A bill for an act

relating to state government; providing that certain appropriations continue in effect with certain exceptions and adjustments; proposing coding for new law in Minnesota Statutes, chapter 16A.

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

Section 1. **[16A.117] CONTINUING APPROPRIATIONS.**

Subdivision 1. **Appropriations continue for one year.** If a major appropriation bill is not enacted before July 1 of an odd-numbered year, the existing appropriation amounts pertaining to that bill for the fiscal year ending that June 30 are in effect again at the base level through the fiscal year beginning July 1 of that odd-numbered year. The base level is the amount appropriated for the fiscal year ending that June 30, except as otherwise provided by subdivision 2 or by other law. The amounts needed to implement this section are appropriated from each fund covered by this section. The house of representatives and the senate may adopt joint resolutions designating the major appropriations bills and specifying which appropriations pertain to each major appropriations bill for purposes of this section.

Subd. 2. **Exceptions and adjustments.** An appropriation remaining in effect under authority of subdivision 1 must be adjusted or discontinued as required by other law and in the following circumstances:

(a) An appropriation for the fiscal year ending June 30 of the odd-numbered year does not remain in effect for the fiscal year starting on July 1 if the legislature specifically designated the appropriation as a onetime appropriation, if the commissioner of management and budget determines that the legislature clearly intended the appropriation

to be onetime, or if the program for which the appropriation was made expires on or before July 1.

(b) If an appropriation remains in effect under authority of subdivision 1, but the program or activity that is the subject of the appropriation is scheduled to expire during a fiscal year, the commissioner of management and budget must prorate the appropriation.

(c) The commissioner of management and budget may make technical adjustments to the amount of an appropriation to the extent the commissioner determines the technical adjustments are needed to accurately reflect the amount that constitutes the annual base level of the appropriation. The commissioner may make an adjustment under this paragraph only if one or more of the following conditions is met:

(1) the legislature previously appropriated money for a biennium, with the entire appropriation being allocated to one year of the biennium, and the commissioner determines an adjustment is necessary to accurately reflect the annual amount needed to maintain program operations at the same level;

(2) laws or policies under which revenues and expenditures are accounted for have changed to eliminate or consolidate certain funds or accounts or to create new funds or accounts, and adjustments in appropriations are necessary to implement these changes;

(3) duties have been transferred between agency programs, or between agencies, and adjustments in appropriations are necessary to reflect these transfers; or

(4) a program, or changes to a program, were not fully operational in one fiscal year, but will be fully operational in the following year, and an adjustment to the appropriation is needed to accurately reflect the annual cost of the new or changed program.

The commissioner of management and budget must give the chairs and lead minority caucus members of the senate finance and house ways and means committees written notice of any adjustments made under this subdivision.

Sec. 2. **EFFECTIVE DATE.**

Section 1 is effective July 1, 2011.