

## CHAPTER 1 — H.F.No. 1

*An act relating to the financing of state government; clarifying fee adjustments and minimum deposits with the state treasurer; facilitating the general fund's receipt of amounts from canceled warrants; creating a budget reserve account; modifying provisions relative to the state's issuance of certificates of indebtedness; appropriating money for the payment of certificates, interest thereon and other expenses; authorizing a state property tax under certain conditions; changing dates for making homestead credit payments to school districts; requiring a study of the state's cash management; requiring plan to reduce short-term borrowing; amending Minnesota Statutes 1980, Sections 16A.128, as amended; 16A.15, Subdivision 1, as amended; 16A.275; and 273.13, Subdivision 15a, as amended; proposing new law coded in Minnesota Statutes, Chapter 16A; repealing Minnesota Statutes 1980, Sections 16A.67; 268.15, Subdivision 4; 352.04, Subdivision 10; 352B.061; and 354.61.*

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

Section 1. Minnesota Statutes 1980, Section 16A.128, as amended by Laws 1981, Chapter 357, Section 26, is amended to read:

**16A.128 FEE ADJUSTMENTS.**

The fees fixed for the various accounts for which appropriations are made by law, shall be neither increased nor decreased except with the approval of the commissioner of finance. All these fees shall be reviewed at least once each six months, and, except in special fee situations as determined by the commissioner, adjustments shall be made to the end that the total fees received shall approximate the amount appropriated for the several accounts, plus the portion of the general support costs and statewide indirect costs of the agency that is attributable to the function for which the fee is charged. Fee adjustments authorized under this section may be made without a public hearing when the total fees estimated to be received during the fiscal biennium will not exceed 110 percent of the sum of all direct appropriations, transfers in, and salary supplements for that purpose for the biennium.

**Sec. 2. [16A.153] BUDGET RESERVE ACCOUNT.**

The commissioner of finance, at the close of the state's accounts for the second fiscal year of each biennium, shall transfer to a budget reserve account in the state treasury the amount by which the unrestricted balance in the general fund exceeds \$25,000,000, up to \$100,000,000. Thereafter, one-half of the remainder of the unrestricted balance shall be transferred until the balance in the budget reserve account equals 2-1/2 percent of appropriations from the general fund for the current biennium.

Sec. 3. Minnesota Statutes 1980, Section 16A.15, Subdivision 1, is amended to read:

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

Subdivision 1. **REDUCTION.** In case the commissioner of finance shall discover at any time that the probable receipts from taxes or other sources for any appropriation, fund, or item will be less than was anticipated, and that consequently the amount available for the remainder of the term of the appropriation or for any allotment period will be less than the amount estimated or allotted therefor, he shall, with the approval of the governor, and after notice to the agency concerned, either:

(a) after consultation with the legislative advisory commission created by section 3.30, transfer from the budget reserve account established in section 2, to the general fund the amount necessary to balance revenue and expenditures;

(b) reduce the amount allotted or to be allotted so as to prevent a deficit; or

(c) make any combination of transfers and reductions as provided by clauses (a) and (b).

In like manner he shall request reduction of the amount allotted or to be allotted to any agency by the amount of any saving which can be effected upon previous spending plans through a reduction in prices or other cause.

Sec. 4. Minnesota Statutes 1980, Section 16A.275, is amended to read:

**16A.275 RECEIPTS DEPOSITED WITH STATE TREASURER.**

All receipts from any source shall be deposited with the state treasurer each day, except as otherwise provided by law, ~~and unless such.~~ Receipts ~~are~~ under \$50 ~~in which event payment~~ \$250 may be deferred until they aggregate ~~such that sum; and at the same time.~~ When receipts are deposited, a report of all receipts since the last previous report and of the disposition thereof shall be made to the commissioner of finance by the depositing agency. All moneys received by the treasurer during any month shall be credited by him and by the commissioner of finance to the proper funds not later than the first day of the following month.

Sec. 5. **[16A.671] CERTIFICATES OF INDEBTEDNESS.**

Subdivision 1. **AUTHORIZATION.** For the purpose of assuring that cash or cash equivalent assets will be available at all times during each biennium to pay all warrants drawn on the general fund pursuant to appropriations and allotments for expenditure for any purpose during that biennium, the governor may authorize the commissioner of finance to issue certificates of indebtedness in anticipation of the collection of taxes levied for and other revenues appropriated to the general fund, and to issue additional certificates to refund outstanding certificates or interest thereon, under the provisions of the constitution, article XI, section 6. Before certificates of indebtedness are sold and issued pursuant to any authorization, except for the purpose of refunding, the governor shall secure the recommendation of the legislative advisory

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commission as to the necessity thereof, the terms and conditions of the sale and issuance, and the maximum amount to be issued and outstanding under the authorization. When certificates of indebtedness are to be sold and issued pursuant to subdivision 5, clause (b), the governor shall secure a recommendation before the line of credit is established but need not secure an additional recommendation for each issuance of certificates of indebtedness pursuant to that line of credit. The recommendation of the commission shall be advisory only. The failure of the commission to make a recommendation promptly is a negative recommendation. If there is no legislative advisory commission, the governor shall request an advisory recommendation from the executive council.

Subd. 2. **DEFINITIONS.** As used in this section, the following terms have the meanings given them:

(a) "Allotment" means a limitation placed by the commissioner of finance pursuant to law, upon the amount to be expended or encumbered during any period during a biennium pursuant to an appropriation.

(b) "Appropriation" means an authorization by law to expend or encumber an amount in the general fund during a biennium, including but not limited to:

(1) Direct appropriations;

(2) Open and standing appropriations;

(3) Appropriations of sums sufficient for stated purposes, the amounts of which shall be deemed to be as estimated by the commissioner of finance from time to time; and

(4) Appropriations of amounts to be paid or transferred in financial records from the general fund to any special or dedicated fund.

(c) "General fund" means all cash and investments from time to time received and held in the state treasury, except proceeds of state bonds and amounts received and held in special or dedicated funds created by the state constitution, or by or pursuant to federal laws or regulations thereunder, or by bond instruments, pension contracts, or other agreements of the state or its agencies with private persons, entered into pursuant to state law.

(d) "Maximum current cash flow requirement" means a written estimate by the commissioner of finance of the largest of the amounts by which, on a particular designated date in each month of the term for which certificates are to be issued, the sum of the warrants then outstanding against the general fund plus those that must be drawn thereon before the same date in the following month, in payment of claims due for expenditure pursuant to all appropriations and allotments, will exceed the amount of cash or cash equivalent assets held in the general fund on the first of these dates, excluding the proceeds of the certificates.

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**Subd. 3. LIMITATIONS OF AMOUNT.** The principal amount of certificates of indebtedness to be sold and issued at any time shall not exceed the smallest of the following:

(a) An amount which, with interest thereon to maturity, added to the then outstanding amount of certificates, less the amount thereof, if any, which will be paid from the proceeds, and interest thereon to maturity, will equal the then unexpended balance of all money which will be credited to the general fund during the current biennium under existing laws, as estimated by the commissioner of finance;

(b) An amount which, with the principal amount of any outstanding certificates equals \$360,000,000; or

(c) The maximum current cash flow requirement.

**Subd. 4. TERMS.** The commissioner of finance may establish by order in accordance with the provisions of this section, and not subject to the provisions of sections 15.0411 to 15.0422, the principal amount of each series of certificates of indebtedness, the time or times and terms of sale, the denominations and form, whether registered or payable to bearer, with or without interest coupons, the interest rate or rates or the basis of computation of a variable rate, the maturity date or dates and amounts, the provisions, if any, for redemption at times and prices and upon notice specified, a place or places of payment which may be suitable financial institutions within or outside the state, any provisions for registration of ownership of principal, or both principal and interest, and for transfer and exchange, and any other terms the commissioner may determine with the approval of the attorney general. All certificates shall mature not later than the end of the biennium in which they are issued.

**Subd. 5. SALE.** Certificates of indebtedness shall be sold by the commissioner of finance upon public advertisement for competitive bids, except that:

(a) They may be sold to the state board of investment without advertisement for bids, upon terms on which, in the judgment of the board, investments of comparable maturities and security can at the time be purchased from funds under its control;

(b) The commissioner may negotiate with a suitable bank or banks within or outside the state for a line of credit whereby certificates of indebtedness may be issued from time to time within an agreed period, at a fixed or variable interest rate and subject to redemption at par plus accrued interest at any time at the option of the commissioner; or

(c) The commissioner may negotiate with a firm or firms of underwriters to act as an agent in the placement of certificates of indebtedness maturing on a date four months or less from the date of issue, which may be sold to

investors at a specified discount representing the interest included in the face amount payable at maturity, or at a stated interest rate on a stated principal amount, payable at maturity.

**Subd. 6. EXECUTION.** Certificates of indebtedness shall be executed by the signatures of the commissioner of finance and the state treasurer under their official seals, and any attached interest coupons by the signature of the commissioner. The signatures and seals may be printed, lithographed, photocopied, or stamped, except that at least one officer shall sign manually on the face of each certificate, unless the commissioner designates and the certificate on its face requires a suitable financial institution to authenticate the certificate by the manual signature of its authorized representative.

**Subd. 7. APPROPRIATION OF PROCEEDS.** The proceeds of all certificates of indebtedness issued pursuant to this section are appropriated to the general fund, and shall be available for expenditure pursuant to any appropriation from that fund for any purpose, including those referred to in subdivision 8.

**Subd. 8. APPROPRIATION FOR PAYMENT AND COSTS.** The principal of and interest and premium, if any, on all certificates of indebtedness issued hereunder, and all expenses incidental to the sale, guaranty of sale, placement, printing, execution, authorization, registration, and delivery thereof, including but not limited to actual and necessary travel and subsistence expenses of state officers and employees, shall be paid from the general fund and shall be included in the computation of current cash flow requirements and of amounts available for allotment pursuant to appropriations, and the amounts necessary for these purposes are appropriated from the general fund. These appropriations are irrevocable and shall not be canceled.

**Subd. 9. BIENNIAL CASH DEFICIENCY.** If cash and cash equivalent amounts held in the general fund on the last day of any biennium, in excess of the amount of warrants then outstanding, are not sufficient to pay all certificates of indebtedness then outstanding with interest due thereon to maturity, the deficiency may be paid by the issuance of refunding certificates of indebtedness maturing not later than December 1 in the ensuing calendar year. If cash and cash equivalent amounts held in the general fund on December 1 immediately following the close of the biennium, in excess of warrants then outstanding, are not sufficient to pay all such refunding certificates of indebtedness and any other certificates of indebtedness outstanding at the end of the biennium and not refunded, with interest then accrued thereon, the state auditor shall levy upon all taxable property in the state a tax collectible in the ensuing calendar year sufficient to pay the same on or before December 1 in the ensuing year with interest to the date or dates of payment.

Sec. 6. Minnesota Statutes 1980, Section 273.13, Subdivision 15a, as amended by Laws 1981, Special Session Chapter 3, Section 1, is amended to read:

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Subd. 15a. **GENERAL FUND, REPLACEMENT OF REVENUE.** (1) Payment from the general fund shall be made, as provided herein, for the purpose of replacing revenue lost as a result of the reduction of property taxes provided in subdivisions 6, 7, and 14a.

(2) Each county auditor shall certify, not later than May 1 of each year commencing in 1968 to the commissioner of revenue the amount of reduction resulting from subdivisions 6 and 7 in his county, and not later than May 1 of each year commencing in 1970, the amount of reduction resulting from subdivision 14a. In 1975 and subsequent years, this certification shall be submitted to the commissioner of revenue as part of the abstracts of tax lists required to be filed with the commissioner under the provisions of section 275.29. Any prior year adjustments shall also be certified in the abstracts of tax lists. The commissioner of revenue shall review such certifications to determine their accuracy. He may make such changes in the certification as he may deem necessary or return a certification to the county auditor for corrections.

(3) Based on current year tax data reported in the abstracts of tax lists, the commissioner of revenue shall annually determine the taxing district distribution of the amounts certified under clause (2). On or before July 15, 1981, and each year thereafter, the commissioner of revenue shall pay to each taxing district, other than school districts, one-sixth of its total payment for the year. The remaining five-sixths shall be paid in equal installments on or before August 15, September 15, October 15, November 15, and December 15, 1981, and each year thereafter. By July 15, 1982, and each year thereafter, the commissioner of revenue shall pay to each school district one-half of its total payment for the year. The remaining one-half shall be paid by January 15, 1983, and each year thereafter.

**Sec. 7. REPEALER; LIMITATION.**

Minnesota Statutes 1980, Section 16A.67, is repealed. This repeal shall not impair or otherwise affect the validity, enforceability, or interpretation of the provisions of certificates of indebtedness issued thereunder.

**Sec. 8. REPEALER.**

Minnesota Statutes 1980, Sections 268.15, Subdivision 4; 352.04, Subdivision 10; 352B.061; and 354.61, are repealed.

**Sec. 9. CASH FLOW MANAGEMENT REPORT.**

The commissioner of the department of finance shall prepare a comprehensive study of the state's cash flow management. The study shall evaluate options to reduce any cash flow management difficulties outlined in the study, including changes in payment or dates of payment for aids and credits paid by the state, expenditure reductions, or revenue increases. The study shall contain

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the recommendations of the commissioner to improve the state's cash flow management. The study shall be submitted by December 1, 1981 to the governor, the president of the senate; the speaker of the house; the chairmen of the senate finance committee, house appropriations committee, senate taxes and tax laws committee, house taxes committee; and to the house and senate majority and minority leaders.

**Sec. 10. PLAN TO REDUCE SHORT-TERM BORROWING.**

The governor shall submit to the legislature by January 1, 1982 a plan to eliminate the state's need to engage in short-term borrowing to meet cash needs in subsequent biennial budgets.

**Sec. 11. BUDGET REVIEW CONTINUED.**

The 72nd legislature reaffirms its commitment made in Laws 1981, Special Session Chapter 2, Section 18, to continue to review the 1982-83 state budget during the interim between the 1981 and 1982 sessions in order to find cost savings to further reduce expenditures in the biennium budget.

**Sec. 12. EFFECTIVE DATE.**

Sections 1 to 5 and 7 to 11 are effective the day following final enactment. Section 6 is effective July 1, 1982.

Approved July 2, 1981

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**CHAPTER 2 — H.F.No. 3**

*An act relating to elections; correcting provisions for registration prior to election day, for publishing of sample general election ballots, and for setting certain election precinct boundaries; amending Minnesota Statutes 1980, Sections 201.061, Subdivision 1, as amended; and Laws 1981, Chapter 29, Article IV, Section 14, Subdivision 3, and Article VI, Section 16, as amended; repealing Special Session Laws 1981, Chapter 4, Article III, Sections 1 and 2.*

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

Section 1. Minnesota Statutes 1980, Section 201.061, Subdivision 1, as amended by Laws 1981, Chapter 29, Article II, Section 8, and Laws 1981, Chapter 217, Section 3, is amended to read:

**201.061 REGISTRATION ON OR BEFORE ELECTION DAY.**

**Subdivision 1. PRIOR TO ELECTION DAY.** At any time except during the 20 days immediately preceding any election, an eligible voter or any individual who will be an eligible voter at the time of the next election may

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