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State of Minnesota
HOUSE OF REPRESENTATIVES
NINETIETH SESSION

H. F. No. 3364

03/05/2018 Authored by Runbeck
The bill was read for the first time and referred to the Committee on Transportation and Regional Governance Policy

1.1 A bill for an act
1.2 relating to transportation finance; modifying and establishing transportation finance,
1.3 budget, and reporting provisions related to the Metropolitan Council; amending
1.4 Minnesota Statutes 2016, section 473.13, by adding subdivisions; Minnesota
1.5 Statutes 2017 Supplement, section 3.972, subdivision 4.

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

1.7 Section 1. Minnesota Statutes 2017 Supplement, section 3.972, subdivision 4, is amended
1.8 to read:

1.9 Subd. 4. **Certain transit financial activity reporting.** (a) The legislative auditor must
1.10 perform a transit financial activity review of financial information for the Metropolitan
1.11 Council's Transportation Division and, if it engaged in financial activity, the joint powers
1.12 board under section 297A.992. Within ~~4~~ 60 days of the end of each even-numbered fiscal
1.13 ~~quarter year~~, the legislative auditor must submit the review to the Legislative Audit
1.14 Commission, Legislative Commission on Metropolitan Government, and the chairs ~~and~~₂
1.15 ranking minority members, and staff of the legislative committees with jurisdiction over
1.16 transportation policy and finance, finance, and ways and means.

1.17 (b) At a minimum, each transit financial activity review must include:

1.18 (1) a summary of monthly financial statements, including balance sheets and operating
1.19 statements, that shows income, expenditures, and fund balance;

1.20 (2) a list of any obligations and agreements entered into related to transit purposes,
1.21 whether for capital or operating, including but not limited to bonds, notes, grants, and future
1.22 funding commitments;

1.23 (3) the amount of funds in clause (2) that has been committed;

2.1 (4) independent analysis by the fiscal oversight officer of the fiscal viability of revenues
2.2 and fund balance compared to expenditures, taking into account:

2.3 (i) all expenditure commitments;

2.4 (ii) cash flow;

2.5 (iii) sufficiency of estimated funds; and

2.6 (iv) financial solvency of anticipated transit projects; and

2.7 (5) a notification concerning whether the requirements under paragraph (c) have been
2.8 met.

2.9 (c) The Metropolitan Council and, if it engaged in financial activity, the joint powers
2.10 board under section 297A.992, must produce monthly financial statements as necessary for
2.11 the review under paragraph (b), clause (1), and provide timely information as requested by
2.12 the legislative auditor.

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

2.14 Sec. 2. Minnesota Statutes 2016, section 473.13, is amended by adding a subdivision to
2.15 read:

2.16 **Subd. 1d. Budget amendments.** In conjunction with the adoption of any amendment
2.17 to the budgets under subdivision 1, the council must submit a summary of budget changes
2.18 and a copy of the amended budget to the members and staff of the legislative committees
2.19 with jurisdiction over transportation policy and finance and to the Legislative Commission
2.20 on Metropolitan Government.

2.21 **EFFECTIVE DATE; APPLICATION.** This section is effective the day following
2.22 final enactment and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey,
2.23 Scott, and Washington.

2.24 Sec. 3. Minnesota Statutes 2016, section 473.13, is amended by adding a subdivision to
2.25 read:

2.26 **Subd. 6. Overview of revenues and expenditures; forecast.** (a) In cooperation with
2.27 the Department of Management and Budget and as required by section 16A.103, the council
2.28 must prepare in February and November of each year a financial overview and forecast of
2.29 revenues and expenditures for the transportation components of the council's budget.

2.30 **(b) At a minimum, the financial overview and forecast must identify:**

3.1 (1) actual revenues, expenditures, transfers, reserves, and balances for each of the previous
3.2 four budget years;

3.3 (2) budgeted and forecasted revenues, expenditures, transfers, reserves, and balances
3.4 for each year within the state forecast period; and

3.5 (3) a comparison of the information under clause (2) to the prior forecast, including any
3.6 changes made.

3.7 (c) The information under paragraph (b), clauses (1) and (2), must include:

3.8 (1) a breakdown for each transportation operating budget category established by the
3.9 council, including but not limited to bus, light rail transit, commuter rail, planning, special
3.10 transportation service under section 473.386, and assistance to replacement service providers
3.11 under section 473.388;

3.12 (2) data for both transportation operating and capital expenditures; and

3.13 (3) fund balances for each replacement service provider under section 473.388.

3.14 (d) The financial overview and forecast must summarize reserve policies, identify the
3.15 methodology for cost allocation, and review revenue assumptions and variables affecting
3.16 the assumptions.

3.17 (e) The council must review the financial overview and forecast information with the
3.18 chairs and legislative staff of the legislative committees with jurisdiction over finance, ways
3.19 and means, and transportation finance no later than two weeks following the release of the
3.20 forecast.

3.21 **EFFECTIVE DATE; APPLICATION.** This section is effective the day following
3.22 final enactment and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey,
3.23 Scott, and Washington.