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State of Minnesota  
HOUSE OF REPRESENTATIVES

EIGHTY-SEVENTH SESSION

H. F. No. 2863

03/14/2012 Authored by Scott; Anderson, S.; Dettmer; Lohmer and Scalze  
The bill was read for the first time and referred to the Committee on Government Operations and Elections

1.1 A bill for an act  
1.2 relating to metropolitan government; adding duties to the Legislative  
1.3 Commission on Metropolitan Government; providing for fiscal year starting July  
1.4 1 for the Metropolitan Council; requiring legislative approval of the council's  
1.5 budgets; amending Minnesota Statutes 2010, sections 3.8841, subdivisions 7, 8;  
1.6 473.13, subdivision 1; 473.535.

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

1.8 Section 1. Minnesota Statutes 2010, section 3.8841, subdivision 7, is amended to read:

1.9 Subd. 7. **Meetings; procedures.** The commission meets at the call of the chair.

1.10 The commission shall meet at least once per calendar year. If there is a quorum, the  
1.11 commission may take action by a simple majority vote of commission members present.

1.12 Sec. 2. Minnesota Statutes 2010, section 3.8841, subdivision 8, is amended to read:

1.13 Subd. 8. **Powers; duties; Metropolitan Council levy, budget oversight.** (a) The  
1.14 commission must monitor, review, and make recommendations to the Metropolitan  
1.15 Council and to the legislature by February 1 of each year for the following ~~calendar~~ fiscal  
1.16 year. The recommendations shall be on:

1.17 (1) the tax rate and dollar amount of the Metropolitan Council's property tax levies  
1.18 and any proposed increases in the rate or dollar amount of tax;

1.19 (2) any request for an increase in the debt of the Metropolitan Council;

1.20 (3) the overall work and role of the Metropolitan Council;

1.21 (4) the Metropolitan Council's proposed operating and capital budgets, work  
1.22 program, and capital improvement program; and

1.23 (5) the Metropolitan Council's implementation of the operating and capital budgets,  
1.24 work program, and capital improvement program.

2.1 (b) After a final budget is enacted for a fiscal year, the commission shall review an  
 2.2 increase in expenditures from the council's enacted budget pursuant to this subdivision. If  
 2.3 the council will increase expenditures from its enacted budget by more than five percent,  
 2.4 the chair of the council shall notify the members of the commission in writing of the  
 2.5 anticipated increase. The notice shall include information on the need for the increase, the  
 2.6 source of the funds to pay for the increase, and a reason that the need was not included  
 2.7 in the enacted budget. The commission has 20 days to review the notice. If after 20  
 2.8 days there is no request for further review, the increase is deemed to be recommended  
 2.9 by the commission. If within 20 days any member of the commission requests further  
 2.10 review, the commission must hold a hearing pursuant to paragraph (c) to consider the  
 2.11 issue. The council shall not spend the additional funds until the request for a hearing  
 2.12 has been satisfied or withdrawn.

2.13 (c) If there is a request for further review under paragraph (b), the commission shall  
 2.14 hold a hearing within 20 days of receiving the request. At the hearing, the commission  
 2.15 shall make a positive or negative recommendation on the increased expenditure. The  
 2.16 recommendation is advisory only.

2.17 (d) Within seven calendar days of the start of the legislative session each year, the  
 2.18 chair of the commission must submit a written report to the legislature on all increased  
 2.19 expenditure requests that were received by the commission for the past year and what  
 2.20 recommendation, if any, was made.

2.21 Sec. 3. Minnesota Statutes 2010, section 473.13, subdivision 1, is amended to read:

2.22 Subdivision 1. **Budget.** (a) On or before ~~December 20~~ January 15 of each year, the  
 2.23 council shall ~~adopt a final~~ present a proposed budget ~~covering its~~ to committees in the  
 2.24 senate and house of representatives with jurisdiction over the Metropolitan Council.  
 2.25 The proposed budget must cover the council's anticipated receipts and disbursements  
 2.26 for the ~~ensuing~~ next fiscal year commencing July 1 and ~~shall decide upon the total~~ the  
 2.27 proposed amount necessary to be raised from ad valorem tax levies to meet its budget. The  
 2.28 proposed budget shall state in detail the expenditures for each program to be undertaken,  
 2.29 including the expenses for salaries, consultant services, overhead, travel, printing, and  
 2.30 other items. The proposed budget shall state in detail the capital expenditures of the  
 2.31 council for the ~~budget~~ fiscal year, based on a five-year capital program adopted by the  
 2.32 council and transmitted to the legislature. ~~After adoption of the budget and~~ The council  
 2.33 cannot adopt a final budget until a law authorizing the council's budget is enacted. In any  
 2.34 year in which a law is not enacted to authorize the council's budget, the council may

3.1 continue to operate and implement its previously approved budget, but at no greater level  
 3.2 than previously authorized by the legislature.

3.3 (b) No later than five working days after ~~December 20~~ the council's budget is  
 3.4 enacted, the council shall certify to the auditor of each metropolitan county the share of the  
 3.5 tax to be levied within that county, which must be an amount bearing the same proportion  
 3.6 to the total levy agreed on by the council as the net tax capacity of the county bears to the  
 3.7 net tax capacity of the metropolitan area. The maximum amount of any levy made for the  
 3.8 purpose of this chapter may not exceed the limits set by the statute authorizing the levy.

3.9 (c) The council may vary from its enacted budget by increased expenditures of up  
 3.10 to five percent without legislative action. If the council's expenditures will increase by  
 3.11 more than five percent from the enacted budget, it must submit notice to the Legislative  
 3.12 Commission on Metropolitan Government, as provided in section 3.8841, subdivision 8.

3.13 ~~(b)~~ (d) In each fiscal year starting in an even-numbered year the council shall prepare  
 3.14 for its transit programs a financial plan for the succeeding three ~~calendar~~ fiscal years, in  
 3.15 half-year segments. The financial plan must contain schedules of user charges and any  
 3.16 changes in user charges planned or anticipated by the council during the period of the  
 3.17 plan. The financial plan must contain a proposed request for state financial assistance for  
 3.18 the succeeding biennium.

3.19 ~~(e)~~ (e) In addition, the proposed budget must show for each fiscal year:

3.20 (1) the estimated operating revenues from all sources including funds on hand  
 3.21 at the beginning of the fiscal year, and estimated expenditures for costs of operation,  
 3.22 administration, maintenance, and debt service;

3.23 (2) capital improvement funds estimated to be on hand at the beginning of the fiscal  
 3.24 year and estimated to be received during the year from all sources and estimated cost of  
 3.25 capital improvements to be paid out or expended during the fiscal year, all in such detail  
 3.26 and form as the council may prescribe; and

3.27 (3) the estimated source and use of pass-through funds.

3.28 Sec. 4. Minnesota Statutes 2010, section 473.535, is amended to read:

3.29 **473.535 CAPITAL IMPROVEMENT PROGRAM; BUDGET.**

3.30 (a) In addition to the proposed budget bill submitted for legislative action  
 3.31 under section 473.13, subdivision 1, the council shall ~~prepare and adopt a~~ present to  
 3.32 the committees in the senate and house of representatives with jurisdiction over the  
 3.33 Metropolitan Council the council's proposed capital improvement program and a budget  
 3.34 for the acquisition or betterment of any interceptors or treatment works determined by  
 3.35 the council to be necessary or desirable for the metropolitan disposal system. When the

4.1 council issues debt under section 473.541, it must be for the projects identified in the  
4.2 adopted capital improvement program and budget.

4.3 (b) The council cannot adopt a final capital improvement budget until the budget  
4.4 is enacted. In any year in which a law is not enacted to authorize the council's capital  
4.5 improvement budget, the council may continue to operate and implement its previously  
4.6 approved capital improvement budget, but at no greater level than previously authorized  
4.7 by the legislature.

4.8 (c) The council may vary from its enacted budget by increased expenditures of up  
4.9 to five percent without legislative action. If the council's expenditures will increase by  
4.10 more than five percent from the enacted budget, it must submit notice to the Legislative  
4.11 Commission on Metropolitan Government, as provided in section 3.8841, subdivision 8.

4.12 **Sec. 5. METROPOLITAN COUNCIL; TRANSITIONAL BUDGET.**

4.13 By July 1, 2013, the Metropolitan Council shall prepare a detailed six-month budget  
4.14 for the period of January 1, 2014, to June 30, 2014. Thereafter, the council shall prepare  
4.15 annual budgets with each fiscal year commencing July 1, and ending June 30. The council  
4.16 must submit by January 15, 2014, a detailed budget for the fiscal year beginning July 1,  
4.17 2014, to the legislature for approval consistent with Minnesota Statutes, sections 473.13  
4.18 and 473.535.