

(c) Taxes imposed by this subdivision ~~shall be due and are~~ payable as in the case of personal property taxes and ~~such taxes~~ shall be assessed to ~~such the~~ lessees or users of real or personal property in the same manner as taxes assessed to owners of real or personal property, except that such taxes shall not become a lien against the property. When due, the taxes shall constitute a debt due from the lessee or user to the state, township, city, county and school district for which the taxes were assessed and shall be collected in the same manner as personal property taxes. If property subject to the tax imposed by this subdivision is leased or used jointly by two or more persons, each lessee or user shall be jointly and severally liable for payment of the tax.

Sec. 2. Minnesota Statutes 1988, section 273.19, subdivision 1, is amended to read:

Subdivision 1. Except as provided in subdivision 3 or 4, tax-exempt property held under a lease for a term of at least one year, and not taxable under section 272.01, subdivision 2, or under a contract for the purchase thereof, ~~when the property belongs to the United States, to the state, or to any religious, scientific, or benevolent society or institution, incorporated or unincorporated, or to any railroad company or other corporation whose property is not taxed in the same manner as other property, or when the property is school or other state lands,~~ shall be considered, for all purposes of taxation, as the property of the person ~~so~~ holding the same it. In this subdivision, "tax-exempt property" means property owned by the United States, the state, a school, or any religious, scientific, or benevolent society or institution, incorporated or unincorporated, or any corporation whose property is not taxed in the same manner as other property. This subdivision does not apply to property exempt from taxation under section 272.01, subdivision 2, ~~clause paragraph (b), clauses (2), (3), and (4).~~

### Sec. 3. EFFECTIVE DATE.

Sections 1 and 2 are effective for taxes levied in 1989, payable in 1990, and thereafter.

Presented to the governor May 22, 1989

Signed by the governor May 25, 1989, 5:22 p.m.

## CHAPTER 240—S.F.No. 1101

*An act relating to St. Louis county; regulating budget procedures; providing for certain recorder's fees; allowing the county to assess the cost of maintenance of television relay service; proposing coding for new law in Minnesota Statutes, chapter 383C; repealing Minnesota Statutes 1988, sections 383C.01, 383C.011, 383C.012, 383C.013, 383C.014, 383C.015, 383C.016, 383C.017, 383C.018, and 383C.019.*

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

Section 1. [383C.021] BUDGET AND FINANCIAL ADMINISTRATION.

Subdivision 1. DUTIES OF THE COUNTY BOARD. The county board shall annually adopt a budget for the next fiscal year. The budget shall be a complete financial plan for the year. The board may create fund accounts in accordance with generally accepted accounting principles and state and federal laws and rules to account for the assets, liabilities, revenues, and expenditures of the county.

Subd. 2. FORMAT. The board may use any combination of expenditure classifications by fund, organization, program, purpose, or activity. The budget shall begin with a general summary of its contents and shall detail all estimated revenues, including the property tax levy, and all estimated expenditures, including debt service, for the next fiscal year. The total of estimated expenditures for the next fiscal year shall not exceed the total of estimated revenues and any surplus amounts expected to be available at the end of the current fiscal year. Amounts in funds unexpended at the end of the fiscal year may be carried over from one fiscal year to the next in accordance with generally accepted accounting principles. Unexpended amounts may be restricted by the board to finance contingent obligations which may become payable in subsequent fiscal years.

Subd. 3. OPERATING BUDGET. The budget shall include information showing operating revenues, expenditures, and personnel for the fiscal year.

Subd. 4. CAPITAL BUDGET. The budget shall include the capital expenditures proposed for the fiscal year by project and the proposed method and plan of financing of each capital project.

Sec. 2. [383C.022] CAPITAL PROGRAM.

The board may also prepare a five-year capital program to include:

- (1) a clear, general summary of its contents;
- (2) a list of all capital improvements which are proposed to be undertaken during the next five fiscal years, with appropriate supporting information as to the necessity for the improvements;
- (3) cost estimates, method of financing, and recommended time schedules for each improvement; and
- (4) the estimated cost of operating and maintaining the facilities to be constructed or acquired.

The information may be revised and extended each year with regard to capital improvements still pending or in the process of construction or acquisition.

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**Sec. 3. [383C.023] REDUCTION OF APPROPRIATIONS.**

If the maximum rate of taxation for the various purposes mentioned in the budget, for which the county may levy taxes, together with the estimated amount of other county revenues for the ensuing year, and the unappropriated fund balance does not equal the total amount of the budget, the county shall reduce the several funds mentioned in the budget. The items for bonds, interest on bonds, salaries, and other items, the charges for which are fixed by law, shall remain at the full amount that the law requires.

**Sec. 4. [383C.024] APPROPRIATIONS AND TAX LEVY.**

The county board shall adopt the budget by resolution which shall constitute appropriation of the amounts specified in the budget as expenditures from the funds indicated. It shall also adopt by resolution a levy of the tax proposed in the budget.

**Sec. 5. [383C.025] AMENDMENTS.**

Subdivision 1. SUPPLEMENTAL APPROPRIATIONS. The board may make supplemental appropriations during a budget year. The appropriations may authorize the use and expenditure of amounts accruing to the county which were not previously anticipated as revenues by the board in the adoption of the budget.

Subd. 2. CHANGES IN APPROPRIATIONS. The board may by resolution modify the adopted budget or the appropriation to a department or fund, or transfer amounts from one department or fund to another except as otherwise restricted by law.

**Sec. 6. [383C.026] LAPSE OF APPROPRIATIONS.**

Each appropriation, except an appropriation for a capital expenditure, lapses at the close of the fiscal year to the extent that it has not been expended or encumbered. Amounts in funds unexpended at the end of the fiscal year may be carried over from one fiscal year to the next in accordance with generally accepted accounting principles.

An appropriation for a capital expenditure continues in force until the purpose for which it was made has been accomplished or abandoned. The purpose of a capital expenditure appropriation is abandoned if three years pass without a disbursement from or encumbrance of the appropriation.

**Sec. 7. [383C.027] ADMINISTRATION OF BUDGET.**

Subdivision 1. RECORDS; RULES. A record of every appropriation shall be kept by the county auditor, or by an officer, agent, or employee designated by rule, which will at all times show the amount of any appropriation which has been expended, contracted, or obligated, and the remaining unencumbered amount which is available for expenditure, to the extent necessary to enable every officer, agent, or employee who has authority to incur an obligation to know whether incurring an additional obligation will exceed the appropriation. The auditor shall make and may amend rules governing in detail the manner in which

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boards, commissions, administrative officers, and employees of the county incur, record, and report obligations as reasonably necessary to regulate the keeping of the records required by this section and to enable the auditor to determine and certify whether an obligation is within and pursuant to an appropriation made as required by sections 1 to 6. The rules, upon adoption by the county board, shall bind all boards, commissions, officers, agents, and employees. No contract or obligation shall be valid for any purpose unless it is incurred, recorded, reported, and certified in accordance with the rules. No claim or payroll shall be presented to the county board or other board, commission, or agency for allowance, or allowed unless it has been audited by the auditor and certified by the auditor to have been incurred within and pursuant to an appropriation as required by sections 1 to 6. The auditor shall not certify a claim or payroll without ascertaining that it has been so incurred. No claim or payroll shall be allowed or paid until certified by the auditor. Before certifying any claim or payroll, the auditor shall ascertain that the goods or services have actually been received by the county as shown by a receiving report or time record signed by an officer, agent, or employee who has personal knowledge that the goods or services were received or furnished to the county. A person who falsely or fraudulently signs a receiving report or time record is personally liable to the county for any loss sustained.

**Subd. 2. PAYMENTS AND OBLIGATIONS PROHIBITED.** No payment shall be made or obligation incurred against an allotment or appropriation except in accordance with an appropriation duly made in the adopted budget. An authorization of payment or incurring of obligation in violation of this section is void and a payment so made is illegal.

**Subd. 3. ACCOUNTING PRINCIPLES.** The county shall use generally accepted accounting principles in the management of its accounting records.

**Sec. 8. [383C.725] RECORDER'S FEES.**

In St. Louis county the following fees supersede those provided by the cited provisions of Minnesota Statutes:

Section 357.18, clause (1), a minimum fee of \$15.

**Sec. 9. [383C.808] TELEVISION SERVICE; ST. LOUIS COUNTY.**

St. Louis county may assess the cost of maintenance of television relay service upon residents of the following townships in St. Louis county who use the service: T67N, R19W; T67N, R20W; T67N, R21W; T68N, R19W; T68N, R20W; T68N, R21W; T69N, R19W; T69N, R20W; T69N, R21W; T70N, R19W; T70N, R20W; T70N, R21W; T71N, R20W; T71N, R21W. The costs shall be assessed annually against improved property and may be billed directly to them or collected with the property tax levied on real property owned by users. The costs must not be apportioned on the value of the property, but on the basis of the services provided. If the assessment is billed directly, it may be collected in the same manner as any other debt. If the assessment is collected with the property tax, it shall be administered as far as possible in the same manner as the property tax and be subject to the same penalties and conditions.

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Sec. 10. REPEAL.

Minnesota Statutes 1988, sections 383C.01, 383C.011, 383C.012, 383C.013, 383C.014, 383C.015, 383C.016, 383C.017, 383C.018, and 383C.019, are repealed.

Sec. 11. LOCAL APPROVAL.

This act takes effect the day after the St. Louis county board complies with Minnesota Statutes, section 645.021, subdivision 3.

Presented to the governor May 19, 1989

Signed by the governor May 22, 1989, 8:22 p.m.

CHAPTER 241—S.F.No. 54

*An act relating to the city of Edina; authorizing the city to operate a public transit system and to acquire necessary equipment, land, and interests in land; permitting the establishment of special service districts in the city; providing that the city and the housing and redevelopment authority need not require competitive bidding and bonds in connection with certain redevelopment projects.*

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

Section 1. PUBLIC TRANSIT SYSTEM.

The city of Edina may acquire, construct, maintain, and operate a public transit system not operating on fixed rails in the area of the city bounded by county state aid road number 62 on the north, trunk highway 100 on the west, and the city limits on the south and east. The city may acquire, by purchase, lease, or other means, all equipment or other personal property necessary or convenient to operate the system. The city may acquire by purchase, lease, gift, devise, condemnation, or otherwise all land and right-of-way or other interests in land necessary or convenient to construct or operate the system. The city may enter into contracts necessary or proper to acquire, construct, maintain, or operate the system. The city shall have all powers necessary or convenient to acquire, construct, maintain, or operate the system. The city may, in lieu of directly operating the system or any part of it, contract with a person to manage or operate it on behalf of the city. The operation of the public transit system by the city shall not be subject to regulation by the transportation regulation board under Minnesota Statutes, chapter 221.

Sec. 2. SPECIAL SERVICE DISTRICT.

For the purposes of this section "special services" means all services rendered or contracted for by the city, including, but not limited to:

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