

(b) If the board of regents has not reached an agreement on a transitional funding plan with the exclusive representatives by October 1, 1996, the commissioner may release half of the appropriated money, and the regents may use half of the university's matching amount, for unrepresented employees. If no agreement with the exclusive representatives is reached by October 1, 1998, the rest of the money may be released and used for purposes of this section.

(c) This appropriation is available until June 30, 1999.

Sec. 3. REPEALER.

Minnesota Statutes 1994, section 268.9783, subdivision 8, is repealed.

Sec. 4. EFFECTIVE DATE.

Sections 1 to 3 are effective the day following final enactment.

Presented to the governor April 4, 1996

Signed by the governor April 11, 1996, 11:48 a.m.

CHAPTER 461—S.F.No. 2886

An act relating to state finance; setting the amount of the budget reserve; reducing the property tax recognition shift; providing for adjustments to appropriations following forecasts of general fund revenues and expenditures; appropriating money; amending Minnesota Statutes 1995 Supplement, sections 16A.152, subdivision 2; and 121.904, subdivision 4a; repealing 1996 House File No. 2156, article 14, section 4.

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

Section 1. Minnesota Statutes 1995 Supplement, section 16A.152, subdivision 2, is amended to read:

Subd. 2. **ADDITIONAL REVENUES; PRIORITY.** If on the basis of a forecast of general fund revenues and expenditures the commissioner of finance determines that there will be a positive unrestricted budgetary general fund balance at the close of the biennium, the commissioner of finance must allocate money to the budget reserve until the total amount in the account is ~~\$220,000,000~~ \$270,000,000. An amount equal to any additional biennial unrestricted budgetary general fund balance ~~balance~~ made available after November 1 of every as the result of a forecast in an odd-numbered calendar year are after November 1 is appropriated in January of the following year to reduce the property tax levy recognition percent under section 121.904, subdivision 4a, to zero before additional money beyond \$220,000,000 \$270,000,000 is allocated to the budget reserve account. The amount appropriated is the full amount forecast to be available at the end of the biennium and is not limited to the amount forecast to be available at the end of the current fiscal year.

The amounts necessary to meet the requirements of this section are appropriated from the general fund.

New language is indicated by underline, deletions by strikeout.

Sec. 2. Minnesota Statutes 1995 Supplement, section 121.904, subdivision 4a, is amended to read:

Subd. 4a. **LEVY RECOGNITION.** (a) "School district tax settlement revenue" means the current, delinquent, and manufactured home property tax receipts collected by the county and distributed to the school district, including distributions made pursuant to section 279.37, subdivision 7, and excluding the amount levied pursuant to section 124.914, subdivision 1.

(b) In June of each year, the school district shall recognize as revenue, in the fund for which the levy was made, the lesser of:

(1) the May, June, and July school district tax settlement revenue received in that calendar year; or

(2) the sum of the state aids and credits enumerated in section 124.155, subdivision 2, which are for the fiscal year payable in that fiscal year plus an amount equal to the levy recognized as revenue in June of the prior year plus 48 31 percent for fiscal year 1996 and thereafter of the amount of the levy certified in the prior calendar year according to section 124A.03, subdivision 2, plus or minus auditor's adjustments, not including levy portions that are assumed by the state; or

(3) 48 18.1 percent for fiscal year 1996, the percent determined under section 3 for fiscal year 1997 and that same percent thereafter of the amount of the levy certified in the prior calendar year, plus or minus auditor's adjustments, not including levy portions that are assumed by the state, which remains after subtracting, by fund, the amounts levied for the following purposes:

(i) reducing or eliminating projected deficits in the reserved fund balance accounts for unemployment insurance and bus purchases;

(ii) statutory operating debt pursuant to section 124.914, subdivision 1;

(iii) retirement and severance pay pursuant to sections 122.531, subdivision 9, 124.2725, subdivision 15, 124.4945, 124.912, subdivision 1, and 124.916, subdivision 3, and Laws 1975, chapter 261, section 4;

(iv) amounts levied for bonds issued and interest thereon, amounts levied for debt service loans and capital loans, amounts levied for down payments under section 124.82, subdivision 3, and ~~amounts levied pursuant to section 136C.411~~; and

(v) amounts levied under section 124.755.

Notwithstanding the foregoing, the levy recognition percentage for the referendum levy certified according to section 124A.03, subdivision 2, is 31 percent.

(c) In July of each year, the school district shall recognize as revenue that portion of the school district tax settlement revenue received in that calendar year and not recognized as revenue for the previous fiscal year pursuant to clause (b).

(d) All other school district tax settlement revenue shall be recognized as revenue in the fiscal year of the settlement. Portions of the school district levy assumed by the state, including prior year adjustments and the amount to fund the school portion of the reimbursement made pursuant to section 273.425, shall be recognized as revenue in the fiscal year beginning in the calendar year for which the levy is payable.

New language is indicated by underline, deletions by ~~strikeout~~.

Sec. 3. 1997 PROPERTY TAX RECOGNITION SHIFT ADJUSTMENT.

Subdivision 1. ADJUSTMENT. The commissioner of finance shall adjust the property tax recognition shift percentage for fiscal year 1997 under Minnesota Statutes, section 121.904, subdivision 4a, paragraph (b), clause (3), according to this section.

Subd. 2. APPROPRIATION. \$180,000,000 is appropriated from the general fund to the commissioner of children, families, and learning for fiscal year 1997 to reduce the property tax levy recognition percentage under Minnesota Statutes, section 121.904, subdivision 4a, paragraph (b), clause (3). This appropriation replaces the appropriation for fiscal year 1997 made under Minnesota Statutes, section 16A.152, subdivision 2, as a result of the November 1995 forecast.

Subd. 3. NOVEMBER 1996 DEFICIT CONTINGENCY. Notwithstanding Minnesota Statutes, section 16A.152, subdivision 4, if the commissioner of finance determines on the basis of a forecast of general fund revenues and expenditures issued before January 1, 1997, that the unrestricted budgetary general fund balance at the close of the 1996-1997 biennium will show a deficit, the commissioner of finance shall first act to reduce the deficit by increasing the property tax recognition percentage under Minnesota Statutes, section 121.904, subdivision 4a, paragraph (b), clause (3), but not above 18.1 percent. The appropriation in subdivision 2 is reduced accordingly. The commissioner of finance shall make up any additional deficit by reducing the amount in the budget reserve in accordance with Minnesota Statutes, section 16A.152, subdivision 4.

Subd. 4. NOVEMBER 1996 SURPLUS CONTINGENCY. Notwithstanding Minnesota Statutes, section 16A.152, subdivision 4, if the commissioner of finance determines on the basis of a forecast of general fund revenues and expenditures issued before January 1, 1997, that the unrestricted budgetary general fund balance at the close of the 1996-1997 biennium will show a surplus, the amount of the surplus is appropriated from the general fund to an education aid reserve account, except that the amount appropriated must not exceed the forecast value of the cost of reducing the property tax levy recognition percentage under Minnesota Statutes, section 121.904, subdivision 4a, paragraph (b), clause (3), to zero in fiscal year 1997. The balance in the account does not cancel but may not be expended until appropriated by law for education aid for fiscal years 1998 and 1999.

Subd. 5. PERCENTAGE CERTIFICATION. The commissioner of finance shall determine the amount available to reduce the property tax levy recognition percentage after giving effect to subdivisions 2 and 3, and shall certify it to the commissioner of children, families, and learning by January 5, 1997. The commissioner of children, families, and learning shall calculate the percentage using the method specified in section 121.904, subdivision 4c, and shall notify school districts of the resulting change in the levy recognition percentage by January 15, 1997.

Sec. 4. BUDGET RESERVE 1996.

The amount necessary to bring the budget reserve to \$270,000,000 on July 1, 1996, is appropriated from the general fund to the commissioner of finance for transfer to the budget reserve on that date.

Sec. 5. REPEALER.

1996 H.F. No. 2156, article 14, section 4, if enacted, is repealed.

New language is indicated by underline, deletions by ~~strikeout~~.

Sec. 6. EFFECTIVE DATE.

This act is effective the day following final enactment.

Presented to the governor April 4, 1996

Signed by the governor April 11, 1996, 12:02 p.m.

CHAPTER 462—H.F.No. 787

An act relating to natural resources; water; modifying wetland protection and management; authorizing rulemaking; appropriating money; amending Minnesota Statutes 1994, sections 84.035, subdivisions 5 and 6; 103B.3355; 103E.701, subdivision 6; 103F.612, subdivisions 2, 3, 5, 6, and 7; 103G.005, subdivision 10a, and by adding subdivisions; 103G.127; 103G.222; 103G.2241; 103G.2242, subdivisions 1, 2, 4, 6, 7, 9, and 12; 103G.237, subdivision 4, and by adding a subdivision; 103G.2373; and 115.03, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 103G; repealing Minnesota Statutes 1994, section 103G.2242, subdivision 13.

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

Section 1. Minnesota Statutes 1994, section 84.035, subdivision 5, is amended to read:

Subd. 5. ACTIVITIES IN PEATLAND SCIENTIFIC AND NATURAL AREAS. Areas designated in subdivision 4 as peatland scientific and natural areas are subject to the following conditions:

(a) Except as provided in paragraph (b), all restrictions otherwise applicable to scientific and natural areas designated under section 86A.05, subdivision 5, apply to the surface use and to any use of the mineral estate which would significantly modify or alter the peatland water levels or flows, peatland water chemistry, plant or animal species or communities, or other natural features of the peatland scientific and natural areas, including, but not limited to, the following prohibitions:

(1) construction of any new public drainage systems after the effective date of Laws 1991, chapter 354, or improvement or repair to a public drainage system in existence on the effective date of Laws 1991, chapter 354, under authority of chapter 103E, or any other alteration of surface water or ground water levels or flows unless specifically permitted under paragraph (b), clause (5) or (6);

(2) removal of peat, sand, gravel, or other industrial minerals;

(3) exploratory boring or other exploration or removal of oil, natural gas, radioactive materials or metallic minerals which would significantly modify or alter the peatland water levels or flows, peatland water chemistry, plant or animal species or communities, or natural features of the peatland scientific and natural areas, except in the event of a national emergency declared by Congress;

(4) commercial timber harvesting;

New language is indicated by underline, deletions by ~~strikeout~~.