A bill for an act
relating to state government; providing conditions relating to acceptance and expenditure of federal stimulus funds.

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

Section 1. **FEDERAL STIMULUS FUNDS.**

Subdivision 1. **Title.** This act shall be known as the "State Bailout Control Act."

Subd. 2. **Not to be obligated until federal money is received.** A state agency may not make spending commitments or enter into obligations anticipated to be paid for with funds to be received under the federal American Recovery and Reinvestment Act of 2009 until the state has received the federal funds necessary to meet the commitments or obligations, the funds have been appropriated to the agency, and the agency has complied with any other legal requirements necessary to obligate or spend the funds. Money may not be transferred from any fund in the state treasury to provide cash flow to any agency in anticipation of receipt of funds under the federal American Recovery and Reinvestment Act of 2009.

Subd. 3. **No ongoing obligations.** Minnesota may not accept any portion of the funds available under the federal American Recovery and Reinvestment Act of 2009 that create an ongoing obligation for state, county, or local programs or expenditures after the expenditure of the funds received under the act.

Subd. 4. **Replenishment of budget reserve.** By June 30, 2011, there must be deposited in the budget reserve account an amount sufficient to make the total amount in the account equal to 33 percent of the amount of money received by the state under the federal American Recovery and Reinvestment Act of 2009.

EFFECTIVE DATE. This section is effective the day following final enactment.