$20,000,000; and~~

2.19 ~~(6) for a forecast in November only, the amount remaining after the transfer under clause~~  
 2.20 ~~(5) must be used to reduce the percentage of accelerated June liability sales tax payments~~  
 2.21 ~~required under section 289A.20, subdivision 4, paragraph (b), until the percentage equals~~  
 2.22 ~~zero, rounded to the nearest tenth of a percent. By March 15 following the November~~  
 2.23 ~~forecast, the commissioner must provide the commissioner of revenue with the percentage~~  
 2.24 ~~of accelerated June liability owed based on the reduction required by this clause. By April~~  
 2.25 ~~15 each year, the commissioner of revenue must certify the percentage of June liability~~  
 2.26 ~~owed by vendors based on the reduction required by this clause.~~

2.27 (5) the amount necessary to provide for the transfer under subdivision 1b, paragraph  
 2.28 (b); and

2.29 (6) in each February forecast, any remaining unrestricted general fund balance, transferred  
 2.30 as follows:

2.31 (i) 95 percent to the highway user tax distribution fund;

2.32 (ii) 4.5 percent to the metropolitan area transit account under section 16A.88; and

3.1 (iii) 0.5 percent to the greater Minnesota transit account under section 16A.88.

3.2 (b) The amounts necessary to meet the requirements of this section are appropriated  
3.3 from the general fund within two weeks after the forecast is released or, in the case of  
3.4 transfers under paragraph (a), clauses (3) and (4), as necessary to meet the appropriations  
3.5 schedules otherwise established in statute.

3.6 (c) The commissioner of management and budget shall certify the total dollar amount  
3.7 of the reductions under paragraph (a), clauses (3) and (4), to the commissioner of education.  
3.8 The commissioner of education shall increase the aid payment percentage and reduce the  
3.9 property tax shift percentage by these amounts and apply those reductions to the current  
3.10 fiscal year and thereafter.

3.11 **EFFECTIVE DATE.** This section is effective July 1, 2023.