

**SENATE**  
**STATE OF MINNESOTA**  
**NINETY-FIRST SESSION**

**S.F. No. 617**

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DATE	D-PG	OFFICIAL STATUS
01/28/2019	193	Introduction and first reading Referred to E-12 Finance and Policy

1.1 A bill for an act

1.2 relating to permanent school fund; appropriating money based on general fund

1.3 forecast to compensate permanent school fund for certain lands; amending

1.4 Minnesota Statutes 2018, section 16A.152, subdivisions 1b, 2.

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

1.6 Section 1. Minnesota Statutes 2018, section 16A.152, subdivision 1b, is amended to read:

1.7 Subd. 1b. **Budget reserve level.** (a) The commissioner of management and budget shall

1.8 calculate the budget reserve level by multiplying the current biennium's general fund

1.9 nondedicated revenues and the most recent budget reserve percentage under subdivision 8.

1.10 (b) If, on the basis of a November forecast of general fund revenues and expenditures,

1.11 the commissioner of management and budget determines that there will be a positive

1.12 unrestricted general fund balance at the close of the biennium and that the provisions of

1.13 subdivision 2, paragraph (a), clauses (1), ~~(2)~~, ~~(3)~~, and ~~(4)~~ to (6), are satisfied, the

1.14 commissioner shall transfer to the budget reserve account in the general fund the amount

1.15 necessary to increase the budget reserve to the budget reserve level determined under

1.16 paragraph (a). The amount of the transfer authorized in this paragraph shall not exceed 33

1.17 percent of the positive unrestricted general fund balance determined in the forecast.

1.18 Sec. 2. Minnesota Statutes 2018, section 16A.152, subdivision 2, is amended to read:

1.19 Subd. 2. **Additional revenues; priority.** (a) If on the basis of a forecast of general fund

1.20 revenues and expenditures, the commissioner of management and budget determines that

1.21 there will be a positive unrestricted budgetary general fund balance at the close of the

2.1 biennium, the commissioner of management and budget must allocate money to the following  
2.2 accounts and purposes in priority order:

2.3 (1) the cash flow account established in subdivision 1 until that account reaches  
2.4 \$350,000,000;

2.5 (2) the budget reserve account established in subdivision 1a until that account reaches  
2.6 \$1,596,522,000;

2.7 (3) the amount necessary to increase the aid payment schedule for school district aids  
2.8 and credits payments in section 127A.45 to not more than 90 percent rounded to the nearest  
2.9 tenth of a percent without exceeding the amount available and with any remaining funds  
2.10 deposited in the budget reserve;

2.11 (4) the amount necessary to restore all or a portion of the net aid reductions under section  
2.12 127A.441 and to reduce the property tax revenue recognition shift under section 123B.75,  
2.13 subdivision 5, by the same amount; ~~and~~

2.14 (5) the clean water fund established in section 114D.50 until \$22,000,000 has been  
2.15 transferred into the fund; and

2.16 (6) \$100,000,000 to compensate the school trust lands account established in section  
2.17 92.83, as required by section 84.027, subdivision 18, paragraphs (b) and (c). If \$100,000,000  
2.18 is not available to allocate, the commissioner must allocate the lesser amount available and  
2.19 continue to allocate all available money until \$100,000,000 has been transferred to the fund.

2.20 (b) The amounts necessary to meet the requirements of this section are appropriated  
2.21 from the general fund within two weeks after the forecast is released or, in the case of  
2.22 transfers under paragraph (a), clauses (3) and (4), as necessary to meet the appropriations  
2.23 schedules otherwise established in statute. The money allocated under paragraph (a), clause  
2.24 (6), is appropriated from the general fund to the commissioner of natural resources within  
2.25 two weeks after the forecast is released.

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

2.31 (d) Paragraph (a), clause (5), expires after the entire amount of the transfer has been  
2.32 made.