

SENATE

STATE OF MINNESOTA

EIGHTY-EIGHTH SESSION

S.F. No. 1788

(SENATE AUTHORS: COHEN and Reinert)

DATE	D-PG	OFFICIAL STATUS
02/25/2014	5827	Introduction and first reading Referred to Finance
03/03/2014	5939	Author added Reinert

1.1

1.2

1.3

1.4

1.5

A bill for an act  
relating to financing of state government; increasing the budget reserve;  
appropriating money; amending Minnesota Statutes 2012, section 16A.152,  
subdivision 2; repealing Minnesota Statutes 2012, section 16A.152, subdivision  
1b.

1.6

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

1.7

1.8

1.9

1.10

1.11

1.12

Section 1. Minnesota Statutes 2012, section 16A.152, subdivision 2, is amended to read:  
Subd. 2. **Additional revenues; priority.** (a) If on the basis of a forecast of general  
fund revenues and expenditures, the commissioner of management and budget determines  
that there will be a positive unrestricted budgetary general fund balance at the close of  
the biennium, the commissioner of management and budget must allocate money to the  
following accounts and purposes in priority order:

1.13

1.14

1.15

1.16

1.17

1.18

1.19

1.20

1.21

1.22

1.23

(1) the cash flow account established in subdivision 1 until that account reaches  
\$350,000,000;  
(2) the budget reserve account established in subdivision 1a until that account  
reaches ~~\$653,000,000~~ \$1,000,992,000;  
(3) the amount necessary to increase the aid payment schedule for school district  
aids and credits payments in section 127A.45 to not more than 90 percent rounded to the  
nearest tenth of a percent without exceeding the amount available and with any remaining  
funds deposited in the budget reserve; and  
(4) the amount necessary to restore all or a portion of the net aid reductions under  
section 127A.441 and to reduce the property tax revenue recognition shift under section  
123B.75, subdivision 5, by the same amount; ~~and.~~

2.1 ~~(5) to the state airports fund, the amount necessary to restore the amount transferred~~  
2.2 ~~from the state airports fund under Laws 2008, chapter 363, article 11, section 3,~~  
2.3 ~~subdivision 5.~~

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

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

2.13 **EFFECTIVE DATE.** This section is effective for forecasts following final  
2.14 enactment.

2.15 Sec. 2. **BUDGET RESERVE INCREASE.**

2.16 On July 1, 2014, the commissioner of management and budget shall transfer  
2.17 \$340,000,000 to the budget reserve in the general fund.

2.18 Sec. 3. **REPEALER.**

2.19 Minnesota Statutes 2012, section 16A.152, subdivision 1b, is repealed.

APPENDIX  
Repealed Minnesota Statutes: 14-4663

**16A.152 BUDGET RESERVE AND CASH FLOW ACCOUNTS.**

Subd. 1b. **Budget reserve increase.** On July 1, 2003, the commissioner of management and budget shall transfer \$300,000,000 to the budget reserve account in the general fund. On July 1, 2004, the commissioner of management and budget shall transfer \$296,000,000 to the budget reserve account in the general fund. The amounts necessary for this purpose are appropriated from the general fund.